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CHAPTER ONE: GENERAL INTRODUCTION

1.1 Research Background

The psychological contract has been burgeoning in the last two decades as an explanatory framework for the employment relationship. From an early definition of the construct as an implicit mutual expectation between employees and their foreman (Argyris, 1960) to an individual’s belief regarding reciprocal exchange agreement between the focal employee and the organization (Rousseau, 1995), the psychological contract has been used to understand how employees make sense experiences at work and determine the nature of their own employment relationship (Shore & Tetrick, 1994), and consequently, to explain why employees behave as they do (Conway & Briner, 2005).

Entering into the employment relationship voluntarily, both parties (i.e., employee and organization) make agreement that a contractual relationship has been augmented and they as parties to this relationship have promissory obligations to perform to each other (Roehling, 1997). How to make this contractual relationship mutually beneficial depends upon a better understanding of those parties’ expectations, preferences, and exchange beliefs. Especially, Rousseau (1989) defined the psychological contract as individual-level exchange beliefs and emphasized the role of promise.

Ignored is, however, an individual’s actual behavior into which those beliefs are translated. For example, Zhao and colleagues (2007) emphasize that examining an individual’s affect as a mediating mechanism is important in predicting employee behavior when the psychological contract breach occurs. Further, recent research on social exchange theory has argued that people differ in their reciprocation due to individual and situational factors (e.g., Cropazano & Mitchell, 2005; Perugini et al., 2003), it is important to understand how individuals go through a
psychological mechanism when their organization provides a set of benefits promised.

Given the importance of the gap, it is the purpose of our study to span the understanding of the construct and its implications by viewing it as a within-individual psychological process. This has been called for several scholars. For example, Conway and Briner (2005) emphasize that the extant literature on the construct has reported rather mixed findings of the literature, ascribing it to inconsistency in conceptualization and methodological limitations.

Further, the vast majority of the literature seems to presume reciprocity of exchange as the prevailing governing norm and rely on it even when it is inappropriate to do so. As the degree of fulfillment of promised obligations means provision of benefits and resources expected and needed for individual employees (Restubog et al., 2006), they assume it provides motivation or creates obligatory pressure for the employees and they will reciprocate, no matter what (e.g., Coyle-Shapiro, 2002; Coyle-Shapiro & Neuman, 2004;). Cropanzano and Mitchell (2005) remind us that there are other more or less effective governing mechanisms and perspectives of exchange relationships and that it is in future researchers’ hands whether these postulates come into being. We believe that while reciprocity does act as the prevailing mechanism of exchange relationships, reciprocation does not occur to the same degree across individuals all the time. Specifically, we maintain that individuals undergo differing psychological process in response to fulfillment of organization obligations and that it is the individual’s choice whether to reciprocate or not. Going through work experiences, individuals may develop different patterns of psychological bond with different targets, organization and occupation in this study.

Granted, the objective of this study is threefold. First, we examine how the psychological contract fulfillment by an organization is related to employee’s commitments toward the organization and own occupation. Second, we argue and demonstrate that one’s commitments of rather divergent nature lead him or her to
differ in patterns of reciprocation. Third, we examine how one’s occupational commitment leads to organizational commitment, which in turn is positively related to reciprocation. In sum, we attempt to make considerable contributions to the extant literature in two regards. First, we address the problem of mixed results on the effects of psychological contract-related events on work outcomes by suggesting and empirically testing a theoretical model of a fully mediated relationship. Second, we argue that employees differ in their response to the same organizational acts based on to what they become more committed. It is well known that individuals identify and have commitments toward multiple targets in the workplace (Morin et al., 2012). Thus, we demonstrate how two types of commitment—organizational and occupational—relate to different reciprocation.

1.2 Research Objectives

We aim to make the readers better understand what psychological contract is, and more importantly, how it works. How the psychological contract works within an individual’s mind has been argued to be a potential area in the literature. The objectives are threefold. First, we examine whether and how psychological contract fulfillment by organization results in reciprocation by the employee. While a majority of the research has and demonstrated the positive association between the two, just a few have examined them with consideration of individual’s psychological process. Thus, we posit that reciprocity exists as an exchange pattern (Research Question 1), and that employees reciprocate by increasing commitment toward their organization and occupation (Research Question 2, 3). Second, we examine how the two components of individual’s psychological mechanism, organizational commitment and occupational
commitment, are related to each other (Research Question 4) and how they have different effects on reciprocation of OCB (Research Question 5, 6). Last, we divide the sample into two sets of groups into male/female and professional/non-professional workers and examine whether and how each subgroup exhibits different psychological and behavioral patterns (Research Question 7, 8).
1.3 Research Questions

Research Question 1: Is psychological contract fulfillment by organization positively related to psychological contract fulfillment by employee?

Research Question 2: How are delivered obligations by an organization related to employee’s organizational commitment?

Research Question 3: How are delivered obligations by an organization related to employee’s occupational commitment?

Research Question 4: How are employee’s organizational commitment and occupational commitment related?

Research Question 5: How does an employee with organizational commitment reciprocate in a form of OCB?

Research Question 6: How does an employee with occupational commitment reciprocate in a form of OCB?

Research Question 7: Do gender differences influence the pattern of the theoretical structure above?

Research Question 8: Do professional/non-professional differ in the pattern of the theoretical structure above?
1.4 Organization of Thesis

The organization of the present study is as follows. In CHAPTER TWO, we refer to the extant literature on the psychological contract, organizational commitment, and occupational commitment to suggest a missing gap. In CHAPTER THREE, we propose an overall theoretical framework consisting of (a) psychological contract fulfillment by organization as an antecedent, (b) organizational and occupational commitment as intermediate outcomes, and (c) psychological contract fulfillment by employee as an outcome. We also divide the data into subgroups, to see whether there is difference of the relationships between (a) women and men and (b) professionals and nonprofessionals.

In CHAPTER FOUR, we describe the data and analytic procedures and empirically demonstrate how well our theoretical model fits the data and produce significant relationships. We use structural equation modeling (SEM) to examine relationships between the constructs. We also used a multisample analysis compare gender and types of occupation.

In CHAPTER FIVE, we discuss the findings and discussion and conclusions in CHAPTER SIX. The overall organization of the thesis is shown in Figure 1.

![Figure 1-1. Organization of Thesis](image-url)
CHAPTER TWO: LITERATURE REVIEW

2.1 Psychological Contract

2.1.1. Conceptualization of Psychological Contract

In his Roehling’s (1997) review of the development of the psychological contract as a construct, it is explicitly pointed out that the conceptualizations of the psychological contract have changed, epistemologically and phenomenologically. Specifically, they are divided into those prior to 1989 and those afterward, shifting from an implicit mutual understanding among a group of employees and manager (Argyris, 1960), a set of mutual expectations between employee and employer (Levinson, Price, Munden, Mandl, & Solley, 1962). These definitions prior to that of Rousseau’s (1989) differ chiefly in that they do not take promise as the ‘basis’ upon which the psychological contract is impinged, that the level of analysis is relational rather than individual, and thus mutuality, or shared understanding of the terms of the psychological contract is assumed (Rousseau, 2004).

We follow Rousseau’s (2001, 2004) conceptualization of the psychological contract as “an individual’s beliefs, based upon promises expressed or implied, regarding an exchange agreement between an individual and, in organizations, the employing firm and its agents. (Rousseau, 2004: 120)” As an individual’s beliefs regarding the perceived mutual obligations in one’s employment relationship, the psychological contract is subjective in nature: parties to the contract need not agree upon the terms. The consequences of the psychological contract are thus rather idiosyncratic, such that an organization’s provision of the exact same benefits can lead to completely different reactions by two different people. The consequences depend upon idiosyncratic factors: what motives they have, by what personalities they are characterized and in what social settings they
are embedded, to name a few. In early works on the psychological contract the complete mutuality was assumed; however, as Rousseau (1989) has distinguished the psychological contract at an individual level, mutuality is not warranted; that is, the psychological contract at an individual level is rather idiosyncratic. Likewise, while the psychological contract is a mechanism, predicated on the norm of reciprocity, the degree of reciprocation may differ across individuals as obligations comprising the psychological contract to some extent are very peculiar and thus the provision of benefits by one party may go unrecognized, or create meanings different from the original intents (Rousseau, 2001). Granted, the same inducements may elicit different forms of reciprocation from the beneficiaries and thus it can be concluded that the reciprocation has not occurred. or may not occur due to situational or individual factors. The role of promise thus has increased its importance in understanding the operation and consequences of the individual. In line with this definition of psychological contract, the recent trend toward the psychological contract research has centered upon the notion that as the process of psychological contract formation occurs at an individual level, the dynamics of a within-individual psychic process should be brought to the empirical attention. For example, Coyle-Shapiro and Neuman (2004) reported supporting evidence for moderating effects of two types of employee perceptions of organizational exchange mechanism (Song, Tsui, & Law, 2009), creditor and exchange ideologies, on the employee perceptions of their obligations to the employer and the employer’s obligations to them, and the fulfillment of both. The results of this study show that, corroborating the dynamic and idiosyncratic nature of the psychological contract process. While it shows the role of dispositional factors which account for individuals’ varying responses to the reciprocation, this may not suffice for a more thorough understanding of how individual minds work. This is because the psychological contract explicitly assumes a changing nature, in which an employee’s exchange-focused beliefs change over time as a response to the organization’s acts. Dispositional factors are rather pre-made traits that are not
easily modified and have a relatively stable influence upon individuals’ cognition and behavior (Fiske & Taylor, 1991). If we are to understand the dynamics of the psychological contract process more fully, it should be the next step to examine mechanism variables linking an individual’s assessment of the party’s exchange actions to the acts of reciprocation. By putting ‘psychology’ back into the psychological contract (Meckler, Drake, & Levinson, 2003), we extend the extant body of the literature on the employment relationship, psychological contract, and social exchange theory. These findings lend even more support for the legitimacy for an examination of intervening mechanism variables. In this study we examine an employee’s attitudes toward the two most important targets. Organizational commitment and occupational commitment in their own right denote an employee’s psychological links with two most important workplace targets with which he or she identifies (Meyer, Allen, & Smith, 1993). The former represents a target of collective nature, while the latter rather personal.

