

Work Environment and Psychological Contract. A Comparative Study of employees in the Public and Private Telecom Industry

Dr. Manoj Patwardhan, Assistant Professor

ABV- Indian Institute of Information Technology & Management, Gwalior.
National Highway No 92,
Morena Link Road, Gwalior (M.P.) India Pin: 474010
Tel: +91 751 2449817, Mob: +91 9893454153
E-mail: manojp@iiitm.ac.in

Dr. Naval Bajpai, Assistant Professor

ABV- Indian Institute of Information Technology & Management, Gwalior.
National Highway No 92,
Morena Link Road, Gwalior (M.P.) India Pin: 474010
Tel: +91 751 2449820, Mob: +91 9893257526
E-mail: nbajpai@iiitm.ac.in

Dr. Sanjay M. Bhale, Professor

MIT School of Telecom & Management Studies
MIT Campus, Paud Rd, Kothrud, Pune
E-mail: sanjaybhale@rediffmail.com

Abstract

The present study is a comparative study designed to examine the work environment and psychological contract of employees in public and private telecom industries. For this purpose a sample of 200 employees was taken from public and private telecom industries through convenience sampling. Self-designed questionnaires were used for evaluating the work environment (13 items) and psychological contract (16 items). Data were collected on a Likert type scale where 1 stand for minimum agreement and 7 stand for maximum agreement. For Data Analysis Item to total correlation was used to check the internal consistency of the questionnaires. Reliability test was applied to check the reliability of the questionnaires. Factor analysis was applied to find out the underlying factors in the questionnaires. Z test was applied to find out significant

differences among the public and private telecom industry. By Comparing Z-value of working environment of public and private telecom industry, significant difference between Public and Private Telecom industry was found. On the other hand, insignificant difference between Psychological Contract in Public and Private Telecom industry was found in the study.

***Key Words:** employment relationship, mutual obligation, productivity & staff retention, perceptual cognition, cognitive schemas, psychological attachment*

* is **Assistant Professor** in ABV- Indian Institute of Information Technology & Management, Gwalior, India

** is **Assistant Professor** in ABV- Indian Institute of Information Technology & Management, Gwalior, India

*** is **Professor** in Sinhgad Institute of Business Administration & Computer Application, Lonavala, Pune, India

▪ **Introduction**

The efficiency of employees depends to a great extent, on the environment in which they work. Work environment consists of all the factors which act and react on the body and mind of an employee. Under industrial psychology the physical, mental and social conditions in which people work are analysed to suggest improvements in them. The primary aim is to create an environment which ensures the greatest ease of work & remove all the causes of annoyance, anxiety and worry. If the work environment is congenial, fatigue, monotony & boredom are minimized and work performance can be maximized. A psychological contract represents the mutual beliefs, perceptions, and informal obligations between an employer and an employee. It sets the dynamics for the relationship and defines the detailed practicality of the work to be done. It is distinguishable from the formal written contract of employment which, for the most part, only identifies mutual duties and responsibilities in a generalized form.

The notion of the "psychological contract" was first coined by (**Argyris 1960**) to refer to employer and employee expectations of the employment relationship, i.e. mutual obligations, values, expectations and aspirations that operate over and above the formal

contract of employment. Since then there have been many attempts to develop and refine this concept. Historically, the concept can be viewed as an extension of philosophical concepts of social contract theory (**Schein, 1980; Roehling, 1997**).

