

Available online at [www.sciencedirect.com](http://www.sciencedirect.com)

ScienceDirect

Procedia - Social and Behavioral Sciences 171 (2015) 76 – 82

---

---

**Procedia**  
Social and Behavioral Sciences

---

---

ICEEPSY 2014

## Final year university students' beliefs about future employment relationships

Zorica Marković<sup>a</sup>, Biljana Blaževska Stoilkovska<sup>b\*</sup><sup>a</sup> *Department of Psychology, Faculty of Philosophy, University of Niš, Ćirila i Metodija, 2, 18000 Niš, Serbia*<sup>b</sup> *Institute of Psychology, Faculty of Philosophy, Ss. Cyril and Methodius University, blvd. Goce Delčev, 9A, 1000 Skopje, Republic of Macedonia*

---

### Abstract

Psychological contract is important construct to understand continuing changes in employment relationships. In that way, anticipatory psychological contract (APC) presents valuable framework to understand graduate students' beliefs about future employment relationships. Accordingly, the aim of this study was to examine APC content, i.e. beliefs about employee contributions and employer inducements in the employment relationship. The sample consisted of 271 final year university students from Macedonia and from Serbia enrolled following study programs: psychology and medicine philology/literature and technology and informatics. Questionnaire with 48 statements was administered to measure APC content. Two-way ANOVA and loglinear analysis were conducted for data analyzing. It was found that students preparing for various occupations from two countries significantly differ in the expressed beliefs about their contributions in the future employment relationship and in their belief about employer inducements in that relationship. In general, surveyed students reported stronger beliefs about employer inducements than about their contributions at work.

© 2015 Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license

(<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of the Organizing Committee of ICEEPSY 2014.

*Keywords:* anticipatory psychological contract; university students; type of study; country

---

---

\* Corresponding author. Tel.: +389 2 3116-520.

E-mail address: [biljanab@zf.ukim.edu.mk](mailto:biljanab@zf.ukim.edu.mk)

## 1. Introduction

Psychological contract as an individual's beliefs regarding characteristics and terms of an exchange agreement between that individual and the organization (Rousseau, 1995). Namely, it is an employee's perception of mutual obligations with the employer. Many researchers (eg. Coyle - Shapiro & Kessler, 1998; Gest, 2004; Nikoloski, 2003; Rousseau, 1995, 2001) in the way people perceive labor relations and employment obligations in this highly dynamic and competitive context with continued changes, see the opportunity to explain employee-employer relationships.

It would be particularly useful to expand the research in this area, incorporating persons who are potential job candidates and students in the final year of their studying who are facing school-to-work transition.

### 1.1 Theoretical background

Psychological contract is understood as a mental model that has existed before the first employment (Rousseau, 2001), which states that even in this period there are ideas about what the organization would be willing to provide and what would require in return (Michael, 2001; Porter et al., 1998, according to De Voss & Buyens, 2001). Specifically, above mentioned denotes to anticipation of employment relationship (mutual obligations to the employer), i.e. mental structure built on incomplete and limited information. Nevertheless, anticipatory psychological contract (APC) presents valuable framework to understand graduate students' beliefs about future employment relationships. This construct refers to individual's beliefs about future employment, including obligations to the future employers and inducements they expect to receive in return (De Vos & De Hauw, 2010).

There are two basic types of obligations as elements of psychological contract content: *relational* (loyalty, commitment as an employee's obligations, and, organizational support, secure employment as employer's obligations) and *transactional* (high performance, performance based payment) (Rousseau, 1989, as cited in Rousseau, 1995). The core of transactional contract type is economic or monetary exchange and it can be expressed through the term fair job for a fair pay (Rousseau, 1995). The basics of the relational contract type is the emotional exchange that involves significant personal investment by both, the employee and the employer. Its essence is recognized in the quote work/organization is my life. These types are not mutually exclusive (Millward & Brewerton, 2000), they are two opposites of one dimension/continuum (Macneil, 1985). Empirical evidence suggests that psychological contract has transactional core and that relational obligations are additional elements (Isaksson, De Cuyper, Oettel & De Witte, 2010).

According to the literature accessible to the authors of this paper, it could be concluded that APC studies are rare. Research conducted among postgraduate students in Business Administration, Business Communication and Human Resources Management showed that the content of this construct is very similar to its content among new employees, i.e. transactional elements were prevailing (De Voss & Buyens, 2001). Contrary, Michael (Michael, 2001), found that students from wood products study group perceived psychological contract as relational, rather than transactional.