Exchange Beliefs: Psychological Contract as Reciprocal Obligations

Defined as an individual’s beliefs regarding terms and conditions of a reciprocal exchange agreement between the focal person and the employing organization, the psychological contract is predicated on the role of exchange beliefs. The debate, however, has remained as to what constitutes employee’s beliefs about such exchange. Indeed, a majority of the extant literature confusedly uses three terms as referring to the same construct: expectation, obligation, and promise (Roehling, 2008). While it is beyond the scope of our study to compare and empirically demonstrate which of these exchange beliefs primarily constitutes the psychological contract, it merits elaboration for the purpose of clarification. Earlier definitions of the psychological contract were predicated on expectation
(Argyris, 1960; Levinson et al., 1962, Schein, 1965). Levinson (1960) views the employment relationship as a relationship between the focal employee and organization as an anthropomorphized figure and defines the psychological contract as “mutual expectations and needs in the relationship between a man and organization (384)”.

**Level**

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Individual</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Within</strong></td>
<td>Psychological</td>
<td>Normative</td>
</tr>
<tr>
<td></td>
<td>Beliefs that individuals hold regarding promises made, accepted, and relied on between themselves and another (employee, client, manager, organization)</td>
<td>The <em>shared</em> psychological contract that emerges when members of a social group (e.g., church group), organization (e.g., U.S. Army, Xerox, United Way), or work unit (e.g., the trauma at a community hospital) hold common beliefs</td>
</tr>
<tr>
<td><strong>Outside</strong></td>
<td>Implied</td>
<td>Social</td>
</tr>
<tr>
<td></td>
<td>Interpretations that third parties (e.g., witnesses, jurists, potential employees) make regarding contractual terms)</td>
<td>Broad beliefs in obligations associated with a society’s culture (e.g., reliance on handshakes)</td>
</tr>
</tbody>
</table>

**Figure 1-2. Types of Contracts**

Source: Rousseau (1995)
Rousseau (1989) defines the psychological contract as an individual beliefs regarding the specific terms and conditions of an exchange agreement between the employee and organization. This definition departs from the prior ones in that the author emphatically conceptualizes it as consisting of promises. While Rousseau (1989) acknowledges expectations as well, she explicitly focuses on the promise and resulting obligations between two parties to make distinctions from general expectation. Morrison and Robinson (1997) support this view in terms of outcomes, such that cognitive and emotional responses are more intense when the expectations are derived from promises than generalized values.

While expectation and psychological contract are related to a considerable extent, promise-keeping occurs in a way that is independent of expectation. Roehling (2008), stressing the need for theoretical clarification, states that while expectations, obligations, and promise are interchangeably used and may elicit the same mental illustration in people’s mind, they are not the exact same construct after all. He suggests that expectation be discarded from the list as it can occur to any beliefs and the other two can occur without necessarily eliciting the former. Likewise, Vanberg (2008), in his experimental study, demonstrates that people keep promise for promise-keeping’s sake. That is, whether or not subjects consider recipient’s expectations of promise-keeping, they base their behavior (promise-keeping) on their promise, not expectation. Further, as discussed above, expectation and promise differ in terms of consequences they cause. Morrison and Robinson (1997) argue that expectation denotes more general perception and is related to rather ‘mild’ responses, such as disappointment or dissatisfaction, while more intense feelings such as anger, betrayal, or outrage ensue when promise is broken (Robinson & Morrison, 2000). Granted, it can be said that while expectation and promise influence each other, the former should be included, if not excluded, to a somewhat limited extent, into the conceptualization of the psychological contract, to say, when expectations are based on promise (Conway & Briner, 2005). That is, promise should be viewed as an anchoring point, from
which expectation can be discerned. The psychological contracting denotes acts of exchanging promise, not expectation. Individuals may base their beliefs of promise on their expectation, they do not exchange expectation. They exchange promise.

Yet still, what makes it more confusing is that, except Roehling (2008), no empirical attempts have been made to test a theoretical distinction and relationship between promise and obligation, only using them interchangeably. Within the context of the psychological contract, it is reasonable to view the former as a source of the latter. According to Rousseau (1989), the psychological contract includes only those promises preceding any contributions from the focal individual. That is, one’s psychological contract is comprised of beliefs regarding obligations preceded by promises offered from the other, whereby one is bound to fulfill those obligations based on the belief that the other will reciprocate those obligations. Over time, such beliefs are confirmed and each party perceives their exchange relationship as obligatory. In other words, an employee thinks of the terms of her or his psychological contract as what the organization would provide, but as should and feels obligated to reciprocate, and so on (Wolfe Morrison & Robinson, 2004).

Given the above theoretical concern and the matter of the research scope, we agree with the assertion by Rousseau (1989): ‘a psychological contract emerges when one party believes that a promise of future returns has been made, a consideration (or contribution) has been offered for it, and an obligation has been created to provide future benefits. In addition, we conclude that an employee’s belief in his or her psychological contract in essence takes a form of expectation and that promise plays a central role in shaping the psychological contract.

**Mutuality**
Mutuality refers to an agreement between two parties to a relationship upon what they owe each other (Dabos & Rousseau, 2004). It is important because it may influence the assessment of the psychological contract (Wolfe Morrison & Robinson, 2004). Mutuality characterizes a relational rather than transactional type of psychological contract (Lester, Kickul, & Bergmann 2007). Lester and colleagues (2007) argue that a stable relationship, a defining feature of a relational type of psychological contract (Sels, Janssens, & Van Den Brande, 2004), is characterized by trust, loyalty, and consequent mutuality as parties to a relationship more freely communicate own preference to each other and believe in each other’s goodwill effort and faith, and expect an ongoing relationship.

The conceptualization of the psychological contract is subjective and imperfect in nature (Rousseau, 2001; Wolfe Morrison & Robinson, 2004), in that the terms of the psychological contract (i.e., perceived obligations) and the assessment of psychological contract vary in an idiosyncratic manner (Coyle-Shapiro & Kessler, 2000). This defining characteristic makes it difficult for reciprocation to occur, because employees and employers might have very different views on what constitutes the psychological contract and whether the other party has fulfilled its obligations (Wolfe Morrison & Robinson, 2004) and the extent to which the other party has fulfilled its obligations (Porter et al., 1998; Tekleab & Taylor, 2003).

Although an individual’s belief regarding the specific terms of the exchange needs not be exactly the same with that of the other, they should have some overlapping area. From recruitment to early socialization, employees form the basis for their psychological contract by actively seeking information through frequent communication and interaction with various sources from both direct (recruiter, interviewer, supervisor, coworkers, and subordinates) and inferring from indirect ones (advertisement, structural signals such as culture, mission statement, and handbook of HR policies) (Rousseau, 1995). Such established mutuality brings benefits to parties involved. For example, Dabos and Rousseau (2004) demonstrated that mutuality of specific obligations between research director and
staff scientist led to increased performance and career advancement in terms of not only self-perception but objective measures.

While the benefit of it seems apparent, assuming complete mutuality would be inappropriate and unnecessary in this study. It has to do with the level of analysis inherent in our definition (Conway & Briner, 2005). As an individual’s beliefs regarding an exchange relationship with the organization (Rousseau, 1995), we view the psychological contract as an individual phenomena. Thus, while mutuality can be inferred to some extent, it is not a necessary condition for the psychological contract fulfillment (Rousseau, 1989). However, we believe that the degree of mutuality should increase as the employment relationship develops into a relational one. Blau (1964) suggests that obligations are specified in economic exchanges, whereas they are rather unspecified in relational ones as parties trust each other to repay in the future.

**Reciprocity**

While mutuality should be considered in understanding the psychological contract, reciprocity merits elaboration as it is a governing norm of social exchange (Gouldner, 1960). In interpersonal exchange reciprocity seems to be a necessary condition of interdependence exchange, such that exchange cannot exist without at least two parties exchanging (Cropanzano & Mitchell, 2005). In the context of the employment relationship, this becomes more apparent. According to March and Simon’s (1958) inducements-contributions theory, entering the employment relationship, one contributes to accomplishing the organizational goals, in expectation that his or her contributions will be appreciated, or the inducements provided by the organization motivates him or her to make contributions (Rousseau, 1989). In addition, Levinson (1960) argues, “…it was apparent that…people’s efforts to fulfill various psychological needs in their relationship
with a company arose out of efforts, by both parties, to fulfill expectations (only part of which were conscious). This process of fulfilling mutual expectations and satisfying mutual needs in the relationship between a man and his work organization was conceptualized as a process of reciprocation (384)”. Therefore, it seems that there is little room for doubt on the prevalent role of reciprocity.

