

Do Promises Matter? An Exploration of the Role of Promises in
Psychological Contract Breach

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Abstract

Promises are positioned centrally in the study of psychological contract breach and are argued to distinguish psychological contracts from related constructs like employee expectations. However, because the effects of promises and delivered inducements are confounded in most research, the role of promises in perceptions of, and reactions to, breach remains unclear. If promises are not an important determinant of employee perceptions, emotions, and behavioral intentions, this would suggest that the psychological contract breach construct might lack utility. To assess the unique role of promises, we manipulated promises and delivered inducements separately in hypothetical scenarios in Studies 1 (558 undergraduates) and 2 (441 employees), and measured them separately (longitudinally) in Study 3 (383 employees). Our results indicate that breach perceptions do not represent a discrepancy between what employees believe they were promised and were given. In fact, breach perceptions can exist in the absence of promises. Further, promises play a negligible role in predicting feelings of violation and behavioral intentions. Contrary to the extant literature, our findings suggest that promises may matter little; employees are concerned primarily with what the organization delivers.

KEY WORDS: PSYCHOLOGICAL CONTRACT BREACH, PROMISES, EXPECTATIONS,
DELIVERED INDUCEMENTS

DO PROMISES MATTER? AN EXPLORATION OF THE ROLE OF PROMISES IN PSYCHOLOGICAL CONTRACT BREACH

More than four decades ago, the psychological contract construct was introduced as a useful framework from which to study the employee-employer relationship (e.g., Argyris, 1960; Levinson, Price, Munden, Mandl, & Solley, 1962; Schein, 1965). However, this topic received significant empirical attention only relatively recently (i.e., early 1990s). Early work conceptualized the psychological contract as the sum of all mutual expectations between the employee and the employer (Levinson et al., 1962). But more recent theoretical developments have emphasized the promissory nature of psychological contracts to differentiate them from related concepts like employee expectations (e.g., Rousseau, 1989, 1990, 1995, 1998, Rousseau & McLean Parks, 1993; Shore & Tetrick, 1994). Indeed, the study of psychological contracts and, in particular, the study of psychological contract breach, has come under scrutiny for being redundant with the long-standing study of (unmet) expectations (e.g., Guest, 1998a, 1998b).

Although the terms ‘expectations’, ‘promises’, and ‘obligations’ continue to be used interchangeably in the psychological contract literature (Anderson & Schalk, 1998; Thomas & Anderson, 1998), it is underscored that the beliefs comprising the psychological contract are promissory in nature (Robinson & Rousseau, 1994; Rousseau, 1998; 2001). That is, proponents of the psychological contract construct maintain adamantly that psychological contracts are more than mere expectations; psychological contracts consist of the set of reciprocal obligations that arise from explicit and implicit promises exchanged between the employee and the employer that serve to create an important relational bond (e.g., Morrison & Robinson, 1997; Robinson & Rousseau, 1994; Rousseau, 1995, 1998, 2001). Because of this, psychological contract scholars argue that, when employees perceive a discrepancy between promises and actual delivered

inducements (i.e., psychological contract breach), they react more strongly than when they perceive a discrepancy between what they expected and what they actually experienced on the job (e.g., Morrison & Robinson, 1997).

Despite being positioned centrally in psychological contract theorizing, little empirical attention has been devoted to demonstrating the critical role of promises in employees' breach perceptions, emotions, and behavioral intentions. In fact, the effects of promises on employee outcomes are typically confounded with the effects of delivered inducements in most research (Lambert, Edwards, & Cable, 2003). Moreover, the few correlational studies that have examined the separate effects of promised and delivered inducements appear to suggest that promises, in comparison to delivered inducements, may not matter much to employees (Lambert et al., 2003; Montes & Irving, 2008). If promises do not play a critical role in employees' breach perceptions and reactions, this would suggest that the psychological contract breach construct lacks utility. Moreover, the study of psychological contract breach might add little beyond what is already known based on the existing unmet expectations literature. In the current research, we used a multi-method approach to disentangle the effects of promises and delivered inducements on employees' breach perceptions, feelings of violation, and various behavioral intentions. Our goal was to provide a direct test of the critical role of promises in psychological contract breach.

Promises: A Defining Feature of the Psychological Contract

As mentioned previously, promises have been positioned as a central feature that distinguishes psychological contracts from more general expectations (e.g., Ho, 2005; Rousseau, 1995, 2001; Rousseau & McLean Parks, 1993; Morrison & Robinson, 1997) such as those studied within the context of realistic job previews (RJPs; Wanous, Poland, Premack, & Davis, 1992). Promises refer to a commitment to, or an assurance for, some future course of action such

as providing the promise recipient with some benefit (Rousseau, 1995, 2001; Rubin & Brown, 1975). Research on the antecedents of psychological contracts has demonstrated that promises can come from a variety of sources including organizational agents (e.g., recruiters, managers), actions (e.g., training, praise), and documents (e.g., Rousseau & Greller, 1994; Rousseau & McLean Parks, 1993; Shore & Tetrick, 1994). Unlike pre-employment expectations which similarly refer to employees' beliefs about what they will experience in their job and which also arise from a host of sources (e.g., past employment experiences, social norms, friends), the collection of beliefs comprising the psychological contract are argued to derive specifically from implicit and explicit promises made to the employee by the organization (Rousseau & Tijoriwala, 1998). Such promises need not be written or spoken explicitly to be included in an employee's psychological contract. Rather, promises can be inferred from situations that signal intent to promise (Bernicot & Laval, 1996). For instance, statements made by a recruiter to a job candidate regarding aspects of future organizational experiences will be perceived as promissory regardless of whether the recruiter explicitly states such experiences as being promised (Rousseau, 2001). Thus, according to Robinson (1996), "Although psychological contracts produce some expectations, not all expectations emanate from perceived promises, and expectations can exist in the absence of perceived promises or contracts" (p. 575).

Although recognized that promises may function to create employee expectations (e.g., Robinson, 1996; Robinson & Rousseau, 1994), psychological contract scholars argue that promises are a unique type of expectation that also serve to create obligations, regulate and direct behavior, reduce uncertainty, and to build trust and positive feelings that serve as the foundation for a strong relationship (Rousseau, 2001; Rubin & Brown, 1975; Shore & Tetrick, 1994). As a result, proponents of the psychological contract argue that, when broken, promises result in far

more severe negative reactions than do unmet expectations (Morrison & Robinson, 1997; Robinson, 1996; Rousseau, 1989, 1995).

Most research examining the relations between psychological contracts and employee outcomes focuses specifically on what happens when employees perceive that their psychological contracts have been breached (Rousseau, 2001). Perceptions of breach arise from an employee's recognition of a discrepancy between promised and delivered inducements (Morrison & Robinson, 1997). That is, at some point in the employment relationship, employees come to realize that their actual work outcomes (e.g., pay, support, opportunities for skill development) are not consistent with what they believe they were initially promised (Ho, 2005). Indeed, research indicates that most employees experience a breach of their psychological contract at some point in their employment relationship (e.g., 55%, Robinson & Rousseau, 1994; 81%, Turnley & Feldman, 2000).

Meta-analytic findings indicate that when breach is perceived, it damages employees' trust in the organization which leads to a host of negative affective, attitudinal, and behavioral reactions toward the organization (Zhao, Wayne, Glibkowski, & Bravo, 2007). For instance, perceptions of breach have been associated negatively with performance levels (e.g., Robinson, 1996), organizational citizenship behaviors (e.g., Coyle Shapiro & Kessler, 2000), organizational commitment (Raja, Johns, & Ntalianis, 2004), and job satisfaction (Kickul & Lester, 2001; Robinson & Rousseau, 1994; Sutton & Griffin, 2004; Tekleab, Takeuchi, & Taylor, 2005), and have been associated positively with turnover intentions (Turnley & Feldman, 1999, 2000) and feelings of violation (Robinson & Morrison, 2000).

Like psychological contract breach, unmet expectations is also a discrepancy variable. According to the RJP literature, unmet expectations refer to "the discrepancy between what a

person encounters on [this] job by way of positive and negative experiences and what he expected to encounter” (Porter & Steers, 1973, p. 152). When pre-employment expectations are not substantially met, employees experience a state of ‘reality shock’ (Louis, 1980) which subsequently leads to negative attitudinal and behavioral reactions similar to those reported in the psychological contract breach literature (Dugoni & Ilgen, 1981; Wanous et al., 1992). For example, unmet expectations have been associated with increased turnover intentions (e.g., Lance, Vandenberg, & Self, 2000; Pearson, 1995; Taris, Feij & Capel, 2006), decreased job satisfaction (e.g., Major, Kozlowski, Chao, & Gardner, 1995; Turnley & Feldman, 2000) and decreased organizational commitment (e.g., Major et al., 1995).

Despite being associated with similar outcomes, reactions to psychological contract breach are believed to be more severe because, unlike unmet expectations, broken promises damage the employee-employer relationship directly through a violation of the employee’s trust (Robinson, 1996; Robinson & Rousseau, 1994). In contrast, the demonstrated effectiveness of RJPs in preventing the negative effects of unmet expectations suggests that the reality shock that arises from unmet expectations is due to employees’ holding unrealistically high expectations prior to joining the organization (Phillips, 1998; Premack & Wanous, 1985; Wanous et al., 1992). Thus, unmet expectations may be the result of the employees’ own misconceptions and, therefore, may not damage the employment relationship directly.

