Research on Psychological Contract Questions in Human Resources Management

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Abstract: Psychological contract means that employees will offer achievements and contributions in return for challengeable or gainful employment, acceptable working conditions, forms of allowance and promising promotion or career progress in other forms. In Human Resources Management (HRM), although the psychological contract formed by employers and employees is not a kind of tangible one, it has the particular function of tangible contract. The author carries out research and exploration of the characteristics, construction principles and ways of psychological contract in the HRM.

Key Words: Human Resources; Management; Psychological Contract

1) The content of psychological contract is individual staff’s cognition to each other’s responsibilities or a kind of subjective feeling, not the truth itself of each other’s responsibilities. Because individual has its own distinctive experience and opinion toward the relationship between himself and his organization, individual’s psychological contract may differ from employment contract and also may differ from the understanding and explanation of others or the third party (such as organization agents).

2) The formal employment contract is generally stable and rarely changed. However, psychological contract is staying in a state of changing and revising. Any change that is related to the organization working manner, no matter its character is of physical or social property will influence on psychological contract. The longer time people work in one organization, the more scope psychological contract covers. And in the relationship between staff and organization, the more responsibility connotative content and they expect each other.

3) Psychological contract not only has the properties of expectation, but also include the promise and mutual benefit to responsibilities and duties. The contents it includes are those things that staffs believe they have the qualification to get and that they should get. To distinguish the two concepts has practical meaning. It mainly produces sense of disappointment when the expectation is not realized while it produces stronger negative feeling reflection and follow-up behaviors when psychological contract is violated. Its core is a kind of rage mood; staffs feel that organization acts in bad faith and they suffer from unfair treatment. It promotes individual to reappraise the relationship between him and organization and it has bad effects on organization promising, working performance, and satisfaction degree of working and the rate of staff turnover rate.

4) Organization promising means that staffs give birth to a kind of sentiment that they participate in all the activities in the organization all their hearts and souls with the increasing...
of their “unilateral devotion” to the organization. Psychological contract means a kind of belief system that staff and organization believe and have duties to each other. The same points of the two concepts lie in standing on the angle of individual to investigate the relationship between staff and organization. The differentials of the two concepts are: the content of organization promising is one-dimensional and only the emotion staffs have in organization, while psychological contract is a kind of bilateral relation about staff’s belief of his own responsibilities and belief of organization’s responsibilities. In this process staff may make a comparison of the degree that the two sides fulfill the contract. In addition, many researchers point out that organization promising is in fact the result of psychological contract.

· II . PRINCIPLES TO BUILD FINE PSYCHOLOGICAL CONTRACT

· A To fully understand the distinction of staff’s “human nature”

People’s needs vary in tremendous differences and generally include material and psychology needs, etc. It is to be noted that because of the complexity of individual’s psychological activities, there still exist potential psychological and spiritual needs besides dominant needs. People’s needs, with the exception of the aim of material gain, are kept with bounds of ethics, sense of justice, humanitarianism, and altruism, etc. Therefore, to understand people’s needs can not be simple and uniform. People’s needs that are not satisfied may trigger some motivation in proper moment and then cause policy decisions and behaviors to take place, weaken or reinforce. Motivation offers the power of people’s behaviors, including belief, expectation and sense of worth, etc. Belief and expectation are the bases to support people’s behaviors. To correctly distinguish people’s needs can make managers fully understand the distinctions among staff, and then, according to different staff, manager can adopt different encouragement measures, making different staff have a relative satisfied psychological expectation toward the enterprise. This is the base of building fine psychological contract.

· B To design rational encouragement mechanism.

Psychological contract is a kind of implicit and informal expectation and promise between organization and staff. If this kind of expectation and promise are realized in reality the staff’s working enthusiasm will be high and the performance of organization will be good. Fine psychology contract is an important impetus to improve staff’s working enthusiasm and organization’s performance while encouragement through designing proper outer reward and working environment is a measure based on certain code of conduct and penalty to encourage, lead, maintain, make out the behaviors of organization members and effectively realize the activities of organization and personal aims. Therefore, the stand or fall of the design of encouragement mechanism and whether it can satisfy the all kinds of needs of staff is the key whether it can encourage staff to contribute to the enterprises actively and fulfill the inner promise to enterprises.

· C To make scientific career life programming as a guarantee.

The profit that staff in enterprises pursues is a kind of economic profit and more a kind of good career development prospect. Staff’s choosing an enterprise usually aims to pursue good personal development prospect. If an excellent staff can not get development, his choice has to be job-hopping and find another job. This is the often-happened violation of psychological contract between organization and staff and it is especially the case in a market-oriented economic society. The construction of fine psychological contract does good to the respect that enterprises give staff the right to pursue good career development prospect. Managers in enterprises should be good at guidance that they make staff develop in enterprises and meanwhile they themselves can also get good development. Therefore, enterprises must make scientific career life programming for staff and make staff see the future and hope where they serve to integrate all their hearts to the development of enterprises.