Research on the psychological contract and social exchange theory has regarded the norm of reciprocity as a prevailing governing mechanism. The latter considers the norm of reciprocity as a pattern of exchange; a cultural mandate; or an individual’s instrumental or moral orientation (Gouldner, 1960; Cropazaon & Mitchell, 2005). While the latter can be applied to all exchange relationships and transactions, the former exclusively focuses on the employment relationship. It views the norm of reciprocity as the reciprocal obligation between employee and organization (Coyle-Shapiro & Kessler, 2002). It may seem self-contradictory that the psychological contract is governed by the norm of reciprocity. Note that a basic motive for individuals reciprocating is that they prefer to stay out of indebtedness (Coyle-Shapiro & Conway, 2004) or expect future benefits to come from the organization (Cropanzano & Mitchell, 2005). Further, given the former is unwritten, perceptual contractual beliefs (Rousseau, 1995), employees’ obligations to make contributions to the organization reflect a cognitive aspect. That is, individuals feel obligated to repay when their organization has provided benefits and resources by identifying with the organization (Restubog et al., 2008; Eisenberger et al., 1987), by increasing their commitment (Shore & Barksdale, 1998; Parzefall, 2008) or engaging in in-role performance (Turnley et al., 2003) or in organizational citizenship behavior (Coyle-Shapiro, 2002; Conway & Coyle-Shapiro, 2012), or increasing objective performance (Dabos & Rousseau, 2004).

All of these studies do seem to regard the norm of reciprocity as prevalent; that is, they appear to assume that the norm of reciprocity works, no matter what. However, how the norm of reciprocity operates may be more complex than it has been suggested. It differs based on the nature of exchange relationship (i.e., social
and economic exchange) (Shore et al., 2012). That is, how it operates depends upon the immediacy and specificity of returns (Blau, 1964) and the nature of parties to the exchange (i.e., from self-interest maximization as in social dilemma situations to altruistic motives).

Further, not only reciprocity acts as a behavioral regulation mechanism, it also is conceptualized as an internalized motives. That is, it has been suggested that the extent to which the norm of reciprocity applies in exchange relationships differs across individuals, such that they may differ in their dispositions and acceptance of the norm of reciprocity. For example, they have different motives of reciprocation, such that they may reciprocate either because they feel right in doing so (Restbog et al., 2012) or want to countervail feelings of indebtedness (Meyer et al., 2006), or anticipate more benefits to come as a return of their reciprocation (Gallucci & Perugini, 2003).

Further, even after assuming a complete agreement between two parties, reciprocation does not always occur. In their thorough review, Cropanzano and Mitchell (2005) suggest alternative approaches by maintaining that between social and economic exchange, reciprocal exchange has aims at and is based on the former, while other exchanges may not. It can be, so the authors argue, negotiation (i.e., exchanging specific resources with an anticipation of short-term relationship), altruism, rational choice, and the like. In a bit different point of view, Coyle-Shapiro (2002) examined the moderating effects of an employee’s acceptance of the reciprocity on the relationship between employer inducement and organizational citizenship behavior. The author pointed out the fact that the norm of reciprocity has been given too little empirical attention relative to its theoretical significance and asserted the need for rethinking whether it really overrides any individual differences. The finding suggests that an employee’s acceptance of the norm does moderate the relationship.

The literature on work commitment also has acknowledged that employees can and do develop commitments toward multiple entities. For example, Lavelle and
colleagues (2009) report that employees have divergent forms of commitments toward their organization and union. Moreover, Kim and Mueller (2010) demonstrate the conceptual distinctiveness between organizational and occupational commitments. These findings suggest that while the norm of reciprocity does play a significant role within an individual’s mind and between individual and organization, it can also be the case that employees, the one in a position to reciprocate given the benefits from the organization, may not pay back as the way the beneficiary expected to be.

2.1.2 Psychological Contract Fulfillment by Organization: An Antecedent

The Psychological Contract Fulfillment and Its Consequences: Warrants of Reciprocation?

The literature on psychological contract theory has demonstrated that psychological contract fulfillment lead to positive employee attitudes and behaviors. Although the importance of reciprocity has been thoroughly examined and found to predict significant variances in employee-employer exchange, missing is a psychological mechanism, through which individuals actually decide to reciprocate. Morrison and Robinson (1997) argue that psychological contract breach, a cognitive assessment of the psychological contract, and psychological contract violation, an emotional response to the breached promises, are conceptually distinct in a nomological network of the psychological contract. Likewise, psychological contract fulfillment, a cognitive assessment of fulfilled promises in the psychological contract, should be distinguished from psychological responses as evidence by a few studies examining trust (e.g.,
Robinson, 1996; Montes & Irving, 2008), satisfaction (e.g., Lambert, 2011) or increased commitment (e.g., McInnis, Restubog, Bordia, & Tang, 2006). Rousseau (2004) explicitly acknowledges the difficulty with which both parties to the employment relationship have in forming a set of mutually agreed obligations. The higher a level of perceived mutuality of the psychological contract, the more likely the fulfillment of that psychological contract by the other party occurs. However, the psychological contract at an individual level cannot “assume mutuality, (124)” thus only a certain extent, rather than complete, of common thought between the focal employee and employing organization can be achieved. Further, even after assuming that the complete level of mutuality can be achieved, the reciprocation of benefits is not warranted. In this regard, Rousseau (2004) states as follows:

Not surprisingly, the more workers contribute over time, the more likely they are to feel that the employer has increased the number and level of promises made, even if the actual number of fulfilled promises has diminished. Periods of high contributions by workers tend to make salient the promise employers have made as well as gaps between what is promised and what has (so far) been delivered. The key point is that while substantial benefits accrue when worker and employer perspectives are in agreement, mutuality cannot be assumed, and fulfillment of both sides of the psychological contract is a work in progress in the employment relationship over time (124; emphasis added).

In their seminal work on review of social exchange theory (SET) framework, Cropanzano and Mitchell (2005) point out the role of individual in that while the reciprocity rule prevails in exchange relationship, it is an individual who are make choices as to whether to reciprocate or not. The needs for the examination of the
mechanism have been desired—or voice for several reasons. First, many of the studies on psychological contract theory have reported mixed results regarding the effects of employee’s evaluation of psychological contract on their affects, attitudes, and behaviors. Those authors in turn asserted that it may be due to the lacking mechanism between the psychological contract and outcomes and suggested the further research on the mediating variables. For example, while some studies have corroborated a significant association between promise or obligation with the evaluation of the psychological contract (e.g., Coyle-Shapiro & Kessler, 2000, 2002; Robinson, Kraatz, & Rousseau, 1997), others found that delivered inducements (e.g., actual payment) explained much more variation in outcomes such as feelings of violation or job satisfaction (Montes & Zweig, 2009). Second, according to affective events theory (AET) (for review, Weiss & Cropanzano, 1996), a series of related work experiences are related to affect, attitude, and behavior (Zhao et al., 2007). Zhao et al. (2007) meta-analyzed this model and stressed the importance of an intervening variable in psychological contract theory research. Second, although a few studies have examined the mediating role of trust in psychological research (e.g., Robison, 1996), it is suggested that trust may not fully explain the mediating effect. In their meta-analysis, Colquitt and colleagues (2007) demonstrated that affective commitment, together with trust, partially mediated the relationship between trustworthiness and performance (Colquitt, Scott, & LePine, 2007). The authors also suggested that the residual direct effects of trustworthiness may be accounted for by other mediating variables such as psychological contract fulfillment. This again sheds light on the desirability of a mediating mechanism in the psychological contract literature. Last not least, some studies have questioned the utility of promise in explaining employees’ perception of their psychological contracts. Montes and Zweig (2009) conducted on the account that whether the promise existed or not did not matter in predicting psychological contract breach and that even though
there were no promises a t-test result indicated that promises exist in both promise and no promise conditions.

Lambert (2011) compared three approaches to psychological contract breach and psychological contract fulfillment: discrepancy model, equity model, and needs theory of satisfaction model. The author found that needs theory of satisfaction model best predicted the relationship between promise, delivery, and satisfaction. This finding suggests that psychological contract fulfillment may not be determined by the employee’s evaluation of discrepancy between what is promised and what the organization actually delivered. Rather, the focus should be placed on the delivered inducement as well as the absolute level of fulfillment.

2.2 Organizational and Occupational Commitment: Multiple Commitments

The literature on work commitment in general and organization and occupational commitment in particular seem to agree on the idea that commitment is a psychological attachment, which is likely to lead one to dedicate oneself to a specific target (Klein et al., 2012). Many scholars have attempted to suggest the most reliable and valid conceptual and operational definitions (Mowday et al., 1979; O’Reilly & Chatman, 1986; Reichers, 1985; Mathieu & Zajac, 1990; Meyer & Allen, 1991; Cohen, 2007; Klein et al., 2010). While it is still in controversy whose conceptualization and measure are to be accepted as universal, they all seem to agree on the idea that commitment reflect one’s psychological bond with a particular entity and is closely associated with behavioral implications toward the target. Mowday et al.’s (1979) description well represents the quintessence of what commitment is. Defining commitment as the relative strength of an individual’s identification with and involvement in a particular organization, the authors state that “commitment...involves an active relationship with the
organization such that individuals are willing to give something of value of themselves in order to contribute to the organization’s well being. Hence, to an observer, commitment could be inferred from not only from the expressions of an individual’s beliefs and opinions but also from his or her actions (226).” According to the authors, commitment as a psychological attachment is characterized by a strong belief in and acceptance of the organization’s goals and values; a willingness to exert extra effort on behalf of the organization; and a strong desire to maintain membership in the organization (224).