Some empirical evidence exists to support the distinction between unmet expectations and psychological contract breach. For example, Robinson and Rousseau (1994) reported that correlations between breach and employee reactions (i.e., satisfaction, intentions to quit, turnover) are much stronger than correlations between unmet expectations and similar reactions reported in the RJP literature (Wanous et al., 1992). Further, in examining the relations among

expectations, experiences, psychological contract breach, and employee outcomes, Sutton and Griffin (2004) found that met expectations did not predict breach perceptions significantly and that met expectations did not predict job satisfaction after controlling for psychological contract breach. Similarly, Turnley and Feldman (2000) found that unmet expectations only partially mediated the relationship between breach and employee reactions (i.e., turnover intentions, organizational citizenship behaviors). This suggests that psychological contract breach functions to affect employee attitudes and behaviors through something other than mere unmet expectations. As mentioned previously, numerous psychological contract scholars contend that the mechanism is organizational trust. That is, breach results in stronger negative reactions than do unmet expectations, because breaking a promise damages the trust that serves as the foundation of the employment relationship (e.g., Buch & Aldridge, 1991; Robinson, 1996; Robinson & Rousseau, 1994; Rousseau, 1989). Empirical support for the mediating role of trust has been found (e.g., Deery, Iverson, & Walsh, 2006; Lo & Aryee, 2003; Montes & Irving, 2008; Robinson & Morrison, 1995). In fact, Robinson (1996) demonstrated directly that trust is a stronger mediator of breach effects than are unmet expectations.

The aforementioned empirical findings are argued to provide strong support that psychological contracts are distinct from more general expectations and that the study of psychological contract breach adds incremental value above and beyond the study of unmet expectations. However, that support may not be as strong as is implied. As will be discussed in the following section, like most psychological contract breach research, interpretation of studies comparing the effects of unmet expectations and breach is limited due to the use of difference scores and direct measures to assess these discrepancy variables.

Interpretational Limitations in Most Existing Psychological Contract Breach Research

The bulk of research on psychological contract breach has been correlational by design and has operationalized the discrepancy between promised and delivered inducements using difference scores (i.e., breach = promises minus delivered inducements) or, more frequently, direct measures, such as when employees are asked to rate the extent to which their organization has fulfilled all of the promises made to them (e.g., Cavanaugh & Noe, 1999; Coyle-Shapiro & Kessler, 2000; Johnson & O'Leary-Kelly, 2003; Kickul, Neuman, Parker, & Finkl, 2002; Lo & Aryee, 2003; Robinson, 1996; Robinson & Morrison, 1995, 2000; Robinson & Rousseau, 1994; Turnley, Bolino, Lester, & Bloodgood, 2003; Turnley & Feldman, 1998, 1999, 2000). Use of such measures to assess discrepancy variables has received widespread criticism in a variety of literatures because direct measures and difference scores lead to problematic interpretation of results (e.g., Cronbach & Furby, 1970; Edwards, 1991, 1994, 2001; Edwards & Cooper, 1990; Irving & Meyer, 1994, 1995; Johns, 1981).

Central to the current research, direct measures and difference scores confound the effects of the two components of breach, namely, promised and delivered inducements, and thereby mask the role of promises. Thus, in most existing research, it is unclear if traditional measures of breach truly tap a discrepancy between promised and delivered inducements and if this discrepancy is what really drives negative employee reactions. Perceptions of breach and negative reactions may be due simply to one of the two components. As noted by Arnold (1996), as with any concept that combines two or more distinct variables, psychological contract breach can be criticized on the basis that only one of the variables (either what is promised or what is delivered) really matters.

Examination of the broader organizational behavior literature suggests that delivered inducements may play a disproportionate role in explaining breach perceptions and employee reactions. Indeed, the notion that employees have great interest in maximizing their rewards and other beneficial outcomes is a common theme in the study of organizational behavior (e.g., Adams, 1965; Locke, 1976). Moreover, this notion is recognized in practice by the widespread efforts of recruiters to “sell” the organization to job candidates (Wanous, 1992). If employee perceptions, attitudes, and behavioral intentions are simply a function of the inducements organizations deliver (indicating that promises do not matter), this would have significant implications for the interpretation and application of extant psychological contract literature. Moreover, it would have important implications for the utility of the future study of breach as a unique construct from which to understand the employee-employer relationship.

Some attention has been devoted to the interpretational problems that arise from the use of difference scores and direct measures to assess psychological contract breach. Lambert et al. (2003) and, more recently, Montes and Irving (2008) avoided the shortcomings of these traditional measurement strategies in their research by disentangling the effects of promised and delivered inducements on employee outcomes longitudinally. In each study, employees’ perceptions of promised and delivered inducements were measured at different points in time and the separate and joint effects of these component variables on outcomes were assessed using polynomial regression and response surface methodology. Of particular relevance to our research, and contrary to the bulk of existing work on breach effects, their findings indicated that employee satisfaction (Lambert et al., 2003; Montes & Irving, 2008), feelings of violation, and employment intentions (Montes & Irving, 2008) were more strongly associated with delivered inducements alone than with a discrepancy between promised and delivered inducements.

Despite the benefits of separating promises and delivered inducements longitudinally, interpretation of such findings is limited. Specifically, the disproportionate effects of delivered inducements on outcomes may be explained by the relative temporal proximity of the measures. That is, delivered inducements may have a stronger relationship with the outcomes than do promises because delivered inducements are assessed closer in time to the outcomes than are promises. Nonetheless, Lambert et al.'s (2003) and Montes and Irving's (2008) findings raise important concerns about interpretation of most existing psychological contract breach research. More specifically, it appears as though the negative outcomes associated with breach that are reported in the extant literature may not be due to the presumed discrepancy between promised and delivered inducements. Although these researchers did not measure breach perceptions directly in their studies, their findings also suggest that traditional measures of breach, which confound the effects of promised and delivered inducements, may have masked the true driving force of negative employee reactions—delivered inducements.

Thus, although perceptions of breach and the resultant negative reactions studied in the psychological contract literature arise presumably from consideration of whether the organization fulfills its promises to employees, most research to date has not demonstrated unequivocally that promises play a central role. Because the promissory nature of psychological contracts is what separates the study of breach from the study of unmet expectations (e.g., Ho, 2005; Rousseau, 1995; Rousseau & McLean Parks, 1993), it is critical to demonstrate that promises are indeed central in creating perceptions of psychological contract breach and influencing employees' reactions to what their organization gives them. Although Lambert et al.'s (2003) and Montes and Irving's (2008) findings suggest a limited role of promises, definitive statements cannot be made on the basis of correlational research alone. A direct test of

the centrality of promises can only be accomplished by using an experimental methodology in which both promises and delivered inducements are manipulated and all other potential influences on employee perceptions and reactions are controlled. We sought to provide this causal test in the present research.

In this series of studies, we aimed to overcome the interpretational limitations inherent in most existing psychological contract research (e.g., Coyle-Shapiro & Kessler, 2000; Johnson & O’Leary-Kelly, 2003; Kickul et al., 2002; Robinson, 1996; Robinson & Morrison, 1995, 2000; Robinson & Rousseau, 1994; Turnley et al., 2003; Turnley & Feldman, 1998, 1999, 2000) by disentangling the effects of promises and delivered inducements on breach perceptions, emotions, and behavioral intentions. Using a multi-method approach, our goal was to empirically test the assumption that perceptions of psychological contract breach (as measured traditionally) reflect a discrepancy between promises and delivered inducements and that this discrepancy is responsible for negative employee reactions. Extending the work of Montes and Irving (2008) and Lambert et al. (2003), we used an experimental methodology to tease apart the effects of promises and delivered inducements in a controlled context in an effort to determine the relative contribution of each component to peoples’ feelings of violation, intentions to turnover, and intentions to engage in organizational citizenship behaviors (OCBs). Unlike the work of Lambert et al. and Montes and Irving, all of our measures were collected at the same point in time. Further building on their work, we used experimental and correlational methodologies to gain converging evidence as to whether traditional direct measures of breach truly tap a discrepancy between the inducements employees believe they were promised and believe they were given.

Study 1: An Experimental Examination of the Effects of Promises and Delivered Inducements

Because psychological contract breach is defined as a discrepancy between two components (promised and delivered inducements), its definition implies that each component contributes equally to the construct (Edwards, 2001; Lambert et al., 2003). That is, people's perceptions of breach result from equal consideration of *both* what the organization promised to provide and what the organization later delivered. This discrepancy has been operationalized using either global (e.g., Robinson & Morrison, 2000; Robinson & Rousseau, 1994; Turnley & Feldman, 1998) or facet (e.g., Conway & Briner, 2002; Turnley et al., 2003) direct measures in most correlational research. However, because both global and facet direct measures confound the effects of the component variables, the relative contribution of promises, both in creating perceptions of breach and in influencing employees' behavioral intentions, is unclear. Moreover, reliance on the correlational method in most research (e.g., Lambert et al., 2003) precludes demonstrations of causal relations between promises and delivered inducements and employee reactions. As such, we departed from traditional methodologies used to study psychological contract breach and tested the assumption that perceptions of breach (as assessed with a global direct measure) and reactions are due to a discrepancy between promised and delivered inducements. Specifically, we used an experimental approach (i.e., a scenario-based paradigm) to isolate the causal effects of promises and delivered inducements, which thereby allowed us to determine the relative roles of each in people's breach perceptions and behavioral intentions.

The use of an experimental methodology to study breach is a novel undertaking. As such, we relied heavily on existing theorizing in the psychological contract literature to develop an experimental scenario that would be effective, realistic, and consistent with extant theorizing on psychological contract breach. Researchers have suggested that not all discrepancies between

promised and delivered inducements are noticed and not all noticed breaches result in negative reactions (Rousseau, 1995). Thus, to ensure that our manipulations of promised and delivered inducements would be successful in eliciting perceptions of breach and negative reactions, we chose to not only manipulate whether or not promises were made and inducements were delivered, but also, the size of the resultant breach.