The social contract, which deals with the origins of the state, supposes that individuals voluntarily consent to belonging to an organized society, with attendant constraints and rights. **Argyris (1960)** used the concept to describe an implicit agreement between a group of employees and their supervisor. Other influential early writers such as **Levinson et al (1962)**, used the concept to describe the set of expectations and obligations that individual employees spoke of when talking about their work experience. They identified a number of different types of employee expectations, held both consciously (for example expectations about job performance, security, and financial rewards) and unconsciously (for example being looked after by the employer). With explicitly recognizing the dynamic relationship of the psychological contract, contracts evolve or change over time as a result of changing needs and relationships on both the employee's and the employer's side. **Schein (1980)** emphasized the importance of the psychological contract concept in understanding and managing behavior in organizations. He argued that expectations may not be written into any formal agreement but operate powerfully as determinants of behavior. For example, an employer may expect a worker not to harm the company's public image, and an employee may expect not to be made redundant after many years' service. Like Levinson et al, Schein emphasized that the psychological contract will change over time.

This package of obligations and expectations has a very powerful effect on productivity and staff retention. If the managers in a business have a clear and accurate understanding of the issues affecting each person's contract then the effect on the business can be very positive. Managers must create general business objectives for themselves and communicate those objectives to their employees. Managers should be leaders. Successful managers know what they want their business to accomplish, they clearly communicate that vision to their employees, they are good at overcoming obstacles, and know art of front leading the charge most of the time. They aren't afraid to make mistakes, and strive to improve themselves and their skills. Leaders also empower their employees to solve problems and become leaders themselves.

Managers also need to be alert and take steps to regularly review or understand the current contract as viewed by the staff in the business. If managers think they understand the contract as viewed by their staff, but actually misjudge it, then things can go badly wrong. All staff will have their own individual psychological contract. If this is, in their view, violated then staff can feel a sense of injustice, deception or betrayal. Staff can become sullen or leave the business. Or they might tolerate the 'discomfort' they feel in the business but lose all enthusiasm. They'll say to friends, family and themselves - "it's just a job". They are more likely to leave promptly as soon as the working day finishes.

Determining the way the contract is seen by each staff member is easier said than done. Staff can be reluctant to divulge their views and "lay their cards on the table". Managers need to be both open and act with total integrity.

It can sometimes be easier to use an external team to determine the current views and psychological contracts of staff. Adelphi Associates specialists use a range of interview techniques and a structured approach to analysis of the business.

▪ **Literature Review**

Psychological contract formation is a sense making process. The period of organizational entry and socialization is characterized by sense making Processes through which newcomers come to understand, interpret, and respond to their new environment (**Louis, 1980**). Sense making refers to cognitive processes that individuals employ in organizational settings to cope with surprise and novelty (**Louis, 1980**). These sense making processes are seen as critical to the development of attitudes and behaviors that enable newcomers to function effectively within their new work environment (**Morrison et al 2003**). Sense making helps newcomers to bring their expectations in line with reality, thereby reducing feelings of unmet expectations or broken promises (**Louis, 1980**). The sense making process is viewed as a cycle of events occurring over time (**Louis,1980**). This cycle begins before entry, when future employees form unconscious and conscious anticipations and assumptions about their future employment relationship. After entry, newcomers experience events that may trigger a process through which prior expectations are changed and predictions about future experiences are revised (**Louis, 1980**). These retrospective interpretation processes thus involve an active change of

expectations and assumptions based on actual experiences. (**Salancik & Pfeffer 1978**). The updated anticipations and revised assumptions are analogous to changes in cognitive schemas. A schema is defined as a cognitive structure that represents organized knowledge about a person or situation (**Fiske & Taylor, 1984**). Schemas typically affect the perception of incoming information, the retrieval of stored information, and inferences based on that information (**Fiske & Taylor, 1984**). The description of sense making as a process through which newcomers actively form and change their cognitive schemas makes it relevant to apply this to psychological contract formation. The psychological contract is conceived as a cognitive schema that individuals hold about the terms of their employment relationship. It consists of individuals' beliefs about what is expected to occur in the organization and what is expected of the individual in return (**Rousseau et al 2001**). The psychological contract is a perceptual cognition defined at the level of the individual. This means that it is the perception of reality, not reality as such, which is the central focus of psychological contract research (**Rousseau 1990**). What's important in this conceptualization is that the perceiver is conceived as an active constructor of reality. This means that employees actively make sense of their psychological contract based upon their experiences within the organization (**Rousseau, 1995**). This relates psychological contract formation to newcomer sense making. At entry, most newcomers have only limited or incomplete information about the terms of their employment relationship (**Rousseau, 2001**). This motivates newcomers to actively interpret their initial experiences as a basis for predicting future events and for changing their expectations, thereby making their psychological contract schema more complete. This in turn should help them to reduce uncertainty and make their experiences in their new work setting more predictable. This sense making process implies that perceptions of promises are adapted based upon newcomers' interpretations of their experiences in the work setting (**Rousseau, 2001**).