Meyer and Allen’s (1991) definition, perhaps the most prevalent one used, of commitment is “a force that binds an individual to a course of action of relevance to one or more targets.” The authors further argue that the expression of this core essence of commitment is differentiated by different mindsets an individual has. One can derive commitment out of desire (affective commitment, AC), felt obligation (normative commitment, NC), or calculated costs or loss (continuance commitment). Further, Cohen (2007) defines commitment as an individual’s attitude toward a target, with differing behavioral outcomes based on its nature and timing of entry into employment relationship. Note that the author distinguishes commitment and commitment propensity should be separately defined and that each influences other, such that the extent to which individuals differ in the latter influences the development of the strength of the former. Finally, Klein and colleagues (2012) suggest a refined model of commitment. They define commitment as “a volitional psychological bond reflecting dedication and responsibility for a particular target (137)” . They view commitment as a particular type of psychological bond, which is perceived by an individual’s active sensemkeaing and choice in response to a multitude of factors at various levels. They maintain that it is individual’s perceptions of a target that facilitates the development of commitment: positive affect, target salience, trust, and perceived control, on an account that one is more likely to commit oneself to a target when he or she positively regards the target; perceives the target more saliently in
sensemaking; can trust the target for positive intention or behavior from others; and senses a certain level of control and possibility of achieving desired outcomes. The examination of these conceptualizations lead us to conclude that commitment is a psychological bond to a target, by which individual binds oneself to the target and chooses to make considerable dedication and take responsibility. We argue that commitment is mainly affective in nature, excluding normative and continuance in Meyer and Allen’s (1991) terms. The reason is that only the former well fits the conceptualization of commitment as a psychological bond, while the latter two direct to specific behaviors (i.e. staying) (Solinger et al., 2008). Moreover, we restrict our conceptualization to one occurring after entering employment relationship, as employees develop a set of cognition, emotion, and behavioral intention toward a target in workplace through the phases of employment relationship. Recall that we view the construct as a key mediating variable linking exchange relationship between organization and employee and employee behavior (Hunt & Morgan, 1994). While affective and cognitive aspects of commitment show first, the behavioral dimension also unfolds as the exchange relationship goes on.

Commitment also differs from identification, such that the former reflects one’s self-concept as part of a larger collective, while the latter psychological attachment to a target. It is argued that identification and commitment can be in a reciprocal relationship, in which identification influences commitment and vise versa. However, it is also stressed that either of them is a necessary but not sufficient condition for each other (Meyer et al., 2006). For example, one can be committed to his or her occupation and not identify with it. Lastly, while it is beyond the scope of our study to examine how these perceptual elements are related to each other, we believe that the development of commitment depends on the extent to which an individual perceives positive affect, salience, trust, and a sense of control over the target.
Finally, we argue that although commitment is conceptualized in a target-free manner, it mainly describes what occurs within the context of employment relationship with the current employing organization. Thus, as the individual makes sense of work experiences within the organization, the development of commitment is influenced by the view an employee takes as to the employment relationship he or she has with the organization. That does not mean that, however, employees always behave in such a way that would prioritize the organization before the employees’ own interests. That is, given that we view commitment as a mediating mechanism of social exchange relationship between organization and employees, commitment foci or targets, should be important in determining employees’ behavior in relation to organization. As individuals develop commitment toward more than one target, perceive the same work experiences differently and determine their consequences differently. Cooper-Hakim and Vieswesvaran (2005) report evidence supporting this argument. They found that while there are significant positive intercorrelations across commitment forms, there also exist unique variances among them, suggesting both the existence of a general work commitment and the uniqueness of foci to which employees are committed. Therefore, while individuals share the same essence of commitment, they should exhibit different behavior, as shown in previous research (e.g., Morin et al., 2011; Tsoumbris & Xenikou, 2010).

As defined above, commitment reflects an individual’s attitude toward various aspects of employment relationship. However, the question remains: Will the norm of reciprocity be the ‘norm’, no matter what? Specifically, will organizational commitment and occupational commitment automatically lead to an employee’s reciprocation? Will an employee who is committed to his or her organization and occupational choose to behave as a good citizen?

Given the conceptualization of the psychological contract as mutual obligations, we argue that the psychological contract fulfillment by the organization is positively related to an employee’s commitment toward the organization and his
or her occupation. The reason is that based on the research on social exchange theory (SET). It is the main thesis of social exchange theory (SET) that when two parties form an exchange relationship with mutually high obligations to each other, they develop trust and positive affect toward each other in fulfilling their obligations. Consequently, they become committed to this particular exchange relationship. In the context of employment relationship, employees engage in a social exchange relationship with their organization and, when the organization delivers its fair share of obligations, employees result in organization commitment. Hence, it can be said that this illustrates how the norm of reciprocity works in one’s psychological contract with the organization.

One should cast doubt upon, however, the predominancy of reciprocity as a governing mechanism. Cropanzano and Mitchell (2005) state that there are other rules of exchange and, even if it may be the case that the norm of reciprocity works prevalingly in exchange relationship, the degree to which individuals accept this norm differs. Further, and more importantly, they point out that exchange may be viewed as a function of individual difference and/or as a matter of choice an individual is to make.

Further, research on boundaryless or protean career also lends a theoretical basis for our argument. When an employee enters employment relationship, he or she gauges the possibility of future career with this particular organization. Further, it has been argued that one of the major motives of entering employment relationship in the first place is career growth (i.e., the extent to which an individual perceives the organization to be responsible for meeting his or her career needs) (Weng & McElroy, 2012).

In his review and reconceptualization of organizational commitment, Reichers (1989) suggests that organization is an entity consisting of multiple actors (e.g., manager, coworker, subordinate, customer, and the like) and that employees should develop commitments toward some of these actors. Moreover, while it is possible to have multiple commitments toward more than one target, employees
should allocate their resources to a limited number of targets given the amount of resources they can use. In particular, employees have a limited amount to allocate and hence should determine how much of their time and resources goes to their occupation and employing organization respectively, which in turn determines the pattern of reciprocation of their psychological contracts. More specifically, I maintain that if one chooses to be committed to his or her occupation more than employer, he or she would not trouble him- or herself to reciprocate; he or she may be incapable of doing so even if he or she wants to, as he or she finds doing so incompatible or even conflicting with pursuing his or her own occupation. Moreover, under certain situations it is possible that acts of reciprocation to the fulfilled obligation do not necessarily result in positive outcomes. For example, the ‘cost’ of being a good soldier well exemplifies such a situation. Bergeron and colleagues (2011) demonstrated that how organizational citizenship behavior (OCB) led to lower salary increase and slower advancement. Employees may well be aware of this association in their organization and feel reluctant to participate in discretionary behavior. Accordingly, we believe that employees with commitment to their occupation rather than organization are less likely to reciprocate psychological contract fulfillment by organization (PCFO).

It may be the case that organizational and occupational commitment are in a negative association, as been suggested by the earlier research on multiple commitments (). However, as I will discuss later, one may become more attached to the organization as he or she perceives the bestowal of career development opportunities as a signal for the willingness to build a long-term, open-ended relationship on the part of the organization. Consequently, he or she become attached to the organization and feel more responsible for repaying what he or she feels indebted to the organization (Rousseau, 1995). In what follows, we describe the link between psychological contract fulfillment by organization (PCFO) and organizational commitment and occupational commitment, which in turn determine how employees will observe the norm of reciprocity manifested in
organizational citizenship behavior (OCB). In between, we show how occupational commitment and organizational commitment are related.

2.2.1 Linking Psychological Contract Fulfillment to Organizational Commitment

Organizational Commitment as an Intermediate Outcome

As defined above, organizational commitment refers to one’s psychological bond toward his or her employing organization. As an outcome, organizational commitment has various antecedents, which are individual, target-specific, interpersonal, organizational, and societal in nature (Klein et al., 2012). Here we focus on interpersonal (if an organization is to be viewed as an entity with personalized qualities, or represented by a collective of multiple agents) or organizational antecedents. Specifically, we argue that when the organization fulfills psychological contract with an employee, the focal employee increase his or her commitment toward the employing organization. The reason is that, as described in the previous section, kept promises, delivered obligations, or fulfilled commitments, whatever it may be called, psychological contract fulfillment by the organization signals the organization’s intent to value and maintain employment relationship with the employee, convey its trustworthiness, and provide positive work experiences by satisfying the employee’s needs and expectations. Further, psychological contract fulfillment leads to the employee’s increased sense of control and predictability, which contributes to a development of commitment toward the organization. One of the basic tenets of social exchange theory, known as the norm reciprocity (Gouldner, 1960), is that one’s acts of giving something of value to the other is repaid. Reciprocity is thought of as a behavioral rule such that
if an exchange is to occur, both parties should conform to the exchange rule by fulfilling their own share of obligations. Consistently, if employment relationship is to occur and continue, an organization fulfills its obligations and provides a set of benefits to an employee, the employee in turn increases attitudinal (i.e., commitment) or behavioral (i.e., performance) contributions (Coyle-Shapiro & Kessler, 2002). Therefore, we believe that psychological contract fulfillment by the organization (PCFO) is positively related to the employee’s organizational commitment.

2.2.2 Linking Psychological Contract Fulfillment to Occupational Commitment

Occupational Commitment as an Intermediate Outcome

Occupational commitment, one’s psychological bond with own occupation has work-related experiences as a main antecedent. Occupation, as defined by Lee and colleagues (2000), is “an identifiable and specific line of work that an individual engages in to earn a living at a given point in time (800)”. This conceptualization of occupation implies that individuals enter their occupation and employment relationship for satisfying certain needs and expectations. The literature on occupational commitment has supported the role of the organization, such that the provision of desirable job characteristics (e.g., Aryee et al., 1994), growth opportunities (Aryee & Tan, 1992), organizational support (Lee et al., 2000) lead to an increase in occupational commitment. For example, Arnold (1990) found that when an organization’s failure to satisfy employees’ career-related expectations, employees decreased their occupational commitment. Moreover, Conway and Briner (2002) reported a positive relationship between psychological
contract fulfillment by organization and job satisfaction. Among obligations fulfilled were promotion opportunities and job security. Likewise, Aryee and Tan (1992) found that developmental opportunities provided by their organization led to employees’ increased career satisfaction. All these findings suggest that psychological contract fulfillment by organization and employee occupational commitment are positively related.