Reported findings call for further analyses, especially among final year university students from different study groups, i.e. among participants preparing for various occupations. Also, more research of psychological contract in cross-cultural context is needed. Society, particularly its economic and labour market conditions and employment law practices, play significant role on psychological contract content. Societal culture (Rousseau & Schalk, 2000) and especially, individuals' culture profile (Thomas, Au & Ravlin, 2003) are other important factors. Kickul, Lester and Belgio (2004) on the base of their findings, stated that there are cross-cultural differences in terms of perceived psychological contract importance and breach.

### 1.2 Aim of the study

Considering the above, the purpose of this study was to examine APC content (beliefs about employee

contributions-relational and transactional and employer inducements -relational and transactional in the employment relationship) among final year university students preparing for different types of occupations who are coming from two Balkan countries, Macedonia and Serbia.

In the Balkan region which faces many changes, APC construct has not been studied and therefore this research could contribute to growing literature on this construct. Accordingly, study variables were:

- APC elements: a) employee contributions (relational and transactional) and b) employer inducements (relational and transactional);
- Type of study (chosen occupation): a) psychology and medicine (or, work with people), b) philology/literature (work with ideas), c) technology and informatics (or, work with things);
- Country: a) Serbia, b) Macedonia

## 2. Method

### 2.1 Sample and procedure

The sample consisted of 271 students (134 from Macedonia and 137 from Serbia) enrolled following study programs: psychology and medicine (n=142), philology/literature (n=65) and technology and informatics (n=65). Mean age of the participants was 22 years.

The data were collected during regular classes with prior approval of the Dean Administration of the mentioned faculties. It was explained that participation is voluntary, that responses would be confidential and only used for research purposes.

### 2.2 Measures

Questionnaire with 48 statements developed for the purposes of this study was administered to assess APC content. The items were divided in two scales - one scale asked for employee contributions (24 items) and other scale measured employer inducements (24 items). Answers were given on a 5-point Likert scale (from 1-completely disagree to 5-completely agree). Higher score indicated stronger beliefs about employee contributions, i.e. employer inducements.

Cronbach alpha reliability of the employee contributions' scale was 0.77. Reliability of the employer inducements' scale was  $\alpha=0.89$ .

Also, participants were asked to indicate their gender, type of study and country.

### 2.3 Statistical analyses

Two statistical methods were used for data analyzing: a) two-way ANOVA (with type of study and country as independent variables and perceived employee contributions as dependent variable) and b) loglinear analysis (study type, state and perceived employer inducements as variables).

Loglinear analysis was conducted because error variance of beliefs about employer inducement variable was not equal across groups (participants with different type of study and from both countries) ( $F(5; 265)=3.34, p<.01$ ). Accordingly, this variable was dichotomised on the base on median score ( $Mdn=4.18$ ; group with lower level of beliefs about employer inducements ( $Mdn\leq 4.18$ ) and group with higher level of beliefs about employer inducements ( $Mdn>4.18$ ).

## 3. Results

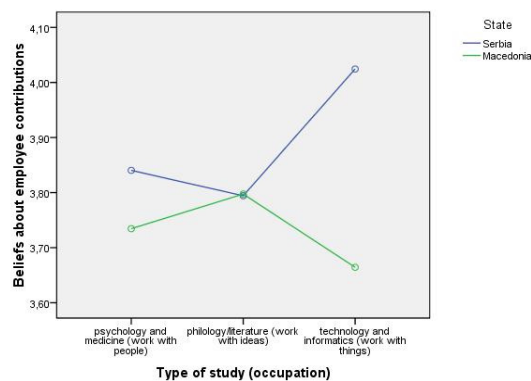
Means and standard deviations of beliefs about employee contributions among participants with different type of study from Macedonia and Serbia are presented in Table 1. As could be seen, the mean values of this variable across all groups were slightly above the theoretical mean of the measurement scale which is 3. That implies that participants believe that they will have relatively high obligations to their prospective employer.

Two-way ANOVA (Table 1) revealed that there was significant interaction effect of type of study (chosen occupation) and country on students' beliefs about their contributions in the future employment relationship ( $F(2; 265)=5.50, p<.05$ ). In general, final year university students from Serbia had stronger beliefs about employee contributions in comparison to students from Macedonia ( $F(1; 265)=13.47, p<.001$ ; main effect of country). Main effect of type of study was not statistically significant ( $F(2; 265)=0.71; p>.05$ ).