According to Morrison and Robinson (1997), the size of the discrepancy between promised and delivered inducements will influence whether a broken promise will inevitably be recognized as a breach of the psychological contract. Because they stand out from the environment more, larger discrepancies are thought to be more salient, and therefore, more likely to be recognized than are smaller discrepancies (Morrison & Robinson, 1997). It has also been suggested that the size of the discrepancy will affect the relationship between perceived breach and employee reactions (Rousseau, 1995). In fact, Turnley and Feldman (1999) noted that, “not only are larger discrepancies more likely to be noticed than smaller ones, but larger discrepancies are likely to be interpreted and responded to differently than smaller ones as well” (p. 374). This notion finds support in Social Exchange Theory (e.g., Blau, 1964) and reciprocity norms (e.g., Gouldner, 1960), which would suggest that, to restore balance to the exchange relationship, employees who perceive a large contract breach should withdraw more contributions compared to those who perceive a small contract breach.

Based on the aforementioned theorizing, within the context of a hypothetical scenario, we operationalized the psychological contract as the set of promises made by a recruiter to a job candidate.¹ Imagining themselves as the job applicant, participants read about their recruitment experience and later work experiences after having accepted the job. To determine the relative roles of promises and delivered inducements, we manipulated whether or not promises were

made during the recruitment session (promises vs. no promises) and we varied the level of inducements that were later delivered to the employee on the job (low, moderate, high).

Together, these manipulations allowed us to capture situations in which a breach had and had not occurred, as well as situations in which the size of the breach varied (i.e., individuals in the promises condition read about a large, small, or no breach experience).

Drawing on the extant psychological contract literature (e.g., Morrison & Robinson, 1997), we predicted that perceptions of breach based on the amount of delivered inducements would arise only when individuals believed that promises were made. This is because recognition that the psychological contract has been breached should only occur when a psychological contract (i.e., promises) exists. Moreover, based on propositions raised in the psychological contract literature (e.g., Morrison & Robinson, 1997; Turnley & Feldman, 1999) and empirical findings that negative perceptions of a target are commensurate with the degree of harm the target has caused (Fiske & Taylor, 1984), we predicted that the strength of breach perceptions would be commensurate with the size of the discrepancy between promised and delivered inducements. Thus, to assess the critical role of promises in people's perceptions of breach, we tested the following hypotheses:

Hypothesis 1a: Promises will interact with delivered inducements to affect perceptions of psychological contract breach such that breach perceptions will arise only when promises are made.

Hypothesis 1b: When promises are made, perceptions of breach will be stronger as the number of delivered inducements decreases.

With regard to behavioral intentions, in the absence of organizational promises, employees may use their general expectations as a standard of comparison when judging

delivered inducements (Olson, Roese, & Zanna, 1996). Drawing from the RJP literature, if the inducements given to employees fall short of their expectations, they may experience reality shock and develop negative attitudes and behaviors toward the organization (Dugoni & Ilgen, 1981; Louis, 1980; Wanous et al., 1992). Given that individuals in the no promises condition in the present study might rely on their general expectations when assessing the delivered inducements, it is possible that negative reactions to low levels of delivered inducements would arise both when promises were made and when no promises were made. Further, based on Social Exchange Theory (e.g., Blau, 1964) and the general expectancies literature (Olson et al., 1996), we anticipated that negative reactions would be commensurate with the absolute number of delivered inducements. As such, we hypothesize that:

Hypothesis 2: There will be a main effect of delivered inducements on behavioral intentions (i.e., intentions to perform OCBs and intentions to turnover) such that negative reactions to delivered inducements will be stronger as the number of delivered inducements decreases.

In an effort to tease apart the conceptual distinction between unmet expectations and psychological contract breach, researchers have argued that breach should result in much stronger negative reactions than should unmet expectations because of the promissory nature of the psychological contract (e.g., Morrison & Robinson, 1997; Robinson & Rousseau, 1994; Rousseau, 1998, 1990). Unmet expectations may result from a variety of factors unrelated to the organization (e.g., past employment experiences); in contrast, a psychological contract breach arises because the organization is perceived to have broken its promises. Thus, a breach of the psychological contract has the potential to severely undermine the relational exchange and cause strong feelings of personal betrayal whereas unmet expectations are likely to result only in

disappointment (Morrison & Robinson, 1997). Based on correlational findings that support the differential strength of reactions to unmet expectations and psychological contract breach (Robinson, 1996; Turnley & Feldman, 2000), we anticipated that negative reactions to lower levels of delivered inducements would be significantly stronger when promises were made than when no promises were made (i.e., when employees may rely on their general expectations). Thus, to determine the critical role of promises in explaining peoples' behavioral intentions toward the organization, we tested the following hypothesis:

Hypothesis 3: Promises will interact with delivered inducements to affect behavioral intentions (i.e., intentions to perform OCBs and intentions to turnover) such that negative reactions to delivered inducements will be stronger when promises are made than when no promises are made.

Method

Participants and Procedure

Nine hundred and fifty-one university undergraduates (70.6% female) participated in this study as part of a large mass-testing battery. The majority (96%) were between the ages of 16 and 21 ($M = 18.69$, $SD = 1.71$).

This study used a 3 (Delivered Inducements: High/Moderate/Low) X 2 (Promises: No Promises/Promises) between subjects design with random assignment to conditions. The materials were presented on two pages and participants were instructed to imagine themselves in the situation described in the scenario. The first page contained part one of the scenario which described the recruitment experience of a job applicant. Approximately half of the participants read that the recruiter made seven promises regarding various inducements (e.g., support with personal problems, development of marketable skills, regular bonuses) that the organization

would deliver if the applicant accepted the job. For instance, participants read “The recruiter tells you that the organization is very employee-oriented, for example, they will help you develop externally marketable skills (with training workshops) and even support you with your personal problems.” In contrast, the other half of participants read a similar passage in which no mention of inducements was made. Participants in both conditions read that the applicant accepted the job offer. To assess the effectiveness of this manipulation and to ensure comprehension of the scenario, participants completed a promise manipulation check before proceeding to page two.

The second page contained one of three randomly assigned versions of the second part of the scenario which described the state of affairs three years into the job. Specifically, participants read that they were given seven inducements (high delivered inducements), five inducements (moderate delivered inducements), or three inducements (low delivered inducements). Participants then completed a manipulation check on the extent of delivered inducements as well as measures of the outcome variables.

Measures

Promises and delivered inducement manipulation checks. The inducements manipulated in the scenario were drawn from previous research on psychological contracts which found these benefits and experiences to be highly representative of the things that most organizations promise to employees (e.g., Rousseau, 1990). Given that perceptions of promises and delivered inducements are subjective in nature (Morrison & Robinson, 1997), we assessed these perceptions using continuous scales. Specifically, for the promises manipulation check, participants were asked to indicate the extent to which the organization (as described in the scenario) promised to provide them with each of seven inducements on a scale that ranged from 1 (Minimally or not at all) to 7 (To a very large extent). If the scenario was read correctly,

participants in the promises condition (in contrast to those in the no promises condition) should have rated each item with a four or higher, indicating that all seven promises had been made at least to some extent. For the delivered inducements manipulation check, participants indicated the extent to which the organization (as described in the scenario) had provided them with each of the seven inducements using the same scale described above.

OCBs. Based on Coyle-Shapiro's (2002) work on psychological contracts and OCBs, the two items with the highest factor loadings in each of three organization-focused OCB scales were used in the current study. The reliabilities for each of these two-item scales were .79, .83, and .69 (i.e., for extra-role activities, loyalty, and obedience scales, respectively). Participants indicated how likely they would be to perform each of these behaviors in percentage terms on an 11-point scale (0% Absolutely would not - 100% Absolutely would).

Turnover intentions. Three items were combined to assess how likely it would be that participants would quit their job (e.g., . . . hand in your resignation). These items were dispersed among the OCB items and were rated on the same 11-point scale. The internal consistency of this scale was .79.

Perceptions of breach. As in past research (e.g., Robinson & Morrison, 1995), breach perceptions were assessed directly with three global items (e.g., I have not received everything promised to me in exchange for my contributions.), each rated on a seven-point scale. The items were combined into a single scale with an internal consistency of .82.

Results

Manipulation Checks

Participant responses concerning promised inducements were analyzed using a One-way Analysis of Variance (ANOVA). The results indicated a significant difference in perceptions of

promises between participants in the promises and no promises conditions, $F(1, 949) = 76.22, p < .001, \eta^2 = .08$. Participants in the no promises condition indicated that the organization had made fewer promises compared to those in the promises condition. However, this difference was likely significant due to the large sample size given that the means in the two conditions were highly similar ($M = 4.25, SD = 1.42$ and $M = 4.94, SD = .96$, for the no promises vs. promises conditions, respectively). Examination of the responses within each condition indicated that a significant number of participants did not understand the scenario as intended.² Interestingly, most misunderstandings occurred in the no promises condition. To provide a clear test of our hypotheses, only the responses of individuals who understood the scenario correctly were included in the analyses ($N = 558$).

Participant responses concerning delivered inducements were analyzed using a one-way ANOVA. The results indicated significant differences among the three groups, $F(2, 553) = 259.87, p < .001, \eta^2 = .48$. Further analysis indicated that the second portion of the scenario was understood correctly. Participants in the high delivered inducements condition ($M = 5.62, SE = .05$) reported receiving more inducements than participants in both the moderate ($M = 4.65, SE = .05$) and low ($M = 3.73, SE = .05$) delivered inducements conditions ($p < .001$). Likewise, participants in the moderate delivered inducements condition reported receiving more than participants in the low delivered inducements condition ($p < .001$).

Hypothesis Testing

All hypotheses were tested using ANOVA. Conventional standards were used to examine the data for influential observations (Cook's D and Leverage statistics) and outliers (standardized residuals greater than ± 3 SDs) that might adversely affect the validity of the results (Pedhazur, 1997). No more than three cases were removed from any analysis.