2.2.3 The Link between Occupational and Organizational Commitments

As has been suggested by many scholars, individuals can and tend to have multiple targets with which they have psychological links. There are two opposing views on how multiple commitments are related. On one hand, multiple commitments denote a set of different values and goals, which are often incompatible (Cooper-Hakim & Viswesvaran, 2005). According to this view, one should experience conflict within him or herself as he or she develops commitment to both his or her occupation and organization, which often emphasize incompatible values and goals. In turn, this conflict leads to increasing one commitment while decreasing the other, which is referred to as ‘zero sum’ game (Kalleberg & Berg, 1987). Likewise, a meta-analysis by Lee and colleagues (2000) found that conflict between occupational commitment and organizational commitment was negatively related to occupational commitment.

On the other hand, it is argued that individuals can develop a set of commitment with compatible demands. Research on multifoci commitment supports this view. For example, Wallace (1993) meta-analyzed the relations between professional and organizational commitment and found a significantly positive associations. In addition, Morin and colleagues (2011) report the finding that individuals have different configurations of commitments and exhibit persistent patterns of
behavior in line with their own commitment profiles. Lastly, Hekman and colleagues (2009) demonstrate that professional workers can identify with both to their profession and organization at the same time. This finding implies that this may as well be the case for commitment, since identification and commitment are argued to be in a reciprocal relationship (Meyer et al., 2006).

All these findings suggest that a compatible configuration of commitment is possible. As we restrict our attention to occupation and organization commitment, we argue that when an employee is committed to his or her occupation, he or she is likely to develop commitment to his or her organization. The rationale behind this argument is that, as discussed in the conceptualization of commitment, employees through the phases of employment experience career-related experience within the current organization (Chang, 1999; Vandenberg & Scarpello, 1994). When the organization is willing and capable of providing developmental HR practices and growth opportunities, the organization signals intent to value its employees. Employees may also see organizational career growth coming and develop commitment toward their organization as well. In addition, for most employees, they develop certain attitudes toward their occupation through performing a set of tasks and specific line of job (Chang, 1999). Moreover, in an instrumental sense, membership in one’s occupation is often closely related with membership with the organization. Well aware of it, employees with greater occupational commitment are more likely to develop organizational commitment than those with less occupational commitment.

2.3 Psychological Contract Fulfillment by Employee

In the literature on the psychological contract, it is widely assumed that when an organization keeps its promises to an employee, employees are bound to
reciprocate. In this sense, fulfillment of psychological contract employee therefore takes a form of reciprocation. But, what does it mean to reciprocate, anyway? We can find the answer from a rule of exchange: the norm of reciprocity. As a governing mechanism in all exchange and exchange relationships, the norm of reciprocity posits that individuals in exchange relationship tend to maintain a balance in exchange, such that when individuals receive benefits from the other party they are motivated to give something in return (Blau, 1964). Through repeated exchanges, parties to the exchange develop a social exchange relationship (Cropanzano & Mitchell, 2005): They trust each other; they aim to benefit each other beyond and above the terms of exchange; they continue their exchange at disposal of alternatives. In the psychological contract’s term, an employee and organization come to view their employment relationship as a relationship, in which each exchange not only economic but also socioemotional resources by fulfilling own obligations.

The positive association of organization psychological contract fulfillment and reciprocation has been generally supported. Reciprocation often takes forms of organizational commitment (Shore & Barksdale, 1998), lowered turnover intention (Bal et al., 2011; Liu et al., 2012), in-role performance (Tekleab & Taylor, 2003), organizational citizenship behavior (Coyle-Shapiro & Kessler, 2002), or both (Turnley et al., 2003). Of particular note is the finding from Coyle-Shapiro and Kessler’s (2000) study that the effects of training psychological contract fulfillment generally has stronger effects than relational psychological contract fulfillment in predicting perceived organizational support (POS) and organizational commitment. Further, when psychological contract is divided into obligation and inducement elements, only the obligation and inducement of training have a significantly positive effect on organizational citizenship behavior. These findings reflect the need for considering an important part of employment relationship other than the organization: one’s career. Specifically, when individuals enter the employment relationship, they are primarily concerned with
their career prospects. Hence, they gauge the possibility of organizational career growth (i.e., the extent to which the organization is able and willing to provide career development within the organization) (Weng & McElroy, 2012). Thus, it is important for an organization to provide developmental opportunities to employees, such that employees will consider implications of reciprocation for their career. We will discuss it in detail in the later section.

As discussed above, the majority of studies on the psychological contract begin by assuming the norm of reciprocity and report supporting evidence (e.g., Shore & Barksdale, 1998; Coyle-Shapiro, 2002; Coyle-Shapiro & Kessler, 1998, 2000, 2002; Restubog et al., 2008; Bal et al., 2011; Liu et al., 2012; Conway & Coyle-Shapiro, 2012). In all, the norm of reciprocity does seem to act as a prevailing rule of exchange (Cropanzano & Mitchell, 2005). This assumption, however, has been questioned its legitimacy as a cure-for-all in explaining employee work outcomes within an exchange framework. Cropanzano and Mitchell (2005) point out that dyadic or interpersonal exchange can be viewed as a matter of choice an individual is to make, and there are different rules underlying this decision. In line with this stance, Hekman and colleagues (2009) argue that reciprocity dynamics works in a more complex way that it originally was thought to be (Hekman, Bigley, Steensma, & Hereford, 2009). Specifically, they cast doubt upon the assumption of the prevalent role of reciprocity norm across individuals, explicitly acknowledging the multifaceted self-concept and evaluation process. They examined how primary care physicians perceive perceived organizational support (POS) and perceived psychological contract violation (PPCV), in accordance with the level of identification with profession and organization. They found that those identifying more with their organization and less with their profession reacted positively and more strongly to POS and PPCV, while those identifying more with their profession and less with their organization negatively reacted to POS and PPCV. These findings suggest that a particular workplace targets with which employees identify plays a critical role in determining whether the reciprocity
norm applies in exchange relationship. More generally, they may have different exchange principles based on a specific target (or targets) to which they have a closer psychological connection. Research on work commitment supports this idea. It is a well-known causal link that organizational commitment is positively related to employee benefaction (Meyer & Herscovitch, 2001; Gellatly et al., 2006). Further, it is largely supported that employees with occupational commitment are likely to engage in developmental activities (Blau & Holladay, 2006) and performance (Somers & Birnbaum, 1998). To our knowledge, however, how two distinct commitments with different foci are related one’s psychological contract has never been explored. We attempt to address this gap by focusing on the role of organizational commitment and occupational commitment in determining an employee’s reciprocation decision. In what follows, we propose how individuals with different commitment respond to the favorable treatment by organization. In addition, we argue that individuals with occupational commitment may develop organizational commitment as well and predict how they respond to the organizational treatment.

2.3.1 Linking Organizational Commitment to Fulfillment of Psychological Contract by Employee

As suggested and supported by evidence, psychological contract fulfillment by organization leads one to become committed to the organization for the following reasons. First, an employee should develop positive regards as they receive benefits from the organization. Second, kept promises should give an employee a sense of control over their mutual obligations, forming a set of beliefs regarding their relationship in favor of the organization, which in turn increases a psychological bond with the organization. Third, as the conceptualization of
commitment reflects the nature and quality of exchange relationship with a target (Klein et al., 2012), the fact that the employing organization delivered what it has promised to employees (from the focal employee’s perspective) indicates a high-quality employment relationship, or the high potential of becoming one.

2.3.2 Linking Occupational Commitment to Fulfillment of Psychological Contract by Employee

How would those committed to his or her occupational commitment respond to the organization’s promise-keeping? Would he or she reciprocate? If not, why would this happen? Answering these questions, we turn to the career aspect of the psychological contract discussed earlier. While the traditional career means promoting within, the pursuit of career trends toward occupational career (Guest & Rodrigues, 2012). The working of the traditional employment relationship has depended upon the implicit agreement that employees and organizations repay what each has given the other. With increasing uncertainty and needs for organizational restructuring, however, it becomes hard for both parties to make promises and keep them to each other.

Further, recall the Cropanzano and Mitchell’s (2005) argument mentioned above. While it is widely acknowledged that the norm of reciprocity is the prevailing mechanism of social exchange relationship, the extent to which individuals accept and observe the rule may differ. More importantly, it is possible that other rules of exchange may well act as an alternative. Of relevance here is the view that social exchange relationship is a matter of individual choice. The norm of reciprocity leads one to repay what he or she owes the other party by engaging in a series of acts of relevance to the latter. However, this reciprocal exchange is predicated on a dyadic relationship: there are only the focal employee and the organization. It
seems rather likely to assume that individuals belong to more than one group (e.g., occupational group) or larger collective (e.g., organization) upon entering employment relationship. If this is the case, it seems reasonable that individuals act in a way that benefits the one to which they feel more closely connected. Recent research on multifoci commitment suggests that one should develop a configuration of commitments with relative strengths depending on the targets (Meyer et al., 2006), which in turn determines a type of behavior one engages in. Meyer and colleagues (2006) argue that the relative strength and nature of commitment determine whether employees are likely to do discretionary or non-discretionary behavior (i.e., in-role performance). For example, if an employee is more committed to his or her occupation than to the employing organization, he or she is more inclined to act in a way that would benefit his or her occupation group or his or her own career success. Conversely, if the employee commits to his or her employing organization than to his or her occupation, then he or she would intent to act more favorably to his or her organization. Morin and colleagues (2011) demonstrated consistent patterns of commitment, in which employees have more than one target. The authors also suggest that commitments do not necessarily exclude one another. Rather, employees show at least average levels of task performance regardless of commitment pattern they have. This implies that relationships among commitments may be compatible.