Simple effect analyses showed that technology and informatics students from Serbia assessed their contributions toward future employer at higher level than technology and informatics students from Macedonia ( $F(1; 61)=19.77, p<.001$ ); psychology and medicine students from Serbia expressed stronger beliefs about their contributions toward future employer compared to students from the same study program from Macedonia ( $F(1; 140)=4.23, p<.05$ ); literature students from Macedonia and Serbia did not differ in the expressed beliefs about their obligations to future employer (Figure 1).

**Table 1.** Means and standard deviations of beliefs about employee contributions among participants with different type of study from Serbia and Macedonia

Type of study (occupation)	Beliefs about employee obligations			
	Country	N	M	SD
psychology and medicine (work with people)	Serbia	76	3,84	,35
	Macedonia	66	3,73	,23
	Total	142	3,79	,31
philology/literature (work with ideas)	Serbia	31	3,79	,38
	Macedonia	34	3,80	,35
	Total	65	3,79	,36
technology and informatics (work with things)	Serbia	30	4,02	,33
	Macedonia	34	3,66	,31
	Total	64	3,83	,36
Total	Serbia	137	3,87	,36
	Macedonia	134	3,73	,29
	Total	271	3,80	,33



**Figure 1.** Interaction effect of type of study and country on beliefs about employee obligations

Loglinear analysis showed that highest-order-interaction (study type x country x perceived employer inducements) was significant ( $\chi^2(2; N=271)=7.73, p<.05$ ) (Table 2). Partial chi-squared tests (Table 3) implied that most of the students who expressed higher beliefs about employer inducements come from psychology and medicine study group ( $\chi^2(2; N=271)=7.75, p<.05$ ) and that most of the Macedonian respondents assessed employer inducements at a lower level contrary to Serbian respondents ( $\chi^2(1; N=271)=93.37, p<.001$ ). Additional chi-square analyses demonstrated that psychology and medicine students, literature students, as well as technology and informatics students from Serbia reported stronger beliefs about employer inducement than students on the same study programs from Macedonia ( $\chi^2(1; N=142)=32.02, p<.001$ ;  $\chi^2(1; N=65)=26.46, p<.001$ ;  $\chi^2(1; N=64)=39.20, p<.001$ ). Psychology and medicine students from Macedonia rate employer obligations toward them on a higher level in comparison to technology and informatics and literature students ( $\chi^2(2; N=134)=12.91, p<.01$ ). Students from all three study programs from Serbia rate their beliefs about employer inducements in a similar manner ( $\chi^2(2; N=137)=1.43, p>.05$ ).

**Table 2.** Distribution of surveyed participants across type of study, country and beliefs about employer inducements (N=271)

Type of study (occupation)	Country	Beliefs about employer inducements	Observed f	%
psychology and medicine (work with people)	Serbia	lower	16	5,9
		higher	60	22,1
	Macedonia	lower	45	16,6
		higher	21	7,7
philology/literature (work with ideas)	Serbia	lower	9	3,3
		higher	22	8,1
	Macedonia	lower	31	11,4
		higher	3	1,1
technology and informatics (work with things)	Serbia	lower	5	1,8
		higher	25	9,2
	Macedonia	lower	32	11,8
		higher	2	0,7

#### 4. Discussion

The aim of this paper was to examine anticipatory psychological contract content (beliefs about employee contributions-relational and transactional and employer inducements -relational and transactional in the employment relationship) among final year university students preparing for different types of occupations (psychology and medicine, philology/literature, technology and informatics) from two Balkan countries, Macedonia and Serbia. The intention was to contribute to the enlargement of the literature on this construct by taking into consideration broader groups of occupations and societal context, as well.

Results demonstrated that type of study (chosen occupations) alone was not significantly related to perceived employee contributions. When country was introduced, findings showed that psychology and medicine students from Serbia, as well as technology and informatics students from Serbia expressed stronger beliefs about employee contributions toward future employer than Macedonian students from the same study groups. Loglinear analysis revealed similar findings for the relationship between type of study, country and perceived employer inducements.

This could be seen as additional evidence to cross-cultural differences in psychological contract content even in neighbour countries with similar social, economic and political processes. Probably, there are different social values profiles that could explain obtained differences, particularly to employer inducements. On the other hand, Serbia is a bigger country with broader labour market opportunities and maybe that is a reason why participants from Serbia with different chosen occupation did not differ in way how they rate employer obligations toward them.