Firms make choices about the types of employment systems they use to allocate work. Some place a reliance on internalized arrangements based on long-term commitments and the utilization of bureaucratic employment practices while others draw more heavily on externalized forms of employment incorporating outsourcing and other market-based practices (**Rousseau 1995**). Since the mid-1980s there has been a discernible shift

towards the externalization of employment (**Abraham 1990 Cappelli 1995**) study of US financial services and high-tech electronics firms indicated that outsourcing for basic parts and services had become widespread. Similar trends have been identified in a range of other industries and occupations from catering and cleaning to call centre and telebureau work (**Kessler, Coyle-Shapiro 2000**).

These developments are seen as symptomatic of the erosion of internal labor markets and assign of the increased importance of market-based activities and relatively short-term contractual arrangements. Some observers have suggested that the wider use of outsourcing and subcontracting has meant that the employment relationship has become mediated by the market rather than insulated from the market. According to (**Abraham 1990**) these work arrangements have involved the substitution of arms-length market-mediated transactions for direct employment relationships. Indeed the growth in outsourcing and subcontracting has been said to herald the revival of contract as the foremost mechanism of economic activity (**Deakin and Michie 1997**). In contrast, internalized employment modes have been viewed as more organization centered emphasizing greater reciprocity and collaboration (**Rousseau et al 1995**). These different employment arrangements could be expected to elicit different employee attitudes and behavior (**Pearce et al 1993**). Research has revealed that contracting arrangements are more likely to be associated with lower commitment to the firm and a weaker sense of moral obligation to the organization. The contract system of labor was seen to involve problems of labor instability, haphazard skill development and uneven quality outcomes and to have encouraged opportunistic short-term behavior by contractors (**Marsden 1999**). Employee turnover and absenteeism were especially common, particularly during periods of strong labors demand. The re-emergence of subcontracting in the 1980s and 1990s was driven by a number of factors. Firstly, firms increased their reliance on independent contractors in order to reduce labour costs (**Harrison and Kelley 1993**). By contracting out, organizations were able to economize on the costs of recruitment, screening, training and managing employees as well as in Some cases the costs of unemployment insurance and other employment benefits (**Pfeffer and Baron 1988**). Furthermore, they were able to effect cost reductions by reassigning work to subcontractors who paid lower market wage rates (**Abraham and Taylor 1996**).

Subcontractors were often able to reduce labour costs by subjecting their employees to stricter systems of discipline and supervision (**Clawson et al 1980**). Hence the efficiency benefits of subcontracting systems were derived from a combination of lower labour costs and higher work intensity (**Marsden 1999**). Secondly, subcontracting was increasingly used to buffer uneven consumer demand for firms' products and services. By assigning peak period work to outsiders an organization could employ a smaller, core workforce that could be occupied productively during periods of lower demand (**Abraham 1990**). The evidence indicates that seasonality and cyclicity in industry employment levels have been associated with greater reliance on independent contractors (**Davis-Blake and Uzzi 1993**). Lastly, subcontracting has been stimulated by organizations seeking to secure access to specialized skills and distinctive capabilities. Skills that were judged to be too expensive or difficult to develop in-house or simply deemed to be outside the organization's capabilities were often regarded as best purchased from outside vendors (**Prahalad and Hamel, 1990**).