With regard to the individual differences discussed earlier, it focuses on how individual difference in their attitudes toward a target develops in response to work experience employees have in workplace. The individual difference includes identity (Wallace, 1995; Meyer et al., 2006); dispositional orientation (Coyle-Shapir & Neuman, 2004); and past choices (Salancik & Pfeffer, 1978), and the like. For example, Coyle-Shapiro and Neuman (2004) found that the level of exchange ideology (an individual’s disposition to base his/her reciprocation behavior on the organization’s acts of providing what is promised) was negatively related to employee’s obligation to the organization and the fulfillment of it, while
the level of creditor ideology (an individual’s disposition to repay even more than what was given) was positively related. They also found the moderating effect of exchange ideology, such that it strengthened the relationship between employer’s obligation to employees and employee’s obligation to the organization and fulfillment of employee obligation. Moreover, Raja and colleagues (2004) argue that individuals with different personality traits form different types of psychological contract and differ in their proclivity to perceive breach or violation. They found some supporting evidence. Specifically, those high on neuroticism (neurotics) were less likely to form relational psychological contract and more likely transactional, while those high on extraversion (extroverts) were less likely to form transactional type of psychological contract. Neurotics were more likely to perceive psychological contract breach and psychological contract violation, whereas extroverts did not show any significant relationships. Further, those high on conscientiousness were more likely to form relational psychological contract and to perceive psychological contract breach. They were not prone to get emotional reactions as they did not show any significant relationship with psychological contract violation.

2.4 The Roles of Gender Difference: A Multi-group Comparison

2.4.1 Female and Male

We examine whether there is gender difference for the hypothesized model. Findings from previous research suggest competing views about gender difference. For example, social role theory (Eagly, 1987) argues that social roles typically assigned to men and women differ, and this differences account for difference in behavioral patterns. Specifically, women are assumed to be communal (i.e.,
nurturing, supportive, understanding, listening, relational orientation), whereas men agentic (i.e., competent, assertive, achievement orientation) (Franke et al., 1997). Women and men may differ in how they perceive the same work experience. Further, while women have shown the increasing rate of participation in the labor market and in the upper managerial positions, occupational sex segregation and glass ceiling still exist (Marsden et al., 1993). Marsden and colleagues (1993) argue that under the segregated job market, women may expect less than men from their jobs. Further, they also argue that women face more difficulty in balancing work and family. Given these differences, it may be argued that men and women employees would exhibit different patterns of reciprocation in response to benefits received.

On the other hand, others view that it is not gender difference per se, but organizational factors related to it. For example, Ely and Meyerson (2010) demonstrated that gender as a social system can be ‘undone’ by establishing an organizational culture in which such strains imposed upon both women and men are released. In addition, Phelan and colleagues (1993) showed that men and women did not differ in their subjective job perceptions; contrary to the notion that men and women perceive experience at work differently, work-family conflict did not differ for both women and men. Rather, it was their personality that accounted for subjective job perceptions the most.

Given these opposing views and findings, we do not hypothesize level and direction of the model. Rather, we take an exploratory approach to find out (a) whether there is gender difference in reciprocation, and (b) if so, how women and men differ in those patterns.
CHAPTER THREE: THEORETICAL FRAMEWORK

3.1 Overall Theoretical Framework

While the literature on the psychological contract fulfillment has largely focused on employee outcomes in response to breached promises. Given the conceptual prominence of promise in the conceptualization of the psychological contract, the rationale is that individuals differ in their response to unmet expectations according to whether those expectations stem from general expectations or from explicit and implicit promises exchanged with their organization (Morrison & Robinson, 1997). However, it is our thesis that research on the psychological contract fulfillment is a fertile ground for the future research. The psychological contract fulfillment is becoming ever more important in predicting employee behavior and attitude, such that the traditional model of the employment relationship is deteriorating. A long-term employment relationship, internal ladder, or career promise is losing their hold in the employment relationship (Guest & Rodrigues, 2012). Keeping promises, in this sense, can be a critical factor for maintaining an ongoing relationship between man and organization (Levinson, 1960). Specifically, the employment relationship can only be maintained by building mutual trust in each other’s good will and establishing an enduring relationship, from which both parties can benefit.

For this purpose, we believe that how employees respond to promises honored by their organization. Specifically, we maintain that employees respond differently to the same organization’s treatment. The reason is that employees enter the employment relationship with different motives and orientations. Thus, an individual who prioritizes his or her career advancement should focus on career management behavior, such as skill development and learning (Snape & Redman, 2003). On the contrary, an individual who seeks for a sense of belonging by
staying in an organization should attempt to stick with his or her current organization. Moreover, while employees differ in personal characteristics, they may also develop different attitudes toward workplace targets through work experiences and organizational socialization. Those who were initially concerned about their career development might feel increasingly attached to their organization through experiencing supportive treatment, accept values and goals of the organization, and form multifoci commitment (Morin et al., 2011).

These different patterns of attitude development are closely related to employee behavior, especially in terms of fulfilling employee obligation as reciprocation. The norm of reciprocity is an underlying mechanism in every exchange relationship. That is, an exchange can occur when two parties are interdependent (Cropanzano & Mitchell, 2005). They count on each other for attaining desired outcomes, more or less. Thus, a minimum level of reciprocity should exist if the exchange is to continue. From a more macro viewpoint, reciprocity is a form of exchange; one gives the other something of value, and the other repays. However, the extent to which parties involved accept and act upon it does differ. Rather than an invincible rule of exchange, reciprocity is to be viewed as an individual’s choice to make (Meeker, 1971). That is, it depends on whether an individual is committed to the exchange partner (here, the organization) and prioritizes the delivery of obligations. We posit that employees have different configurations of attitudes to workplace targets and that these attitudes lead them to decide whether and how to reciprocate. Specifically, we focus on two forms of commitment: organizational commitment and occupational commitment. These commitments are selected as the two targets, organization and occupation, are viewed as the primary reasons employees enter the employment relationship in the first place.

From these theoretical motives, we suggest our hypotheses and present the theoretical framework below.
Linking psychological contract fulfillment by organization to psychological contract fulfillment by employee as a pattern of exchange, we hypothesize:

**HYPOTHESIS 1.** Psychological contract fulfillment by organization is positively related to psychological contract fulfillment by employee.

Linking psychological contract fulfillment by organization to occupational and organizational commitment, we hypothesize:

**HYPOTHESIS 2.** The psychological contract fulfillment by an organization is positively related to organizational commitment.

**HYPOTHESIS 3.** The psychological contract fulfillment by an organization is positively related to occupational commitment.

Linking occupational commitment and organizational commitment, we hypothesize:

**HYPOTHESIS 4.** Occupational commitment is positively related to organizational commitment.

Linking occupational and organizational commitments to psychological contract fulfillment by employee, we hypothesize:

**HYPOTHESIS 5.** Organizational commitment is positively related to an employee’s reciprocation in a form of OCB.
HYPOTHESIS 6. Occupational commitment is negatively related to an employee’s reciprocation in a form of OCB.

Comparing female and male to determine whether and how gender difference leads to different patterns of reciprocation, we hypothesize:

HYPOTHESIS 7. Female and male employees differ in the pattern of reciprocation. That is, they exhibit different patterns of organizational and occupational commitment, and psychological contract fulfillment.

Figure 3-1. Model of the Research
CHAPTER FOUR: METHOD

4.1 Sample

The data come from Korean General Social Survey (KGSS), which was collected from late June to late August in 2009 in Korea. KGSS is a GSS-like survey, of which items are based on annual topic modules of ISSP (International Social Survey Programme) and biennial topic modules of ESSA (East Asian Social Survey). KGSS surveys Korean citizens over 18 years old who live in household in Korea. Multi-stage area probability sampling was used, determining which provinces to collect data in proportion to the distribution of household. The survey was conducted using face-to-face interview.

KGSS 2009 includes the topic modules on social inequality and special topic modules on inequality, fairness, suicide, and mental health. The number of respondents was 1599, from which we chose a sample of 964. 397 (41%) respondents were female and middle-aged (average age = 42). 274 (28%) of the respondents were married and 309 (32%) of the respondents were university graduates, with an average monthly income of 254,700 KRW and. The majority (75%) of them worked in the service industry, over a half full-time workers (55%), with the rest working in the manufacturing. 107 (11%) were professionals. The average organizational tenure of the sample was 7 years.

4.2 Measures

All items were measured using 5-point Likert scale (1=strongly disagree, 5=strongly agree).
Psychological contract fulfillment by organization. To measure psychological contract fulfillment by organization, we used Rousseau’s (1990) scale. The respondents were asked to indicate the extent to which they perceived that their organization has fulfilled its obligations to them. The coefficient alpha of this scale in the present study was .852.

Organizational commitment. We adopt items from Mowday et al.’s (1979) Organizational Commitment Questionnaire (OCQ). The respondents were asked to indicate the extent to which they have an affective link for their current organization. The coefficient alpha of this scale in the present study was .69.

Occupational commitment. We used Blau’s (1988) occupational commitment items to measure occupational commitment. The respondents were asked to indicate the extent to which they have an affective link for their current occupation. The coefficient alpha of this scale in the present study was .811.