Hypothesis 1 predicted an interactive effect of promise condition and delivered inducements on perceptions of breach. Beginning with the main effects, there were significant differences in perceptions of breach among individuals in the delivered inducements conditions, $F(2, 549) = 121.64, p < .001, \eta^2 = .31$. The post hoc test revealed that those who received a high level of inducements perceived very little breach ($M = 2.33, SE = .08$), those who received a moderate level of inducements perceived a moderate degree of breach ($M = 3.36, SE = .09$) and those who received a low level of inducements perceived a high degree of breach ($M = 4.28, SE = .10$). Differences among the groups were all significant ($p < .001$). A significant main effect was also found for promise condition, $F(2, 549) = 5.55, p < .05, \eta^2 = .01$, indicating that perceptions of breach were higher among those who were made promises ($M = 3.44, SE = .05$) than among those who were not made promises ($M = 3.20, SE = .09$).

Although promised inducements and delivered inducements had independent effects on perceptions of breach, we were interested in the interactive effect of these components. It was expected that perceptions of breach would only occur for individuals who were initially made promises (Hypothesis 1a) and that these perceptions would be stronger at lower levels of delivered inducements (Hypothesis 1b). The results indicated a significant interaction between delivered inducements and promise condition $F(2, 549) = 3.81, p < .05, \eta^2 = .02$. As shown in Figure 1, when promises were made, perceptions of breach differed among the delivered inducements groups in the expected manner (i.e., the lower the delivered inducements, the stronger the breach perceptions). Thus, Hypothesis 1b was supported. However, this trend was also evident among those who were not made promises. Perceptions of breach were associated with amount of delivered inducements irrespective of whether those inducements were promised,

$F(2, 408) = 175.43, p < .001, \eta^2 = .46$, or were not promised, $F(2, 141) = 24.39, p < .001, \eta^2 = .26$. Thus, Hypothesis 1a was not supported.

We investigated this interaction further by examining mean differences in perceptions of breach between the promises and no promises groups within each level of delivered inducements. At a high level of delivered inducements, there was no significant difference in perceptions of breach among those who were made promises ($M = 2.27, SE = .09$) and those who were not ($M = 2.39, SE = .15$). Similarly, no significant differences were found for promise condition at a moderate level of delivered inducements ($M = 3.50, SE = .08$ and $M = 3.22, SE = .13$ for promises and no promises, respectively), $F(1, 173) = 3.29, p < .10, \eta^2 = .02$. However, at a low level of delivered inducements, individuals who were made promises ($M = 4.56, SE = .09$) reported stronger perceptions of breach compared to those who were not made promises ($M = 3.99, SE = .18$), $F(1, 183) = 7.77, p < .01, \eta^2 = .04$. This suggests that promises may matter somewhat at very low levels of delivered inducements. However, it cannot be disregarded that perceptions of breach occurred and became increasingly stronger (with lower levels of delivered inducements) among those who were not made promises. Thus, we did not find clear support for Hypothesis 1.

Hypothesis 2 predicted a main effect of delivered inducements on behavioral intentions such that negative reactions would be stronger as the number of delivered inducements decreased. Support for this prediction was found for turnover, $F(2, 546) = 106.34, p < .001, \eta^2 = .28$, loyalty, $F(2, 549) = 80.90, p < .001, \eta^2 = .23$, obedience, $F(2, 549) = 14.38, p < .001, \eta^2 = .05$, and extra-role behavioral intentions, $F(2, 548) = 39.94, p < .001, \eta^2 = .13$. Post hoc analyses confirmed that turnover intentions were significantly stronger ($p < .001$) at moderate and low levels of delivered inducements ($M = 5.35, SE = .16$ and $M = 6.59, SE = .17$, respectively) than at

a high level of delivered inducements ($M = 3.41, SE = .15$). Further, turnover intentions at a low level of delivered inducements were stronger than those at a moderate level ($p < .001$). This same pattern emerged for loyalty intentions ($M = 9.15, SE = .13, M = 7.90, SE = .14$, and $M = 6.64, SE = .15$ for the high, moderate, and low delivered inducements, respectively) and extra-role intentions ($M = 8.31, SE = .17, M = 6.81, SE = .19$, and $M = 6.09, SE = .20$ for high, moderate, and low delivered inducements, respectively). In both cases, behavioral intentions differed significantly across all three levels of delivered inducements ($p < .001$). In the case of obedience OCBs, intentions at a high level of delivered inducements ($M = 9.28, SE = .15$) differed significantly ($p < .01$) from those at moderate and low levels of delivered inducements ($M = 8.50, SE = .15$ and $M = 8.10, SE = .17$ for moderate and low levels, respectively). However, there was no significant difference between the moderate and low levels of delivered inducements. In this case, whether given three or five inducements, participants' behavioral intentions did not differ. It is worth noting that the somewhat differential pattern of results for obedience intentions may be explained, in part, by the lower internal consistency of the obedience items compared to those of the other behavioral intentions measures. Overall, strong support was found for Hypothesis 2.

Hypothesis 3 predicted that promises would interact with delivered inducements to affect behavioral intentions such that delivered inducements would have a stronger effect on reactions when promises were made compared to when no promises were made. No main effects were found for promises and no significant interactions emerged across the various behavioral intentions variables. Contrary to Hypothesis 3, individuals reacted similarly to the outcomes they received regardless of whether those outcomes were or were not originally promised to them.

Discussion

In Study 1 we used an experimental methodology to test the assumption that promises play a critical role in people's perceptions of breach (as assessed with a global direct measure) and behavioral intentions toward an organization. Within the context of a scenario, we manipulated whether or not a recruiter made promises to a job applicant and the level of inducements that person actually received three years after accepting the job. Based on the extant psychological contract literature, we anticipated that breach perceptions would arise only when promises were initially made and that behavioral intentions toward the organization would be influenced jointly by promises and delivered inducements. Specifically, we expected that negative reactions would be significantly stronger when promises were made than when no promises were made.

Our results indicated that, although perceptions of breach became increasingly stronger with lower levels of delivered inducements, this pattern of relations held regardless of whether promises were made. Thus, contrary to the existing conceptualization of psychological contract breach, perceptions of breach arose when no promises were made. One possible explanation is that individuals in both the promises and no promises conditions perceived that promises had been made. Indeed, initial examination of the manipulation check suggested that some people in the no promises condition perceived organizational promises. To provide a more stringent test of our hypotheses, we omitted participants who did not understand the scenario properly. Nevertheless, we found weak support for the presumption that global direct measures of breach capture a discrepancy between promised and delivered inducements.

Consistent with criticisms of psychological contract breach research (e.g., Arnold, 1996; Lambert et al., 2003; Montes & Irving, 2008), our results suggests that perceptions of

psychological contract breach, as traditionally assessed, may not be based solely on a perceived discrepancy between promised and delivered inducements. Perceptions of promises and subsequent perceptions of breach can arise even in the absence of actual promises. In a real organizational context, psychological contract scholars would not be surprised by these findings because psychological contracts are perceptual in nature and, as a result there may not be agreement between employees and organizational agents regarding what was promised (e.g., Morrison & Robinson, 1997). However, in the context of the hypothetical scenario used in this research, our finding is particularly striking because no information was provided in the scenario that could have been perceived as promissory.

With regard to reactions, our findings were in line with the general expectancies literature (Olson et al., 1996) in that turnover intentions and intentions to perform various OCBs were affected by the extent of inducements delivered (fewer inducements were associated with stronger negative reactions). However, these effects did not differ significantly across promise condition. That is, reactions to delivered inducements were not a function of whether promises had been made. These findings are inconsistent with research (e.g., Robinson, 1996; Turnley & Feldman, 2000) suggesting that reactions to breach are more severe than are reactions to unmet expectations (i.e., participants in the no promises condition may have used expectations as a standard of comparison). However, our findings replicate and extend correlational research that disentangled the effects of promised and delivered inducements on employee reactions (i.e., Lambert et al., 2003; Montes & Irving, 2008). In our controlled studies wherein promises, delivered inducements, and employee reactions were assessed at the same point in time, delivered inducements were what mattered most. This suggests that Lambert et al.'s and Montes and Irving's findings regarding the disproportionate role of delivered inducements cannot be

explained by the differential timing of the promises and delivered inducements measures relative to the outcome measures. Thus, promises may not be as important as the bulk of psychological contract research suggests.

Together, our findings indicate that perceptions of breach and negative reactions can arise regardless of whether promises are or are not made. In effect then, promises may not matter much. In support of concerns raised by Arnold (1996), people appeared to care only about what they got from the organization; this has significant implications for the utility of studying psychological contract breach. However, to say that promises do not matter may be a premature conclusion. One possible explanation for why promises did not appear to function as expected in the current study is that participants in the promises and no promises conditions had similar expectations. In this study, we presumed that, in the absence of promises, individuals in the no promises condition would have relied on their general expectations when judging their delivered inducements. However, if general expectations were similar to what was promised, the unique role of promises would be masked and thereby make delivered inducements appear to be the sole determinant of reactions. To assess this possibility, we conducted a second scenario study in which we measured and controlled for participants' pre-existing expectations.

Study 2: The Effects of Promises While Controlling for Expectations

The conceptual distinction between psychological contracts and expectations has, for the most part, been theoretical in nature (e.g., Rousseau, 1995). Central to this distinction is the notion that employer promises do more than just create employee expectations. Promises serve to create a strong positive connection between the employee and the employer (Rousseau, 2001; Shore & Tetrick, 1994). As such, compared unmet expectations, psychological contract breach strikes at the core of the employee-employer relationship, resulting in severe feelings of personal

betrayal and attempts to create distance from the employer (Robinson, 1996).