Although there have been a variety of motives for subcontracting much of the research points to the importance of labour cost savings and to a desire to capitalize on the potential for subcontractors to offer lower wages and less generous benefits (**Davis-Blake and Uzzi 1993**). Moreover, **Abraham (1990)** suggests that the objective to cut costs and shift certain activities to outside suppliers has been fuelled by the constraints imposed on organizations by the operation of their own internal labour markets. Internal equity considerations, for example, tend to limit the ability of organizations to alter wage differentials and introduce low paid activities into an established employment system without adversely affecting employee morale or inviting union opposition (**Pfeffer and Baron 1988**). Accordingly, "moving work outside permits the firm to take advantage of low market wage rates for certain types of work without violating internal equity constraints" (**Abraham 1990**).

Theoretically, it has been presumed that individuals who work for subcontracting firms will have different expectations and psychological attachments from people who are employed internally (**Kalleberg and Reve 1992**). This proposition derives principally from (**Williamson 1975**) analysis of the incentive attributes of different labour contracting arrangements. He argued that market exchange in the form of labour

contracting would encourage calculative relations of a transaction-specific kind between the parties. Williamson believed that firms with different employment modes would vary in “atmospheric respects” thus giving rise to contrasting exchange relations. Such arguments have been taken to imply differences in the organizational psychology of employees and contractors which could be expected to affect commitment and turnover intentions as well as levels of trust (**Pearce 1993**). A number of research propositions could therefore be advanced. In situations of labour contracting human capital tends to be generic. Skills are often purchased on the open labour market. Employees normally have an (implicit or explicit) understanding that the employment relationship “entails no promise of future employment” (**Tsui et al. 1992**). Moreover, the maintenance of long-term employment relationships is often difficult for contracting firms due to the fact that commercial contracts are of a fixed-term duration and potentially subject to outright termination. As **Colling(1995)** has suggested “contracts enable firms to subject [employees] to specific financial and performance targets under threat of termination, financial penalties and/or legal action; to the extent that these pressures are passed on to the employees of subcontractors, they become subject to commercial contracts in addition to their own employment contracts.” It has also been observed that subcontractors tend to lack the organizational resources that underpin the provision of long-term employment relations (**Pfeffer and Baron 1988**). In contrast, internal or in-house modes of employment are seen to be based on labour relationships that are more organization focused.

▪ **Research Methodology**

The study was comparative in nature with survey being used as method for completing the study. Individual employees of Public/Private Telecom industries like BSNL, Airtel, Idea, and Reliance were taken as sampling element. 200 hundred respondents were the sample size and convenient sampling technique was used to carry out the research. Self-designed questionnaires were used for evaluating the work environment (13 items) and psychological contract (16 items). Data were collected on a Likert type scale where 1 stand for minimum agreement and 7 stand for maximum agreement.

For Data Analysis Item to total correlation was used to check the internal consistency of the questionnaires. Reliability test was applied to check the reliability of the questionnaires. Factor analysis was applied to find out the underlying factors in the questionnaires. Z test was applied to find out significant differences among the public and private telecom industry.

▪ **Results**

Consistency measure of Work Environment of all the questionnaires was checked through item to total correlation. (Refer Table 1)

Table 1 :Item to Total Correlation

Items	Computed Correlation value	Consistency	Accepted/Dropped
1. Physical working environment	.649175	Consistent	Accepted
2. Working in company in future	.32337	Consistent	Accepted
3 Job satisfaction	.712702	Consistent	Accepted
4.Information about work	.698171	Consistent	Accepted
5.Cost efficiency	.606963	Consistent	Accepted
6Goals and strategies of the company	.489766	Consistent	Accepted

7. Flextime program	.537449	Consistent	Accepted
8. Opportunity to interact with others	.649581	Consistent	Accepted
9. Supervision	.742758	Consistent	Accepted
10 Encouragement	.624911	Consistent	Accepted
11 Training	.657131	Consistent	Accepted
12. Involvement in decision making	.620375	Consistent	Accepted
13 Climate of work group	.606084	Consistent	Accepted