Psychological contract fulfillment by employee. Five items were used to measure psychological contract fulfillment by employee in a form of organizational citizenship behavior, each indicating a subdimension of OCB (Podsakoff et al., 2000; Hui et al., 1999). The respondents were asked to indicate the extent to which they perceived that they have fulfilled their obligations to the organization. We excluded one item from the original measure consisting of six items: staying on the job for a period of time. The reason is that turnover intention has been widely recognized as a subdimension of organizational commitment (Mathieu & Zajac, 1990). Indeed, the earlier conceptualizations of organizational commitment to some extent strive to answer why employees leave the organization (Klein et al., 2012). Thus, using this item may result in a spurious relationship.
Control variables. We used the justice perceptions as covariates, including procedural, distributive, and informational justice. Their respective coefficient alphas are .86, .92, and .831, respectively. In addition, we controlled for gender (female=0, male=1), age, marital status (1=married, 0=unmarried), the years of education (no schooling=0, elementary=6, school, junior high=9, high school=12, college=14, university=16, master=18, doctoral=23), work-status (full-time=1, part-time=0), organizational tenure, industry they are working in (service=1, manufacturing=0), monthly income in log, and three personality variables including extroversion, conscientiousness, and neuroticism.

4.3 Analysis

4.3.1 Structural Equation Modeling (SEM)

To test our theoretical mode, we used the maximum likelihood procedure in LISREL 8.80 (Joreskog & Sorbom, 1993). Although our theoretical model hypothesizes a partial mediation model, we compared it with a full mediation model in order to determine which model fits the data better by comparing changes in the degree of freedom and chi-square. Although the structural equation modeling (SEM) does include the confirmatory factor analysis (CFA) procedure, we conducted the procedure to report the factor loadings. We scaled the first items of each set of observed variables of latent variable to one. To assess whether the covariance matrix fits our theoretical model well, we used the overall chi-square measure ($\chi^2$), the comparative fit index (CFI, Bentler, 1990), and the nonnorrrmed fit index (NNFI) (Bentler & Bonett, 1980), and the root mean square error of approximation (RMSEA) (Browne & Cudeck, 1993). CFI and NNFI more than .90 and RMSEA less than .08 correspond to a “good” fit and are generally accepted (McDonald & Ho, 2002).
4.3.2 Multi-group Comparison Analysis

We conducted a multisample analysis (MSA) to detect whether there is any difference across female and male. We followed the procedures suggested by Jöreskog and Sörbom (1989), but in the opposite direction, since our primary purpose is to examine difference, not invariance. First, we placed equality constraints both on forms of measurement model and path model, and all parameters across groups of interest. Second, we released the constraints from the measurement models (i.e., assume they are independently estimated) and compared changes in the degree of freedom and chi-square so as to determine which model fits the data better. If the fit improved significantly, we used the model. If not, it means that the all-invariance model fits the data better, and the all-invariance hypothesis cannot be rejected. Lastly, we released each path of the structural model one at a time, and examined the changes in the degree of freedom and chi-square. Insignificant changes mean that groups do not differ.
CHAPTER 5 RESULTS AND FINDINGS

5.1 Total Sample

5.1.1 Confirmatory Factor Analysis

Results of the confirmatory factor analysis of the latent variables of interest (PCFO, OC, OcC, PCFE, PJ, DJ, IJ) confirmed a seven-factor structure. The factor loadings are shown in Table 1. All the loadings are over .50, which is generally accepted. We also report the error variances, factor intercorrelations, and reliabilities in Table 2. The reliabilities of exogenous and endogenous variables are over .50, which is considered acceptable (Raines-Eudy, 2000). Thus, we conclude that the latent variables used here are conceptually and empirically distinct constructs and reliable.

5.1.2 Partial and Full Mediation Models

Results of model comparison show that the partial mediation model, as one corresponding to our theoretical model, has a better fit than the full mediation model. As shown in Table 3, the former (df=985, $\chi^2=4120.17$, p=0.000) exhibits a better fit than the latter (df=986, $\chi^2=4129.91$, p=0.000). The difference in chi-square indicates a significant change in the model fit ($\Delta \chi^2=9.74$, $\Delta$df=1, p<.05). Thus, we conclude that the partial mediation model explains the data better than the full mediation model and use the partial mediation model as we hypothesized.

The structural model in Figure 2 demonstrate that the effects of psychological contract fulfillment by organization (PCFO) on psychological contract fulfillment by
employee (PCFE), organizational commitment (OC), and occupational commitment (OCC) are .24 (p<.001), .11 (p<.01), and .37 (p<.001), respectively. These results reveal the followings. First, the norm of reciprocity does prevail as a pattern of exchange, such that the direct effect of PCFO is positively significant. Second, PCFO is positively related to employee’s OC and OCC. It may be that the provision of bene-

<table>
<thead>
<tr>
<th>Table 5-1. Confirmatory Factor Item Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor and Item</td>
</tr>
<tr>
<td>Psychological Contract Fulfillment by Organization</td>
</tr>
<tr>
<td>1. To guarantee job security</td>
</tr>
<tr>
<td>2. To listen to employees' opinions</td>
</tr>
<tr>
<td>3. To provide support for employees' career development</td>
</tr>
<tr>
<td>4. To provide competitive fringe benefits and incentives</td>
</tr>
<tr>
<td>5. To treat employees like family members</td>
</tr>
<tr>
<td>6. To innovate organization for strengthening competitiveness of company</td>
</tr>
<tr>
<td>7. To share the company gains or profits</td>
</tr>
<tr>
<td>8. To implement family friendly policies</td>
</tr>
<tr>
<td>Organizational Commitment</td>
</tr>
<tr>
<td>1. I am willing to work harder than I have to in order to help the firm or organization I work for succeed</td>
</tr>
<tr>
<td>2. I am proud to be working for my firm or organization</td>
</tr>
<tr>
<td>3. I would turn down another job that offered quite a bit more pay in order to stay with this organization</td>
</tr>
<tr>
<td>Occupational Commitment</td>
</tr>
<tr>
<td>1. I definitely want a career for myself in this occupation</td>
</tr>
<tr>
<td>2. This is the ideal vocation for a life work</td>
</tr>
<tr>
<td>3. If I could do it all over again, I would choose to work in this profession</td>
</tr>
<tr>
<td>Psychological Contract Fulfillment by Employee</td>
</tr>
<tr>
<td>1. Showing loyalty to the company</td>
</tr>
<tr>
<td>2. Taking voluntary efforts to enhance task capability</td>
</tr>
<tr>
<td>3. Doing overtime work if necessary</td>
</tr>
<tr>
<td>4. Sharing and transferring task skills and know-hows with peers</td>
</tr>
<tr>
<td>5. Participating actively in innovations initiated by the company</td>
</tr>
<tr>
<td>Procedural Justice</td>
</tr>
<tr>
<td>Fair personnel policy regarding</td>
</tr>
<tr>
<td>1. Payment</td>
</tr>
<tr>
<td>2. Promotion</td>
</tr>
</tbody>
</table>
3. Transfer to other departments .71
4. Performance evaluation .78
5. Job sharing .62
6. Personal rules and regulations .72
7. Education and training opportunities .55

Distributive Justice
Fair rewards when considering my
1. Intelligence .77
2. Job skills .84
3. Efforts .86
4. Educational attainment .69
5. Careers .78
6. Performances .83
7. Responsibilities .80
8. Job stress .58

Informational Justice
After some important decisions have been made, my company
1. Informs employees of the decisions .53
2. Informs employees of how decisions were made .79
3. Explains potential consequences of the decisions on employees .85
4. Takes complementary measures for those employees who would be disadvantaged by the decisions .80

<table>
<thead>
<tr>
<th></th>
<th>e</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>PCFO</td>
<td>.31</td>
<td>(.852)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>OC</td>
<td>.27</td>
<td>.54</td>
<td>(.690)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>OcC</td>
<td>.63</td>
<td>.46</td>
<td>.73</td>
<td>(.811)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>PCFE</td>
<td>.34</td>
<td>.53</td>
<td>.62</td>
<td>.41</td>
<td>(.785)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>PJ</td>
<td>.36</td>
<td>.53</td>
<td>.38</td>
<td>.28</td>
<td>.35</td>
<td>(.860)</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>DJ</td>
<td>.49</td>
<td>.42</td>
<td>.44</td>
<td>.25</td>
<td>.26</td>
<td>.45</td>
<td>(.920)</td>
</tr>
<tr>
<td>7.</td>
<td>IJ</td>
<td>.29</td>
<td>.47</td>
<td>.39</td>
<td>.25</td>
<td>.33</td>
<td>.31</td>
<td>.31</td>
</tr>
</tbody>
</table>

*a*: All correlations are significant at p < .01

*b*: figures in parentheses are Cronbach’s alpha
-fits promised conveys to the employees the organization’s intent to maintain the employment relationship in good terms and its trustworthiness, which contribute to commitment to the organization. In addition, supporting career development of employees might help them to make important career decisions, increase their willingness to engage in such activities, and accept the values and goals of their career. Thus, hypotheses 1 to 3 are supported.

Hypothesis 4 postulates that OCC is positively related to OC. Employees who have higher OCC are more likely to have OC, because employees may view the provision of career development opportunities as the organization’s intent to maintain a long-term employment relationship, to value them as an asset, and care about their wellbeing in this organization (Rhoades et al., 2001). Further, note that employees develop OC, working in the current organization. Positive experiences related to career development may lead to increased OC because employees may relate these experiences to the positive affect toward the organization. The result confirm such a relationship, with a coefficient at .58 (p<.001).