In Study 2 we sought to demonstrate that promises have a unique effect beyond delivered inducements by controlling for respondents' pre-existing expectations regarding the scenario inducements and by measuring both behavioral intentions and feelings of violation. Feelings of violation refer to a collection of negative affective reactions (e.g., anger, resentment, betrayal) that are believed to arise from perceptions of breach (i.e., a cognitive assessment, Morrison & Robinson, 1997). If promises function in accordance with extant psychological contract theory, controlling for pre-expectations should assist in capturing any real differences in perceptions of breach, feelings of violation, and behavioral intentions between individuals who are and who are not made promises. In turn, this would demonstrate the added value of studying psychological contract breach. As such, we hypothesized that, controlling for expectations:

Hypothesis 4a: Promises will interact with delivered inducements to affect perceptions of breach such that breach perceptions will arise only when promises are made.

Hypothesis 4b: When promises are made, perceptions of breach will be stronger as the number of delivered inducements decreases.

Hypothesis 5: Promises will interact with delivered inducements to affect reactions (i.e., intentions to perform OCBs, intentions to turnover, feelings of violation) such that negative reactions will be stronger when promises are made than when no promises are made.

Method

Participants and Procedure

Employees were recruited from a voluntary on-line panel of English-speaking adults (The StudyResponse Project: Stanton & Weiss, 2002). This panel has been used by other researchers

(e.g., Piccolo & Colquitt, 2006; Wallace & Chen, 2005) to overcome some of the limitations of alternative data collection methods (e.g., use of undergraduate students or employees from a limited number of organizations) by sampling from adult employees in a wide variety of occupations and organizations.

Initially a participation request and link to the first survey was sent out to 4000 panel members. Of those individuals, 603 completed the first survey, resulting in an initial response rate of approximately 15%, which is typical for StudyResponse. The Time 1 survey was used to collect relevant demographic information (e.g., age, gender) as well as assess employees' pre-existing expectations regarding the seven inducements that would later be described in the scenario portion of the study. Specifically, participants were asked to rate the extent to which they expected an organization with which they were employed to provide them with each of the inducements within their first three years on the job. Ratings were made on a scale ranging from 1 (Expect minimally or not at all) to 7 (Expect to a very large extent). A link to the second online survey was sent to participants two weeks later. The materials included in this survey were similar to those used in Study 1 (i.e., two-part scenario, promised and delivered inducements manipulation checks, perceptions of breach, behavioral intentions). However, we also included a four-item measure of feelings of violation (e.g., I feel betrayed by my organization; $\alpha = .96$) adapted from Robinson and Morrison (2000). Responses to these items were made on a scale that ranged from 1 (Strongly disagree) to 7 (Strongly agree). Of the individuals who completed the first survey, 441 completed the second, resulting in a response rate of 73%. There were no significant differences on demographic variables or expectations among respondents who completed both surveys and those who did not. However, all analyses were conducted with respondents who completed both surveys ($N = 441$).

Although our participants came from around the world, approximately half were US residents. Most (88%) indicated that English was their first language. Age ranged from 19 to 70 years with a mean age of 39 years ($SD = 10.73$). Approximately 54% of respondents were female. Respondents had varying levels of education and were employed in a wide variety of industries. The average length of tenure in the sample was 7.26 years ($SD = 7.29$). Most respondents were permanently employed on either a full-time (72%) or a part-time (17%) basis. The remainder indicated that they were employed temporarily on either a full-time (7%) or a part-time (4%) basis. Managers comprised 34% of the sample, with most (53%) working in mid-level management positions. Approximately 17% of the sample reported annual earnings less than \$15,000, 53% reported earnings between \$15,000 and \$50,000, and 26% reported earnings in excess of \$50,000 (3% surpassed \$100,000 per year).

Results

Manipulation Checks

Participant responses concerning what the organization had promised and what the organization had delivered were analyzed using Analysis of Covariance (ANCOVA) with expectations entered as a covariate. Given the diversity of our sample and the potential for individuals' perceptions to differ as a function of age and gender, we also included these individual difference variables as covariates.

Analysis of the promises manipulation check indicated a significant difference in perceptions of promises between participants who were and who were not made promises, $F(1, 418) = 62.53, p < .001, \eta^2 = .13$. Participants in the no promises condition ($M = 4.21, SD = 1.62$) indicated that the organization had made fewer promises compared to those in the promises condition ($M = 5.23, SD = 1.14$). Thus, all responses were retained for analysis.

Analysis of the delivered inducements manipulation check indicated that there were significant differences among the delivered inducement groups, $F(2, 417) = 112.82, p < .001, \eta^2 = .35$, reflecting that participants had understood the second portion of the scenario correctly. Those who received a high level of inducements ($M = 5.68, SE = .08$) reported receiving more inducements than those who received a moderate level ($M = 4.81, SE = .09$). Likewise, those who received a moderate level of inducements reported receiving more than those who received a low level ($M = 3.87, SE = .09$). All comparisons were significant ($p < .001$).

Hypothesis Testing

Hypotheses were tested using ANCOVA.³ As in Study 1, conventional standards were used to examine the data for influential observations and outliers that might adversely affect the validity of the results (Pedhazur, 1997). No cases warranted removal.

Hypothesis 4 predicted an interaction between promises and delivered inducements on perceptions of breach. As in Study 1, a main effect was found for delivered inducements, $F(2, 414) = 128.69, p < .001, \eta^2 = .38$. Mean comparisons indicated that breach perceptions became stronger at consecutively lower levels of delivered inducements ($M = 2.09, SE = .10, M = 3.39, SE = .11$, and $M = 4.37, SE = .10$ for high, moderate, and low delivered inducements, respectively). Although a main effect of promises was not found, there was a significant interaction between promises and delivered inducements, $F(2, 414) = 4.12, p < .05, \eta^2 = .02$.

As shown in Figure 2, consistent with Hypothesis 4b, perceptions of breach among those who were made promises differed according to the level of delivered inducements, $F(2, 206) = 87.22, p < .001, \eta^2 = .46$. As in Study 1, a moderate level of delivered inducements ($M = 3.48, SE = .15$) resulted in stronger perceptions of breach than did a high level of delivered inducements ($M = 1.83, SE = .15$). Further, a low level of delivered inducements ($M = 4.57, SE =$

.14) resulted in stronger perceptions of breach than did a moderate level of delivered inducements. However, also replicating the findings in Study 1 and contrary to Hypothesis 4b, this trend held also among individuals who were not made promises, $F(2, 206) = 46.97, p < .001, \eta^2 = .31$. Specifically, when no promises were made, mean ratings of breach perceptions became increasingly stronger with decreasing levels of delivered inducements ($M = 2.30, SE = .13, M = 3.30, SE = .15$, and $M = 4.19, SE = .15$ for high, moderate, and low delivered inducements, respectively). To investigate this interaction further, we examined the effect of promises within each level of delivered inducements. Unlike Study 1, no significant effects were found for promises. Thus, although a discrepancy between promised and delivered inducements causes perceptions of breach, breach perceptions also arise from the mere consideration of delivered inducements.

Hypothesis 5 predicted that, controlling for expectations, delivered inducements would have a stronger effect on participant reactions in the promises condition, compared to the no promises condition. Beginning with the main effects, across both promise conditions, expectations were related positively to loyalty, $F(1, 413) = 14.40, p < .001, \eta^2 = .03$ and extra-role behavior intentions, $F(1, 413) = 15.09, p < .001, \eta^2 = .04$. Further, delivered inducements had a significant main effect on feelings of violation, $F(2, 413) = 75.48, p < .001, \eta^2 = .27$, turnover intentions, $F(2, 413) = 70.29, p < .001, \eta^2 = .25$, and intentions toward loyalty, $F(2, 413) = 80.78, p < .001, \eta^2 = .28$, obedience, $F(2, 414) = 6.63, p < .001, \eta^2 = .03$, and extra-role behaviors, $F(2, 413) = 47.16, p < .001, \eta^2 = .19$. With the exception of obedience OCBs, all multiple comparisons indicated that responses to the dependent measures differed significantly across all levels of delivered inducements ($p < .001$). Replicating the finding in Study 1, reactions were significantly more negative the lower the number of delivered inducements. In the

case of obedience OCBs, and consistent with the findings in Study 1, responses at low and moderate levels of delivered inducements did not differ significantly. Finally, promises had a significant main effect on turnover intentions, $F(1, 413) = 7.78, p < .01, \eta^2 = .02$, indicating that turnover intentions were stronger when no promises were made ($M = 4.83, SE = .14$) than when promises were made ($M = 4.28, SE = .14$).

With regard to the hypothesized interaction, a significant effect was found only in the prediction of obedience OCBs, $F(2, 414) = 3.84, p < .05, \eta^2 = .02$. Delivered inducements had a significant effect on obedience intentions when promises were made, $F(2, 206) = 4.18, p < .05, \eta^2 = .04$, and when no promises were made, $F(2, 205) = 6.08, p < .01, \eta^2 = .06$. To determine if these effects were in line with Hypothesis 5, we compared the responses of participants who were and who were not made promises at each level of delivered inducements. A significant effect of promises was found only at a moderate level of delivered inducements, $F(1, 128) = 8.08, p < .01, \eta^2 = .06$. Unexpectedly, participants who were not made promises ($M = 7.49, SE = .33$) reported weaker intentions to engage in obedience OCBs than those who were made promises ($M = 8.78, SE = .31$). Thus, although a significant interaction was found between promises and delivered inducements, the pattern of relations was not consistent with what would be expected based on the extant literature. In this study, broken promises (as opposed to no broken promises) were associated with greater intent to engage in obedience OCBs.