· III . THE CONSTRUCTION OF PSYCHOLOGICAL CONTRACT IN HUMAN RESOURCES MANAGEMENT

· A Implementation of actual notification of enterprise and post in the process of hiring and selection.

The process of hiring is the first direct contact between staff and his organization, and is the first stage of the construction of psychological contract. The enterprise tries to market itself to the interviewees, so it’s likely that it may give some unrealistic promises to the interviewees, exaggerating the advantages of the enterprise or certain posts while canceling its disadvantages. On the other hand, the
interviewee tries to get proper post, so he often exaggerates his advantages, exclaiming himself as a “Jack of all” while canceling his disadvantages. That’s the so called “marketing”. For the construction of psychological contract, such marketing is unlikely to produce good result. Because in the process of marketing, the enterprise and the interviewee fit in readily having good expectation from each other, hoping that their efforts can get ideal rewards from each other, then the initiate psychological contract is made. When the interviewee enters the enterprise, the psychological contract will waver or reconstruct if both sides realize that the real situation is different from his expectation and sometimes far different. When reconstruction is impossible, fire and resign will be inevitable. So in order to build good psychological contract between an enterprise and its staff, it must implement “the actual notification of enterprise and post”-- to give an honest introduction of both advantages and the disadvantages of the enterprise and the posts in the process of hiring.

• B Supply pragmatic staff training and human resources development.

The human resources training have different forms such as pre-post training, on-the-job training and job-transfer training. Pre-post training allows the staff to adapt themselves to the posts as soon as possible, and cultivates loyalty of some staff to the enterprise. On-the-job training is a training targeting the shortage of knowledge or capability of the staff in their current posts, or a training to allow the staff to get new knowledge and technique to meet the new needs. Thus the on-the-job training allows the staff to find out that they can learn from the enterprise, and calculate the loyalty of the staff to the enterprise. The job-transfer training is a systematic training of the enterprise to the staff in order to allow them to adapt to the needs of different kind of works, and thus enhance their personal development. In summary, staff training can meet the demand of social development and the needs of both enterprise and the staff, enhance the sense of achievement and working satisfaction of the staff, improve the staff’s loyalty to the enterprise, and prevent the flowing of talented staff to other enterprises.

• C Implementation of objective and fair performance appraisal.

The performance appraisal is to assess and evaluate the actual effects of each staff’s work on the basis of the work he takes, with application of different kinds of scientific quantitative and qualitative methods. Regarding the actual performance appraisal, there are some mistakes undermining the relationship between the enterprise and staff, e.g. the Halo Effect, the Primacy Effect, the Recency Effect, Error of Central Tendency in the evaluating result, the Sheep Mentality, the Similarity Error, the contrast effects and the cultural differences; harmful behaviors, such as the Black Case Work, overcritical of accuracy, blind faith in evaluation scores and only dependence on usual impression. Such mistakes and harmful behaviors is sure to produce harmful psychological influence on the staff, even hostilities between staff or between enterprise and the staff, which is sure to undermine the satisfaction and loyalty of the staff to the enterprise. To build good psychological contract between the enterprise and the staff, the performance appraisal of enterprise must avoid the above mistakes and misconducts as much as possible. Besides, the results of evaluation must reach the staff timely. The way the staff concerns the results is the same as the way a student concerns his scores. Timely feedback allows the staff to understand his performance appraisal in a certain period, and his shortages and the direction of development.

• D Construction of harmonious interpersonal relationship inside the enterprise.

The Hawthorne Experiment by George Elton Mayo, an American behavior scientist, shows that the interpersonal relationship of an enterprise can influence not only the active work and cooperation of the staff, but also the satisfaction and loyalty of the staff to the enterprise. Many proofs show that an unharmonious working group or enterprise cannot make the staff loyal to it; on the contrary they often choose to leave. So in order to build a healthy psychological contract, the construction of a harmonious interpersonal relationship inside the enterprise is inevitable.

To construct harmonious interpersonal relationship, the enterprise must try to 1) build a new kind of relationship between the staff and the enterprise. The enterprise should regard the staff as “partner” instead of “employee”, treat them with manners same to managers and stockholders, and try to build solid relationship with the staff. Such methods allow the staff to find a sense of owner in the enterprise, and thus cultivate their loyalty to the enterprise. 2) build an enterprise culture of cooperative trust and fair competition. Such methods can build a good atmosphere of cooperative, mutual trust and fair competition. So the staff cannot leave
because of complex harmonious interpersonal relationship, nor can they feel dissatisfied because of unfair treatment. 3) build different proper “informal” group. Such methods can meet different needs of the staff, and find emotional affiliation.

Being psychological tie between the staff and the enterprise, psychological contract plays an inestimable role in the effective human resources management of the enterprise, e.g. it has important implication in hiring, training, inciting works and many other fields. Only when the management group of the enterprise realizes the importance of the psychological contract to the staff’s attitude and behavior, and only when they attach importance to the building and the maintaining of the psychological contract, can the enterprise make good use of the psychological contract in human resources management and even the management of the entire enterprise.

Bibliography