Reliability test of Work Environment questionnaire was carried out and test measures are given below. (Refer Table 2)

Table 2: Reliability Measure

Alpha	.858
Split Half	.864
Guttman	.870
Parallel Estimate	.858
Unbiased	.860
Strict parallel Estimate	.855
Unbiased	.857

Factor Analysis of Work Environment is given as under .(Table 3)

Table 3

Factor name	Eigen value		Variable convergence	Loading value
	Total	% of Variance		
1 Opportunity	4.990	38.384	10 Encouragement	.768
			4.Information about work	.715
			3 Job satisfaction	.657
			5 Cost efficiency	.642
			1. Physical working environment	.633
			11 Training	.527
2 Involvement in decision making	1.240	9.535	6 Goals and strategies of the company	.808
			12 Involvement in decision making	.600
			8 Opportunity to interact with others	.593
			9 Supervision	.558
			7. Flextime program	.519
			13 Climate of work group	.441
3 Future planning about work	1.037	7.974	2. Working in company in future	.828

Z - test

Table 4

Type	Mean
Public telecom industry	4.336264
Private telecom industry	4.97

Standard Error	.12488
Z Value	5.0747

(Significant at 5% level)

By Comparing Z-value of working environment of public and private telecom industry. It was found that computed values is 5.0747 which is greater than 1.96 (Critical Value) hence there was significant difference between Public and Private Telecom industry.

Consistency of Psychological Contract questionnaires was checked through item to total correlation. (Refer table 5)

Table 5:Item to Total Correlation

Items	Computed Correlation value	Consistency	Accepted/Dropped
-------	----------------------------	-------------	------------------

1 Company policies and procedure	.566131	Consistent	Accepted
2. Respect of individual differences	.59267	Consistent	Accepted
3. Employee feel secure about job	.509126	Consistent	Accepted
4. Good job attracting team member	.549263	Consistent	Accepted
5. Job choice in another company	.361605	Consistent	Accepted
6. Recommend company as carrier	.404593	Consistent	Accepted
7. Expected work is reasonable on job	.567526	Consistent	Accepted
8. Value and encouraged perspective	.589901	Consistent	Accepted
9. Job satisfaction	.589647	Consistent	Accepted
10. Satisfaction with the recognition as individual	.660731	Consistent	Accepted
11. Motivation by company success	.61232	Consistent	Accepted
12. Clear job requirement	.590249	Consistent	Accepted
13. Security feeling	.568933	Consistent	Accepted
14. Self esteem feeling	.717832	Consistent	Accepted
15. Feeling of self fulfillment from the job	.591483	Consistent	Accepted
16. Feeling of expertise	.665843	Consistent	Accepted

Reliability test of Psychological Contract was carried out and the reliability test measures are given below. (Refer Table 6)

Table 6:Reliability Test

Alpha		.861
Split Half		.748
Guttman		.889
Parallel	Estimate	.856
	Unbiased	.858
Strict parallel	Estimate	.861
	Unbiased	.863

Factor Analysis of Psychological Contract.(Refer Table 7)

Table 7

Factor name	Eigen value		Variable convergence	Loading value
	Total	%age Of Variance		
1 Job satisfaction	5.362	33.515	12. Clear job requirement	.811
			14. Self esteem feeling	.763
			16. Feeling of expertise	.743
			10. Satisfaction with the recognition as individual	.704
			4. Good job attracting team member	.494
			11. Motivation by company success	.462
2 Job security	1.660	10.374	13. Security feeling	.738
			1. Company policies and procedure	.683
			3. Employee feel secure about job	.682
			6. Recommend company as carrer	.642
			15. Feeling of self fulfillment from the job	.585
			9. Job satisfaction	.407
3 Individual encouragement	1.412	8.825	7. Expected work is reasonable on job	.729
			5. Job choice in another company	.699