Discussion

Contrary to fundamental propositions in the psychological contract literature, the results of Study 1 suggested that promises may not play a critical role in people's breach perceptions and behavioral intentions. In Study 2, we attempted to rule out a possible alternative explanation for those findings. Specifically, we sought to demonstrate that promises have an important effect

on employee reactions by accounting for shared expectations among individuals in the promises and no promises conditions. To this end, prior to administering the scenario, we measured participants' pre-existing expectations and included these responses as controls in our analyses. In doing so, we anticipated that the effect of promises on perceptions and reactions would be exposed, thus providing support for the centrality of promises in the psychological contract.

Despite controlling for expectations, we found little support for the predicted interaction between promises and delivered inducements. Regardless of whether or not promises were made, people perceived a breach. Further, breaking promises did not increase the severity of behavioral reactions to delivered inducements. Moreover, although existing research suggests that broken promises should elicit stronger emotional reactions (e.g., Morrison & Robinson, 1997), the strength of felt violation in the present research was equivalent in the promises and no promises conditions. Finally, with the exception of turnover intentions, promises did not have a significant main effect on the dependent variables. That is, delivered inducements aside, perceptions of breach, feelings of violation, and intentions to engage in loyalty, obedience, and extra-role OCBs were highly similar regardless of whether or not promises were made. These experimental findings converge with existing correlational findings that raise concerns about the role of promises in affecting employee reactions (Lambert et al., 2003; Montes & Irving, 2008). In addition, our experimental studies extend that correlational work by demonstrating that there is cause for concern with regard to the role of promises in employee's breach perceptions. Together, these findings suggest that the study of employee attitudes and behaviors may not benefit from further examination of the psychological contract breach construct as it is currently defined and operationalized.

As with any research methodology, the scenario-based methodology used in Studies 1 and 2 presents some limitations. For instance, because all variables were assessed from a single source, there is a potential that our findings were influenced by common method bias. However, given the nature of the scenario design, this could not be avoided. Moreover, the variables we were interested in (feelings, personal intentions) could not have been studied from the perspective of a third party. That being said, future research might consider exploring the effects of breach on observable outcomes such as OCB's, engagement, or task performance, as rated by others such as direct supervisors in a real work situation.

Another potential limitation concerns the generalizability of the findings in Study 1 because our hypotheses were tested only among undergraduate students. However, the results of Study 1 were replicated in Study 2 among a diverse sample of employees, therefore, minimizing this concern. The representativeness of the sample used in Study 1 might also be questioned because respondents who did not understand the scenario correctly were omitted from analyses. Although this remains a possibility, interpretation of our results from a psychological contract perspective would have been compromised had we included such responses. Moreover, removing these responses should have strengthened our ability to find support for our theory-based predictions. Although the extent to which individuals perceived that promises were made differed significantly in the promises and no promises conditions, breach perceptions arose and became increasingly stronger (as a function of the level of delivered inducements) when no psychological contract existed. Further, behavioral intentions in the promises and no promises conditions were virtually indistinguishable. This, in conjunction with the findings of Study 2 wherein all respondents were included in the analyses, suggests that representativeness concerns cannot account for the lack of support for existing theorizing.

Perhaps the most notable limitation in these two studies concerns the artificial nature of the scenario. Although we used a between-subjects design, thus, minimizing concern that participants could have guessed the nature of the hypotheses, employees in natural work settings experiencing similar situations may react differently than the participants in our studies. This may be the reason why experimental methodologies are not typically used to investigate psychological contract breach. It might be argued that studying breach in an artificial situation is unlikely to elicit the strong visceral reactions that are thought to result from breach. However, there are several reasons why studying this phenomenon in this manner could produce valuable information. First, research has shown that having participants imagine themselves in a situation can serve to elicit the same reactions as they would have had they actually experienced the situation in real life (Greenberg & Eskew, 1993). As well, the scenario method can be particularly informative when the goal is to understand sensitive psychological processes such as psychological contract breach. Further, if reactions to breach are as strong as is suggested in the extant literature (e.g., Morrison & Robinson, 1997), it is reasonable to expect that participant reactions to an artificial situation closely reflect those they experience in real life. Finally, an experimental design such as this is the only way to control the situation in a manner that isolates causality. This is particularly important to demonstrating breach effects given the controversy surrounding the methodologies typically used to assess breach in correlational studies (i.e., direct measures and difference scores, e.g., Lambert et al., 2003).

Despite the strengths offered by experimental research, it is important to replicate our findings in a field sample. As mentioned previously, correlational field research has already demonstrated that employee attitudes and behavioral intentions are associated more strongly with delivered inducements than with a discrepancy between promised and delivered inducements

(i.e., Lambert et al., 2003; Montes & Irving, 2008). Our experimental findings converge with these correlational findings to make a strong point with regard to the relevance of promises in predicting behavioral intentions and affective reactions and build on existing research by showing that delivered inducements matter more than promised inducements even in situations that control the information available to employees. Moreover, our experimental findings show that the stronger relationship between delivered inducements and outcomes (compared to that between promises and outcomes) reported by Montes and Irving and Lambert et al., is not due to the timing of their measures. Delivered inducements have a stronger effect than promises even when both variables are assessed in the same temporal space as outcomes. Finally, our experimental results also extend this past work by showing that promises do not function in the expected manner when it comes to employees' perceptions of breach. In our third study, we sought to determine whether this finding would generalize to employees in real work situations.

Study 3: The Substance of Breach Perceptions

Throughout this paper we have suggested that the future study of psychological contract breach rests on demonstrating that promises play an essential role in affecting people's breach perceptions and reactions. Based on correlational (i.e., Lambert et al., 2003; Montes & Irving, 2008) and experimental findings (i.e., Studies 1 and 2), it would appear that promises have little impact on employee attitudes, emotions, and behavioral intentions. Our experimental findings also question the relevance of promises in peoples' perceptions of breach. Within the context of a hypothetical scenario, in Studies 1 and 2 we used a multi-item global direct measure of breach perceptions and found that perceptions of breach surfaced in the absence of promises. This suggests that perceptions of breach as assessed with global direct measures may not merely reflect a discrepancy between promises and delivered inducements. In Study 3, we aimed to

converge on these findings in a real organizational context by assessing whether another common type of direct measure of breach (i.e., a facet direct measure, Turnley & Feldman, 2000; Turnley et al., 2003) truly taps the intended psychological contract breach construct.

As noted previously, perceptions of breach refer to a perceived discrepancy between what an employee believes was promised and believes was delivered by the organization.

Conceptually, defining breach perceptions as a discrepancy implies that, when assessing their situation, employees pay equal attention to both what the organization promised to provide and what the organization actually delivered, and in doing so, recognize that delivered inducements have fallen short of what was promised. Consistent with this, numerous studies have assessed breach perceptions using facet direct measures (e.g., Turnley & Feldman, 2000). Specifically, respondents are presented with a list of inducements and are asked to rate the extent to which the amount of each inducement received compares to the amount they believe they were originally promised. According to research in related areas of study (e.g., person-environment fit, Edwards, 1991, 2001; unmet expectations, Irving & Meyer, 1995), evidence that a direct measure such as this reflects an algebraic discrepancy between two component variables (e.g., expectations and experiences) will be found if the regression coefficients for the components are equal in magnitude (i.e., reflecting equal consideration of both components) and opposite in sign (i.e., reflecting a recognition that one component has fallen short of the other). Thus, consistent with the conceptualization of breach as representing a discrepancy between perceptions of what was promised and perceptions of what was later delivered (e.g., Morrison & Robinson, 1997), we hypothesized that:

Hypothesis 6: Promised and delivered inducements will contribute equally but oppositely to perceptions of psychological contract breach.

Method

Participants and Procedure

As part of a larger three-wave longitudinal investigation of Co-operative Education work term experiences (Montes & Irving, 2008), undergraduate students from a medium-sized university were recruited via email to participate in an anonymous web-based survey. Students enrolled in the Co-operative Education Program alternate between four-month academic terms and four-month work terms as a means of supplementing academic knowledge with real work experience. Similar to the general population of job seekers, Co-op students seek out and compete rigorously for jobs in their field of study. In exchange for their hard work, participating organizations provide qualified students competitive pay and the opportunity to develop hands-on experience in their chosen field.

For purposes of the present research, only responses to the Time 1 and Time 2 surveys from the larger investigation were used. The first survey was completed prior to respondents' start date (but after they had negotiated their four-month contracts) and contained measures of various demographic variables as well as employees' perceptions of the promises made to them by their employers. The second survey, which included measures of delivered inducements and facet direct measures of breach, was completed approximately three months into the job. This time frame was deemed adequate because employees are capable of forming judgments regarding their employment experiences within their first month on the job (e.g., Irving & Meyer, 1994).

A total of 522 employees (51% women) from a wide variety of organizations completed the first survey. Respondents were between the ages of 17 and 26 ($M = 20.70$, $SD = 1.37$). Most reported that they had not worked previously for their current employer (76.20%) but that they

had worked for other work term employers in the past (74%). Of those who completed the first survey, 383 completed the second, resulting in a Time 2 response rate of 73%. No significant differences in demographic variables or promised inducements were found between those who completed both surveys and those who did not. However, the analysis was conducted on responses submitted by employees who completed both surveys ($N = 383$).

Measures

Promised inducements. Respondents were asked to rate the extent to which their employer promised to provide them with each of eight items on a five-point scale (1 = minimally or not at all, 5 = to a very large extent). These ratings were combined to form the promised inducements scale ($\alpha = .79$). Although these items were chosen based on discussions with Co-op Program administrators concerning the information used to market the program to students, the items were similar to those typically used in psychological contract research (e.g., Coyle-Shapiro & Kessler, 2000; Rousseau, 1990). Example items include the extent to which the employer promised to provide, “help in developing externally marketable skills”, “support in attaining the highest possible levels of performance”, and “sufficient salary to help cover educational costs”.