**Table 3.** Results from partial Hi-square tests (type of study and beliefs about employer inducements; country and beliefs about employer inducements; N=271)

		Beliefs about employer inducements		Total
		lower	higher	
Type of study	psychology and medicine (work with people)	f (%) (22,5)	61 (29,9)	142 (52,4)
	philology/literature (work with ideas)	f (%) (14,8)	40 (9,2)	65 (24,0)
	technology and informatics (work with things)	f (%) (13,7)	37 (10,0)	64 (23,6)
	Total	f (%) (50,9)	138 (49,1)	271 (100,0)
Country	Serbia	f (%) (11,1)	30 (39,5)	137 (50,6)
	Macedonia	f (%) (39,9)	108 (9,6)	134 (49,4)
	Total	f (%) (50,9)	138 (49,1)	271 (100,0)

Psychology and medicine students from Macedonia more frequently rate employer inducements at higher level in comparison to students from other two study groups. Perhaps, in those conditions, characteristics linked to study/occupation play an important role. Namely, psychology and medicine students because of their orientation to help others and to work with people, as well as due to higher empathy and altruism rate mentioned APC dimension highly than technology and informatics students.

#### 4.1 Limitations

This study has few limitations. Firstly, self-reported measures were applied in order to assess researched variables which might bring distorted and biased responses. Secondly, psychology and medicine students were predominantly represented in the sample.

Notwithstanding the limitations, the conducted research contributes to the extension of empirical findings on anticipatory psychological contract content. The obtained results have practical value, as well. They could be used in development and application of practices during school-to-work transitions and HR-activities in the recruitment, selection and newcomers' organizational socialization.

#### 4.2 Conclusion

Analyses revealed that students preparing for various occupations from two countries significantly differ in the perception of the employment relationships. More precisely, Serbian students regardless of their type of study expressed stronger beliefs about employee contributions and rate employer inducements at a higher level than Macedonian students surveyed for this study. Students' chosen occupation, specific culture profiles and value

system should be taken into account, when this aspect of APC content will be considered.

## References

- Coyle-Shapiro, J. A. M. & Kessler, I. (1998). The psychological contract in the UK public sector: Employer and employee obligations and contract fulfillment. *Academy of Management Proceeding*, August, 1998, San Diego.
- Guest, D. (2004). The Psychology of the Employment Relationship: An Analysis Based on the Psychological Contract. *Applied Psychology: An International Review*, 53 (4), 541-555.
- De Vos, A. & Buyens, D. (2001). Managing the psychological contract or graduate recruits: A challenge for human resource management. Working paper No. 2001/100. Gent University.
- De Vos, A. & De Hauw, S. (2010). Do different times call for different measures? The psychological contract of the Millennial generation in times of economic recession. *Vlerick Leuven Gent Working Paper Series* 2010/02.
- Isaksson, K., De Cuyper, N., Oettel, C. B. & De Witte, H. (2010). The role of the formal employment contract in the range and fulfillment of the psychological contract: Testing a layered model. *European Journal of Work and Organizational Psychology*, 19 (5), 696-716.
- Kickul, J., Lester, S. & Belgio, E. (2004) Attitudinal and behavioral outcomes of Psychological Contract Breach: A cross-cultural comparison of The United States and Hong Kong Chinese, *International Journal of Cross Cultural Management* August 2004 4: 229-252.
- Macneil, I. R. (1985). Relational contract: What we do and do not know. *Wisconsin Law Review*, 483-525.
- Michael, J. H. (2001). Perceived obligations of future forest industry employees: A psychological contracts perspective. *Forest Products Journal*.
- Millward, L.J. & Brewerton, P.M. (2000). Psychological contracts: Employee relations for the twenty-first century? In Cooper, C. L. and Robertson, L. T. (eds). *International review of Industrial and organizational psychology*, Vol. 15 (pp. 1-62). New York: Wiley.
- Nikoloski, T. (2003). Career choice and development. *Annual Review of Faculty of Philosophy in Skopje*, 56 [on Macedonian].
- Rousseau, D. M. (1995). *Psychological Contracts in Organizations: Understanding Written and Unwritten Agreements*. Thousand Oaks: Sage.
- Rousseau, D. M. (2001). Schema, promise and mutuality: The building blocks of the psychological contract. *Journal of Occupational and Organizational Psychology*, 74, 511-541.
- Rousseau, D.M. & Schalk, R. (Eds.) (2000). *Psychological contracts in employment: Cross national perspectives*. Thousand Oaks: Sage.
- Thomas, D. C., Au, K. & Ravlin, E. C. (2003). Cultural variation and the psychological contract. *Journal of Organizational Behavior*, 24, 451-471.