Organization Management Journal

Volume 10 | Issue 3

Article 2

9-1-2013

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Recommended Citation

Sleeth, Randall G. (2013) "Psychological Contract, Leader–Member Exchange, and Perceived Organization Support–How Do They Interact?," *Organization Management Journal*: Vol. 10: Iss. 3, Article 2. Available at: https://scholarship.shu.edu/omj/vol10/iss3/2

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Routledge Taylor & Francis Group

Psychological Contract, Leader–Member Exchange, and Perceived Organization Support—How Do They Interact?

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In "A Social Exchange Model of Psychological Contract Fulfillment: Where Do Promises, Expectations, LMX, and POS Fit In?" Anjali Chaudhry and Amanuel G. Tekleab address outcomes of the employee-employer relationship associated with fulfillment of promises and fulfillment of expectations, in a context that includes perceived organizational support (POS), leader-member exchange (LMX), affective commitment, and turnover. The article provides insight into three aspects of social exchange theory: content of the exchange relationship, parties to the exchange relationship, and the process of the exchange relationship. The authors comment with appropriate citations that psychological contract (PC) theory envisions organizations with multiple agents that play a role in shaping as well as fulfilling employee desires in an employment relationship. Thus, "We do not know whether in the mind of the employee, the content of the exchange relationship obligates a particular agent (e.g., manager), the organization, or both" (p. 159) Accordingly, Chaudhry and Tekleab's interests required that for PC fulfillment they distinguish between associated promises and associated expectations. In their survey they note, "Promises are things your organization has committed to provide to you in exchange for your contributions. Expectations are things that were not promised but you expect your organization to provide to you in exchange for your contributions" (p. 162).

In order to provide meaningful comparisons, and to overcome flaws they noted in prior studies, Chaudhry and Tekleab assess promises and expectations with measures containing comparable specificity and number of items. Further, they argue and support with confirmatory factor analysis, they could aid validity by using items with wording differing only in focus on promises versus focus on expectations. In two studies, including both cross-sectional and longitudinal data, they show that employee-reported fulfillment of a PC relates differently to outcomes that stem from promises than to those stemming from expectations. Fulfillment of expectations more strongly predicted affective commitment, and fulfillment of promises more strongly predicted turnover. Additionally, they found expectations fulfillment associated with higher LMX when the source of fulfillment was perceived to be the manager, and expectations fulfillment associated with higher POS when the organization was seen as the source of PC fulfillment. Results were not significant for promises fulfillment.

Their results suggest that, with respect to psychological contracts, employees pay attention to both manager actions and organization actions. They make a case for broadening the conceptual framework of PC to include not only promises but also expectations, "paying heed to what the employee may be anticipating, rather than simply to what the organization is obligated to provide" (Chaudhry & Tekleab, response to editors and reviewers, August 22, 2012). Their work supports their practical conclusion that both organizations and managers would do well to play an active role in shaping, maintaining, and fulfilling employees' psychological contracts.

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