Delivered inducements. Respondents were asked to rate the extent to which their employer had provided them with each of the eight inducements on a five-point scale (1 = minimally or not at all, 5 = to a very large extent). These ratings were combined to form the delivered inducements scale ($\alpha = .80$).

Perceptions of Breach. Perceptions of breach were assessed using a direct facet approach (e.g., Turnley & Feldman, 2000). Specifically, respondents rated the extent to which the amount of each inducement received compared to the amount originally promised. Responses were made on a five-point scale (1 = received much less than promised, 5 = received much more than

promised) and were later reversed (so that higher scores reflected greater breach) to create the perceptions of breach scale ($\alpha = .79$).

Results

Hypothesis 6 was tested using hierarchical multiple regression.⁴ Specifically, promised inducements were entered into Step 1 and delivered inducements were entered into Step 2. The Step 1 results indicated that promised inducements explained a small but significant amount of variance in perceptions of breach (Adjusted $R^2 = .02$, $p < .01$). The addition of delivered inducements in Step 2 accounted for a significant amount of incremental variance ($\Delta R^2 = .52$, $p < .001$). It is notable that delivered inducements explained a much larger proportion of variance in perceptions of breach than did promised inducements. However, our primary interest in this study was to determine whether the relations among promises, delivered inducements, and breach perceptions reflected a discrepancy effect pattern. Evidence that perceptions of breach reflect a discrepancy between promised and delivered inducements would be found if the unstandardized beta coefficients for these two components were equal in magnitude and opposite in sign (Edwards, 2001). Examination of the Step 2 results indicated that promised inducements ($b = .18$, $p < .001$) and delivered inducements ($b = -.57$, $p < .001$) were opposite in sign, however, t-test results indicated that the magnitudes of these components were statistically different, $t(376) = 9.77$, $p < .001$. This test of beta equivalence indicates that employees did not attend equally to promised and delivered inducements when forming their breach perceptions. Therefore, perceptions of breach did not reflect a discrepancy between promised and delivered inducements. Thus, our results failed to support Hypothesis 6. Contrary to assumptions in the psychological contract literature, and replicating the results of Studies 1 and 2, perceptions of breach, as assessed with a facet direct measure, had more to do with the inducements that

employees were given on the job than by a discrepancy between what employees believed they were promised and believed they received. This finding indicates that Lambert et al.'s (2003) and Montes and Irving's (2008) attitudinal and behavioral results extend to employee perceptions of breach.

Discussion

Studies 1 and 2 suggested that perceptions of breach, as assessed with a direct global measure, may not merely reflect a discrepancy between promised and delivered inducements. In Study 1, breach perceptions developed in the absence of promises. Despite controlling for expectations in Study 2, promises did not have a significant effect on the strength of breach perceptions at any level of delivered inducements. This suggests that promises may not play as important a role in affecting perceptions of breach as is currently theorized. In Study 3, we sought to replicate these findings outside of the laboratory using a direct facet measure of psychological contract breach and found that promises explained a negligible amount of variance in breach perceptions. Most importantly, although participants considered both promises and delivered inducements when making breach perception judgments, they did not attend to a discrepancy between what they were promised and what they received. Rather, consistent with Studies 1 and 2, participants attended disproportionately to what they received from the organization.⁵ In combination with the results of Studies 1 and 2, these findings raise serious questions about the presumed importance of organizational promises (e.g., Morrison & Robinson, 1997) and, moreover, how perceptions of broken promises are typically assessed.

The current findings suggest that more research is needed on the substance of breach perceptions. We found that 54% of the variance in breach perceptions was explained by promised and delivered inducements, with a majority of this variance explained by delivered

inducements alone. Although a large amount of variance was explained, our findings suggest that factors other than promised and delivered inducements might play a role in influencing perceptions of breach. This is particularly concerning given that all three measures involved the same eight inducements. Therefore, this finding cannot be explained on the basis that the measure of breach perceptions omitted other important inducements. This finding, coupled with those of our experimental studies (i.e., that perceptions of breach arise in the absence of promises), suggest that one critical goal for future research is to identify the type of information that individuals use when making psychological contract breach judgments. Such research may prompt further theoretical development of the psychological contract breach construct and lead to more precise measures of breach perceptions.

Although we aimed to overcome the potential limitations of Studies 1 and 2 by assessing our hypothesis among a sample of real employees in real work settings, Study 3 has some limitations worth noting. First, our data were collected from a single source, therefore, raising concerns about the influence of common method bias. However, we argue that our variables of interest were perceptual and, as a result, are most appropriately studied from the employee perspective. Second, similar to the interpretational limitations of previous longitudinal research that disentangled the effects of promises and delivered inducements (i.e., Lambert et al., 2003; Montes & Irving, 2008), it is possible that delivered inducements appeared to predict breach perceptions more strongly than did promises because delivered inducements and perceptions of breach were measured at the same point in time. However, because our correlational findings converge with our experimental findings, we are confident that the disproportionate effect of delivered inducements on breach perceptions cannot be explained fully by common method bias. In Studies 1 and 2 wherein promises and delivered inducements were assessed at the same point

in time, participants' perceptions of breach did not differ as a function of whether promises had been made. The primary determinant of breach perceptions was delivered inducements.

A final potential limitation concerns the generalizability of our findings given the nature of our sample and the duration of employment. Although our respondents may have had limited employment experience, research has demonstrated that students have a developed knowledge and attitudinal base similar to experienced workers (e.g., Barling, Kelloway, & Bremermann, 1991). Further, research suggests that psychological contract breach is relevant to contingent workers such as those in the present study (McLean Parks, Kidder, & Gallagher, 1998). Based on these findings, we do not expect that the responses of our participants would differ dramatically from those of more experienced permanent workers.

General Discussion

Predictions emerging from the extant psychological contract literature seem intuitive. When an organization breaks promises made to an employee, that person will feel violated and react in kind (e.g., withdraw his or her contributions). However, the study of psychological contracts has been scrutinized for being redundant with the long-standing study of employee expectations (e.g. Arnold, 1996; Guest, 1998a). Indeed, one function of organizational promises is that they set up employee expectations regarding the benefits and experiences that the organization will deliver (Rousseau, 2001). Yet, psychological contract researchers maintain that promises are more than just expectations because, in a variety of ways, promises contribute to the formation of a strong employee-employer relationship (e.g., Rousseau, 2001). Thus, broken promises (i.e., psychological contract breach) result in far more severe reactions than do unmet expectations (e.g., Morrison & Robinson, 1997; Rousseau, 1995). This reasoning suggests that the critical feature that sets psychological contracts apart from expectations is that the beliefs

comprising the psychological contract are promissory. However, because the effects of promised and delivered inducements are confounded in most research (Lambert et al., 2003), little empirical evidence exists to support the critical role of promises. Given the increasing controversy surrounding the study of psychological contract breach (e.g., Arnold, 1996; Guest, 1998; Lambert et al., 2003; Montes & Irving, 2008), the present research makes an important contribution to the literature by empirically examining whether promises play a central role in breach perceptions, emotions, and behavioral intentions. Specifically, we used experimental and correlational approaches to test the relative roles of promises and delivered inducements in explaining the aforementioned employee outcomes.

Collectively, our results indicate that promises do not function in the manner suggested by psychological contract breach theorizing. Converging with and extending recent work (i.e., Lambert et al., 2003; Montes & Irving, 2008), using both student and employee samples, we found that the influence of promises appears, in most cases, to be minimal. Our experimental studies showed that breach perceptions (assessed with global direct measures), feelings of violation, and behavioral intentions are not a function of whether initial promises are made and later broken. Rather, they are a function of the inducements organizations deliver. Using another common measure of breach perceptions (i.e., a facet direct measure), in our correlational study we demonstrated that perceptions of breach are more heavily influenced by delivered inducements than by a discrepancy between what employees believed they were promised and were given. Therefore, contrary to popular belief, common measures of breach perceptions do not appear to capture a discrepancy between what employees believe they were promised and were later given.

The aforementioned finding has important implications for interpreting a recent meta-analysis conducted on existing psychological contract breach research. Like us, Zhao et al. (2007) explored attitudinal, affective, and behavioral outcomes of breach perceptions. Their work provides a comprehensive synopsis of a keystone finding in the psychological contract literature: breach perceptions are negatively related to a host of important employee attitudes and behavioral intentions. However, this meta-analysis did not account for the methodological issues associated with the measurement of breach in most existing psychological contract research. The studies included for meta-analysis used either global or facet (composite) direct measures of breach such as those examined in the current research. As discussed above, whether using a global or facet approach, direct measures of breach confound the roles of promises and delivered inducements. Our results suggest that the observed correlations found between breach perceptions and employee outcomes reported in Zhao et al.'s meta-analysis (e.g., .43 with feelings of violation, .34 with turnover intentions, and -.11 with actual OCBs) may be misleading. Based on our findings, these correlations may be best interpreted as reflecting the relations between delivered inducements and employee outcomes, rather than the relations between perceptions of a discrepancy between promised and delivered inducements (i.e., breach) and outcomes. Despite this potential interpretation issue, Zhao et al.'s work makes a very important contribution to the psychological contract literature in that it introduces a promising guiding framework (Affective Events Theory; Weiss & Cropanzano, 1996) from which to pursue future research. Zhao et al.'s meta-analysis shows clearly that affect plays an important role in understanding how negative employee attitudes and behaviors develop. We hope that in combination with our results, Zhao et al.'s work will prompt researchers to continue exploring

the true nature of breach perceptions while incorporating the mediating role of affect in predicting employee reactions.