	2. Respect of individual differences	.624
	8. Value and encouraged perspective	.482

Z – Test

Table 8

Type	Mean
Public telecom industry	4.93392
Private telecom industry	5.12

Standard Error	0.10127567
Z Value	1.837

Significant at 5% level

By Comparing Z-value of Psychological Contract in Public and Private telecom industry. it was found that computed values 1.837 is less than 1.96 (Critical Value) hence there was no significant difference between Psychological Contract in Public and Private telecom industry

▪ Discussion

It has been observed that the work environment of private telecom industry is better than the work environment of public telecom industry. As the result indicates, there can be three possible reasons for; opportunity, involvement in decision making and future planning about the work can be attributed to the better work environment of private telecom industry.

Impact of globalization, privatization and new industrial policy of year 1991, might have affected work culture of every organization including plan which has been taken for present study. In fact, public sectors are witnessing a fundamental shift in work attitude and work style due to open economy, increased competitiveness and privatization attitude of the government. Private organizations provide opportunities for employees. In more elaborated form, in private telecom industry employees see more opportunity for growth. If we take a simple example of physical work environment the difference between the public and private organization is visible every where. Additionally private organizations are informative; motivate their employees and profit oriented. It can be said that the new philosophy of management is better understood and implemented by the private telecom industry as compared to public telecom industry.

Second reason can be explained in the light of involvement in decision making. Private telecom industries show high concern for participative management style. Effective supervision and flextime arrangement provides a better environment of working. In private telecom industries goals are not only clearly laid down but effectively communicated. In private telecom industry employees are serious to achieve organizational objectives because their individual objectives can be achieved through organizational objectives. In private telecom industry management philosophy is also very simple; show performance and get reward. These organizations nurture employee engagement to create a positive work culture which act as a signature experience for their employees. This creates an environment of responsibility and accountability. Hence in private telecom industry work environment seems to be better than public telecom industry.

Third reason of better work environment should be seen by the lenses of stability. In private organization perks are attractive, work environment is healthy and competitive, growth potential is sound and vertical promotion is visible. This focuses employees to work with heart, mind and soul because they see their future in the organization. Employees share a common feeling that with the growth of the organization employees

will also grow in their professional and personal life. This generates an environment of delighted mood and enthusiasm, which ultimately generated positive work environment.

▪ **General Discussion**

Privatization has become an essential need of today's competitive environment. This is a reality and can not be neglected. In India public sector organizations were assumed to perform roles of public sector economy. After independence of India i.e. after 1947, this was a desired approach, because private sector organizations were not capable to invest high amount of resources in high technological areas. So, Government of India took initiative and invested heavy amount to build public sectors as a back bone of Indian economy. Due to various reasons discussed earlier most of these organizations have not shown remarkable quality performance. On the other hand, these organizations (leaving few exceptions) are incurring heavy losses which are unbearable. Private organizations as another side of coin are exhibiting tremendous scope of growth and development. so privatization of these organizations has become an unavoidable need of nation. But there is a strong appose of privatization. Following measures must be adopted to tackle opposition:-

(1) Perception of job insecurity is the biggest hindrance in the direction of privatization. Indians work with emotions, so only legal job contract will not motivate them. Instead there should be a psychological or emotional bond between employees and organization. Private sectors must create an environment of job security and it should be clearly related to work. You work hard, there is no threat to your job rather you will be groomed and will be a part of development. This type of environment must prevail.

(2) Common Indian people are not against privatization. In fact, they are enjoying benefits of consumerism, which was not there in Indian markets before 1991. As far as resistance is concerned only a small segment of society like public sector employees, few labor unions are against it. They must be persuaded that privatization is an essential need and for their benefit only. Rather it will provide a competitive environment, due to that job opportunities will be enhanced not ceased. Government, its agencies, social

organizations, NGOs should come forward and must effectively communicate that privatization is in favor of national interest as well as it is in the direction of welfare of their lives.