From a practical standpoint, our findings suggest that existing interpretations of the extant psychological contract literature may be misleading organizational practice. Specifically, our findings question whether organizations need to worry about what they promise to employees, or merely, about what they deliver. A more effective strategy to create and maintain positive employee perceptions, emotions, and behaviors might be to divert resources to giving employees valuable benefits and experiences. Despite not functioning as expected, in at least one instance in the present research, promises played an important role. Specifically, we found that, irrespective of the level of delivered inducements, when promises were made, turnover intentions were lower. Although additional research is needed to further explore the main effect of promises on other employee outcomes, this finding suggests that promises in and of themselves may help to establish good will toward the organization (Rousseau, 2001). Nonetheless, our overall findings indicate that the endurance of this positive employee-employer relationship is undeniably sensitive to what the organization later gives to employees.

Our findings also have other important implications for the future study of psychological contract breach. If promises are not central in influencing employee reactions, the study of psychological contract breach may add little to what is already known based on the expectations literature. In fact, promises may be best framed as an antecedent of expectations. Indeed, Social Comparison Theory (e.g., Festinger, 1954) proposes that when individuals judge their personal outcomes, they do so by comparing what they get to a host of potential referents including own past experiences, coworker experiences, and, organizational promises, what Goodman (1977) referred to as system referents. In each case, we could say that people are comparing delivered

inducements to what they expected to receive (e.g., based on what they got in the past or what others typically get). When delivered inducements fall short of expectations (as shown in the RJP literature, e.g., Wanous et al., 1992), regardless of the source of those expectations, employees react negatively. Having said that, our findings also indicate that, even when expectations are accounted for, employees have a tendency to care primarily about what they get. This suggests that the utility of both psychological contract breach and unmet expectations in informing the study of employee-employer relations may be questionable.

Although we did not examine the effects of unmet expectations directly, our findings may generalize to the expectations literature by virtue of commonalities with the psychological contract literature. Like the study of breach, the study of met expectations has been criticized for generating potentially misleading findings based on the use of difference scores and direct measures to assess the discrepancy between expected and delivered inducements (e.g., Hom, Griffith, Palich, & Bracker, 1999; Irving & Meyer, 1994, 1995). RJP research using these measures has found that when employee expectations are not met substantially on the job, they respond negatively and that these negative reactions can be minimized by using RJPs to create (lower) more realistic expectations among employees (e.g., Caligiuri, Phillips, Lazarova, Tarique, & Bürgi, 2001; Moser, 2005; Mueller, Iverson, & Jo, 1999; Naumann, Widmier, & Jackson, Jr., 2000; Taris et al., 2006; Taris, Feij, & van Vianen, 2005). However, similar to Lambert et al.'s (2003) and Montes and Irving's (2008) findings, expectations researchers have found that when the effects of expectations and delivered inducements are disentangled, delivered inducements have a disproportionate effect on employee outcomes (Irving & Meyer, 1994; 1995, Irving & Montes, in press). That is, the importance of expectations is suspect.

Our experimental findings are consistent with those of studies that examined the separate

and joint effects of expectations and delivered inducements (e.g., Irving & Meyer, 1994; 1995, Irving & Montes, in press). In our research, just as the effect sizes for promises were significantly lower than those for delivered inducements (e.g., .02 for promises versus .25 for delivered inducements in predicting turnover intentions), in the two cases in which expectations predicted employee reactions significantly, the effect sizes associated with expectations were negligible relative to those associated with delivered inducements (i.e., for extra-role behaviors, the effect sizes were .04 and .19 for pre-existing expectations and delivered inducements, respectively; for loyalty the effect sizes were .03 and .28 for pre-existing expectations and delivered inducements, respectively). This suggests that delivered inducements may outweigh any single standard of comparison (e.g., promises or expectations) in determining employee reactions. Thus, it may be more important for organizations to focus on providing employees with high levels of valued inducements than to invest effort in monitoring promises and expectations. Indeed, employees have a strong tendency to want to maximize their rewards (Adams, 1965; Locke, 1976).

Two additional points are worth noting when interpreting the current research. First, in our studies we did not account for the relative importance of the focal inducements. The degree of personal importance employees ascribe to particular benefits and experiences may affect their reactions to promised and delivered inducements. For instance, promises may matter more when they concern a benefit that the employee deems highly important. We were able to explore this possibility because importance was measured as part of the larger investigation described in Study 3. Examination of the importance ratings for each of the eight focal inducements indicated that participants rated the importance of all inducements as being similarly high. This finding is not that surprising given that the inducements examined were highly similar to those studied in

the extant psychological contract literature, reflecting the most relevant and valued things that are promised to employees (Rousseau, 1990). Given the restricted range in importance ratings in Study 3, it is clear that importance of the focal inducements would not have moderated the effects of promises and delivered inducements on outcomes. Even so, future research on breach and unmet expectations should explore reactions to inducements that are rated as more and less important to employees. We may be artificially truncating the range of reactions to promises and expectations by limiting our study of inducements to those that are generalizable (relevant and important) to a wide variety of employees and organizational settings. By taking contextual variables into account, we may discover other types of inducements that do conform to the tenets of the psychological contract breach and unmet expectation theories.

The second additional point of note concerns the promises manipulation check in the experimental studies. In Study 1, our initial analysis revealed that some participants in the no promises condition perceived that promises had, in fact, been made. Although argued that psychological contracts can contain implicit promises and that information communicated in certain contexts (e.g., job interviews) can be construed as promissory (Rousseau, 2001), no inducements were discussed in the initial scenario read by participants in the no promises condition. Therefore, these individuals should not have perceived that promises were communicated. Although it is possible that participants may have used their general expectations as a proxy for promises, the findings of Study 2 rule this out as a valid explanation. After controlling for expectations, the mean rating on perceived promises for individuals in the no promises condition still suggested that (at least at low levels) promises had been perceived.

It would appear that, regardless of whether organizations make promises, employees will perceive that promises were made. An important goal for future research is to explore where

perceptions of promises come from, if not from the actions or statements of the organization. In the hypothetical situation examined in the current research, one possibility is that the residual variance in promise perceptions had to do with what employees wanted—which is not necessarily the same as what employees expected. Applied to a real work situation, when employees reflect on their experiences, they may consider the types or levels of inducements they want. In turn, those desires may influence their perceptions of organizational promises. As shown in the social psychological literature, people have a tendency to see what they want to see (Olson et al., 1996).

Conclusion

Across three studies, we demonstrated that what employees get from their employer is much more important than what employees are promised or what they believe they were promised, in forming perceptions of breach and in influencing employee emotions and behavioral intentions. The interesting possibilities raised by the current research make it clear that the study of employee-employer relations will benefit from integrating the study of promises, expectations, employee outcomes, perceptual tendencies, and contextual factors. This more comprehensive approach will expose the true complexities that influence employee attitudes, emotions, and behaviors and will result in more accurate and effective guidance for organizational practice. Building upon the work of those who have raised similar questions about the psychological contract breach construct (e.g., Arnold, 1996; Guest, 1998a; Guest, 1998b; Lambert et al., 2003; Montes & Irving, 2008), our studies suggest that it may be time to re-examine psychological contract breach. Future research is needed to explore whether promises do matter and if so, when they matter.

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Footnotes

¹ It is important to note that, unlike some research (e.g., Montes & Irving, 2008; Raja et al., 2004) that examined the effects of breach for different types of psychological contracts (e.g., relational versus transactional), in this research we operationalized the psychological contract as a set of promises that included both transactional and relational inducements. Thus, we did not distinguish between breach of different types of contracts. We chose to study psychological contracts at the uni-dimensional level to maintain consistency with the contemporary definition of psychological contracts (i.e., as referring to the collection of organizational promises perceived by employees, e.g., Morrison & Robinson, 1997; Rousseau, 1995). Moreover, our operationalization is consistent with extant research on psychological contract breach which combines various types of inducements into a single variable (e.g., Robinson, 1996; Turnley & Feldman, 1998).

² The responses of 393 participants were omitted from further analysis. Although this may be criticized on the basis that the sample is no longer representative, including individuals who did not understand the scenario as intended might have lead to faulty interpretation of the results. After removing the questionable responses, individuals in the no promises condition indicated that the organization had made fewer promises ($M = 2.54$, $SD = 1.14$) compared to individuals in the promises condition ($M = 5.17$, $SD = .78$), $F(1, 556) = 971.35$, $p < .001$, $\eta^2 = .64$.

³ Preliminary analyses indicated no significant moderating effects of age or gender. Therefore, these variables were included along with expectations as covariates in the analyses.

⁴ Preliminary analyses indicated that neither age nor gender had direct or interactive associations with breach perceptions. Therefore, these variables were excluded from hypothesis testing.

⁵ This analysis is consistent with psychological contracts being defined as a *set* of promises (e.g.,

Morrison & Robinson, 1997; Rousseau, 1995, 1998). However, in addition to testing Hypothesis 6 at the contract level, we also tested the pattern of relations among promises, delivered inducements, and breach perceptions at the individual inducement level. Our rationale for exploring this possibility derives from findings reported by Lambert et al. (2003) and Montes and Irving (2008) who found different patterns of relations among promised and delivered inducements and employee reactions for different types of inducements. For example, Montes and Irving found that promised and delivered compensation (i.e., a transactional contract element) contributed equally, but in opposite directions, to employees' satisfaction, feelings of violation, and employment intentions. In contrast, they found that delivered skill development (i.e., a relational contract element) was a stronger predictor of employee reactions than was promised skill development. Our analyses at the individual item level did not reveal any such differential patterns between relational and transactional types of inducements. In fact, the collection of individual results reflected those found in our analysis conducted at the contract level. In each case, the coefficients associated with delivered inducements were greater in magnitude than the coefficients associated with promises.

Figure Captions

Figure 1. Interaction of delivered inducements and promises in the prediction of breach perceptions (Study 1).

Figure 2. Interaction of delivered inducements and promises in the prediction of breach perceptions (Study 2).