(3) Positive effect of privatization must be highlighted. Each coin has two sides, likewise every event has its own pros and cons. If only negative side of privatization will be highlighted then it will be very difficult to achieve objectives. Positive or strong side of privatization should be highlighted. This must be communicated that for the sake of development Government should not involve in running organizations, maintaining public transports etc. Rather it should concentrate on developmental activities in areas like agriculture, education, health etc. Lack of persuasion for positive aspect of privatization is the biggest block of privatization.

(4) Privatization should be treated as social agitation to reform economic health of the country. Politics, vested personal interest, desire for pseudo security must not be incorporated with national interest. Governance and development should be the only duties of the government Like earlier reformist social movements of India, there is a need of new movement in the direction of privatization, which ultimately result in prosperity of nation .

This does not mean that all the public sector organizations should be privatized. Organization which are earning profits or which are important for public welfare must be protected by the Government. Privatization of sick units or non strategic units is a justified but some strategic area units and public welfare organizations should be excluded from the list of privatization. So, this is the right time to clear the clouds of myths by dividing public sector units in two broad categories. First category of organization is one which should be privatized at any cost for the sake of national welfare. On the other hand, second category of organization must be protected from privatization so that they will be able to serve in the direction of national interest without worrying for profit. Stamper & Johlke (2003) have also observed the same fact. Kumar (2003) presented a more poised picture of Indian industries. He stated “A preliminary analysis of the sectoral performance shows that poor performance is not the prerogative

of the public sector enterprise alone. Some of them, in fact, are giving much better results. On the other hand, a quick glance at the performance of domestic private sector shows that the performance of corporate leaders in this sector, which is not a part of any business group, is worse than the central government enterprises. The corporate leaders, in general, are not showing signs of being responsible corporate citizens protecting the Indian economy. Going ahead hurriedly with the privatization agenda against the wisdom of the post- independence policy- makers of 1950s and 1960s may thus prove to be costly and irreversible proposition. So there is need to adopt a balance approach between privatization and promotion of good public sector organization. But these organizations can be counted on fingers, leaving these jewel public sectors, rest of the organization must be privatized and there is no doubt about it.

▪ **Limitations and Future Research**

Limitation of this study suggests avenues for future research. As a first limitation in this study, individual impact of all the 13 variables pertaining to work environment and 16 variables pertaining to psychological contract could have been examined.

The possibility of relationship between demographic variables like age , gender, education, income etc. and the variables pertaining to work environment (13 items) and psychological contract (16 items) can be examined by the future researchers.

Due to time and money constraints, convenience sampling method is taken as a method of selecting samples from the population. This is a non probability sampling technique and randomness of samples can be a problem. It is suggested that future researchers can take simple random sampling method or stratified random sampling method to control the non sampling errors.

References

- Abraham, 1990, Cappelli 1995 “The Labor Markets of Knowledge Workers”: Investment Bankers’ Careers in the Wake...Royal and Althausen *Work and Occupations*; 30: 214-233 *Academy of Management Journal*, 36, 1082-1096.
- Argyris, C. (1960). Understanding organizational behavior. Homewood, Illinois: Dorsey
- Clawson J., 1980. 'Mentoring in Managerial Careers'. In C. Derr (ed.) *Work, Family and the Career*. New York: Praeger.
- Colling, T. (1995). *From Hierarchy to Contract? Subcontracting and Employment in the Service Economy*, Warwick Paper in Industrial Relations, No. 52, Warwick Business School.
- Dabos, G., & Rousseau, D., “Mutuality and reciprocity in the psychological contracts of employees and employers,” *Journal of Applied Psychology*, 89(1), (2004), 52-72.
- Davis-Blake, Alison and Brian Uzzi. 1993. “Determinants of Employment Externalization: A Study of Temporary Workers and Independent Contractors.” *Administrative Science Quarterly* 38: 195-223.
- Deakin, S. and Michie, J. (1997) "The theory and practice of contracting." In Deakin, S. and Michie, J. (eds.): *Contracts, co-operation and competition: studies in economics, management, and law*. Oxford: Oxford University Press, pp.1-39
- Fiske, S.T., and S.E. Taylor. 1984. *Social Cognition*. New York, NY: Random House.

- Kalleberg, A. L., & Reve, T. (1992). The organization of employment relations: Integrating sociological and economic approaches. *Scandinavian Journal of Management*, 8, 301–318.
- Levinson, H., Price, C., Munden, K., Mandl, H. & Solley, C., *Men, management and mental health*. Cambridge: Harvard University Press, (1962).
- M. R. Kelley, 1993. "Organizational Resources and the Industrial Environment: The Importance of Firm Size and Inter-Firm Linkages to the Adoption of Advanced Manufacturing Technology," *International Journal of Technology Management, Special Issue on Small Firms and Innovation: The External Influences*, vol. 8, (November), pp. 36-68.
- Marsden, D. (1999). *A Theory of Employment Systems: Micro-Foundations of Societal Diversity*. Oxford: Oxford University Press.
- Meckler, M., Drake, B., & Levinson, H., "Putting psychology back into psychological contracts," *Journal of Management Inquiry*, 12(3), (2003), 217-228.
- Pearce, J. L. (1993) *Toward an organizational behavior of contract laborers*
- Pfeffer, J. and J.N. Baron. 1988. "Taking the Workers back out: Recent trends in the restructuring of employment." *Research in Organizational Behavior* 10: 257-303.
- Porter, L, Pearce, J. Tripoli, A., & Lewis, K. "Differential perceptions of employers' inducements: implications for psychological contracts," *Journal of Organizational Behavior*, 19, (1998), 769-782.
- Prahalad, C.K. & Hamel, G. (1990), "The Core Competence of the Corporation," *Harvard Business Review*, May-June, pp 79-91. Registered Nurses Association of British Columbia (RNABC), *Standards for Nursing Practice in British Columbia*, Pub. No. 128, Rev. 09/00, 2000.
- Rousseau, D., "New hire perceptions of their own and their employer's obligations: a study of psychological contracts," *Journal of Organizational Behavior*, 11(5), (1990), 389-400.
- Rousseau, D., "Schema, promise and mutuality: the building blocks of the psychological contract," *Journal of Occupational and Organizational Psychology*, 74, (2001), 511-541.
- Rousseau, D., *Psychological Contracts in Organizations: Understanding written and unwritten agreements*. Thousand Oaks, CA: Sage, (1995).

- Salancik, G. R., & Pfeffer, J., “A social information processing approach to job attitudes and task design.” *Administrative Science Quarterly*, 23, (1978), 224-253.
- Schein, E. *Organizational Psychology*, 3rd edition, Toronto: Prentice-Hall, (1980).
- Tekleab, A. & Taylor, S. “Aren’t there two parties in an employment relationship? Antecedents and consequences of organization-employee agreement on contract obligations and violations,” *Journal of Organizational Behavior*, 24, (2003), 585-608.
- Tsui, A., T. & O.Reilly, C. 1992. .Being different: Relational demography and organizational attachment. *Science Quarterly*, 37: 549-579.
- W. Barnett Pearce (1993), "Achieving Dialogue with the Other in Postmodern Society," pp. 59-74 in Philip Gaunt, ed. *beyond Agendas: New Directions*
- Williamson, O.E. (1975), *Markets and Hierarchies*, The Free Press, New York,.
- Fleming John H., Coffman Curt, Harter James K., “ Manage your human sigma”, *Harvard Business Review*, pp.107-114, July-August 2005
- Erickson Tamara J., Gratton Lynda, “What it means to work here”, *Harvard Business Review South Asia*, pp. 82-90, March 2007