Hypothesis 5 reflects the norm of reciprocity operating within an individual’s mind. Specifically, it posits that when employees are committed to their organization, they are more likely to engage in reciprocation of the benefits received from the organization. The coefficient of .70 (p<.001) supports the hypothesis. Hypothesis 6 states that OcC negatively affects PCFE. The result shows that OcC does have a negative direct effect on PCFE, with coefficient at -.22 (p<.01). This finding supports the notion that exchange is an individual’s choice. While an employee may feel gratitude toward the organization, he or she may as well be more oriented toward his or her job than the organization. It is also consistent with the recent literature on the ‘cost’ of organizational citizenship behavior (OCB). It argues that helping behavior may not always lead to positive outcomes. Bergeron and colleagues (2011) reported supporting evidence that OCB was negatively associated with task performance rated by managers, annual salary increase, and the years spent in advancement. Moreover,
Barnes and colleagues (2008) demonstrated that helping coworkers with their task led to the helper’s neglect of task performance and coworkers’ decreasing their workload in anticipation of help. Further, employees who are committed more to pursuing their career may pursue career outside the organization. Thus, perceived job mobility may also be important in deciding whether or not to reciprocate (Hui et al., 1999). Therefore, employees may be well-aware of the costs of reciprocation, especially in the form of discretionary behavior.

**Figure 5-1. Estimated Path Coefficients of Partial Mediation Model**

Note: Loadings on the latent variables are showed in CFA results.

\( ^{a} \): All the coefficients are standardized solutions.

\( ^{b} \): \( \dagger \): p<.10, \( * \): p <.05 , \( ** \): p<.01, \( *** \): p<.001
While the direct effect of OcC on PCFE is negative, the indirect effect is positive, with the coefficient at .13 (p<.001). This is consistent with the hypothesized relationship, such that employees who are committed to both their career and organization are more likely to reciprocate. The positive coefficient suggests that employees, once they commit not only to their career but also to their organization, are more likely to engage in repaying by fulfilling their promises to the organization.

Figure 5-2. Estimated Path Coefficients of Full Mediation Model\textsuperscript{a,b}

Note: Loadings on the latent variables are showed in CFA results.
\textsuperscript{a}: All the coefficients are standardized solutions.
\textsuperscript{b}: †: p<.10, *: p <.05 , **: p<.01, ***: p<.001
5.2 Multigroup Comparison Analysis

5.2.1 Female versus Male

Results of releasing constraints suggest that the model with differing factor loadings across gender fits the data better than the model with an all invariant constraint. The chi-square changed from 6352.70 (df=2130) to 6299.70 (df=2098), resulting in a significant change in chi-square of 53 (Δdf=32, p<.05). Therefore, the hypothesis of all invariance is rejected. Further, allowing a path coefficient to vary for each path one at a time yielded model fit changes and coefficient changes shown in Table 4. The estimated model fit change exhibits that only a path linking PCFO and OcC results in a significant model fit improvement (Δdf=1, Δχ²=3.98, p<.05). The coefficient for male is greater than for female, while all the other coefficients in this particular model are the same. This not only suggests that male employees are more likely increase their occupational commitment when the organization fulfills its obligations to them but also that male employees are more likely to reciprocate indirectly. That is, a path linking PCFO-OcC-OC-PCFE shows that male employees are more likely to reciprocate through increasing commitment to the occupation and then organization than female employees. Further, releasing a path from OcC to OC from the invariance constraint showed a marginal improvement in the model fit (Δχ²=2.89). In this model, male employees have a greater coefficient (.42, p<.01) than female employees (.31, p<.01).

<table>
<thead>
<tr>
<th>Model</th>
<th>df</th>
<th>χ²</th>
<th>Δχ²</th>
<th>RMSEA</th>
<th>NNFI</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partial</td>
<td>985</td>
<td>4120.17</td>
<td>.057</td>
<td>.94</td>
<td>.95</td>
<td></td>
</tr>
<tr>
<td>Full</td>
<td>986</td>
<td>4129.91</td>
<td>9.74*</td>
<td>.057</td>
<td>.94</td>
<td>.95</td>
</tr>
</tbody>
</table>

* a: †: p<.10, *: p <.05, **: p<.01, ***: p<.001

Table 5-3. Goodness of Fit Indices Comparison
Likewise, male employees exhibit a similar pattern of reciprocation: They are more likely to reciprocate indirectly. The only difference is that in this model the indirect effect of OcC on PCFE. Thus, when we assume that female and male employees differ in the extent to which their commitment toward their occupation leads to commitment toward the organization, male employees are more inclined to do so and consequently, reciprocate indirectly, confirming the indirect reciprocation.

A possible explanation may be that men are more inclined to attribute the delivered obligations to their own feats, such as ability or effort (Witt et al., 1995). That is, they may believe that the organization is fulfilling its promise to them because they perform well, which leads to increased self-efficacy in career advancement or psychological mobility. In turn, they may develop organizational commitment because they perceive the organization is the benefactor of career development and satisfies their achievement needs, as the organization has promised. This is consistent with the notion that individuals feel attached to more proximal targets first (Morin et al. 2011). Alternatively, given that men are high on achievement needs and exhibit agentic personality and behavior, male employees who are oriented toward their career are more likely to express commitment toward their organization as an impression management tactics (Eagly, 1995).

On the contrary, female employees consistently show a weaker tendency to reciprocate indirectly. Rather, when they develop occupational commitment rather than organizational commitment, they decide not to reciprocate. The reason may be that women may be more risk averse than men are (Chaudhuri & Gangadhara, 2003). It is well established that a person tend to trust a target to which he or she feels close (Hekman et al., 2009). Thus, female employees who feel more close to their occupation than to the organization may be hesitant to trust the organization to reciprocate their extra-role behavior. In addition, under certain circumstances, it may be viewed as “gender incongruent” for female employees to fulfill their obligations in the form of discretionary behavior. Kidder (2002) showed that peo-
Table 5-4. Model Fit Changes for Releasing a Path\textsuperscript{a,b}

<table>
<thead>
<tr>
<th>Invariant Path Coefficient</th>
<th>$\Delta$df</th>
<th>$\Delta \chi^2_{\text{Male-Female}}$</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCFO→PCFE</td>
<td>1</td>
<td>.14</td>
<td>.27***</td>
<td>.23***</td>
</tr>
<tr>
<td>PCFO→OC</td>
<td>1</td>
<td>-.71</td>
<td>.12**</td>
<td>.07</td>
</tr>
<tr>
<td>PCFO→OcC</td>
<td>1</td>
<td>-3.98*</td>
<td>.59***</td>
<td>.41***</td>
</tr>
<tr>
<td>OcC→OC</td>
<td>1</td>
<td>-2.89†</td>
<td>.42***</td>
<td>.30***</td>
</tr>
<tr>
<td>OC→PCFE</td>
<td>1</td>
<td>.62</td>
<td>.81***</td>
<td>.73***</td>
</tr>
<tr>
<td>OcC→PCFE</td>
<td>1</td>
<td>-1.97</td>
<td>-.11†</td>
<td>-.21***</td>
</tr>
</tbody>
</table>

\textsuperscript{a}: All coefficients are nonstandardized solutions.

\textsuperscript{b}: \textsuperscript{†}: p<.10, *: p <.05 , **: p<.01, ***: p<.001

Figure 5-3. Estimated Path Coefficients of Partial Mediation Model\textsuperscript{a,b,c}: Male

\textsuperscript{a}: All the coefficients are nonstandardized solutions, from separate sample analyses.

\textsuperscript{b}: Coefficients in parentheses are nonstandardized solutions from path-constrained model.

\textsuperscript{c}: \textsuperscript{†}: p<.10, *: p <.05 , **: p<.01, ***: p<.001
-ple may relate gender to a certain type of OCB and that those whose job is gender incongruent (e.g., a male nurse, a female engineer in this study) may experience confusions regarding what role they are to assume in the organizational setting. Thus, female employees who are committed to their occupation may feel that it is inappropriate to engage in reciprocation. Rather, they may choose to focus on in-role performance or citizenship behavior directed at a more proximal group, say, occupational or group.

Figure 5-4. Estimated Path Coefficients of Partial Mediation Model*\(^{a,b,c}\): Female

* All the coefficients are nonstandardized solutions, from separate sample analyses.
* Coefficients in parentheses are nonstandardized solutions from path-constrained model.
* \(\dagger\): p<.10, *: p <.05 , **: p<.01, ***: p<.001
6.1 Summary of Research Findings

The results of the present study offers a preliminary view of how psychological contract fulfillment by organization leads to psychological contract fulfillment by employee. First, reciprocity as an exchange pattern (i.e., interdependence) proved to exist, such that psychological contract fulfillment by organization directly led to psychological contract fulfillment by employee. Second, the reciprocity rule is proved to be an individual’s choice, such that employees reciprocate cognitively and then translate cognition into behavior. Further, psychological contract fulfillment by organization not only influenced organizational commitment, it was also positively related to occupational commitment. Those who are committed to their occupation were less inclined to fulfill their obligations toward the organization. However, when their occupational commitment leads to organizational commitment, they are likely to reciprocate. Finally, male employees were more likely to reciprocate indirectly, by increasing their occupational commitment first and then organizational commitment.

6.2 Implications and Limitations

The result in the total sample revealed that employees related psychological contract fulfillment by organization more strongly to their occupational commitment than to organizational commitment. This may be indicative of the current state of the employment relationship. While employees do recognize that the organization has fulfilled its obligations and reciprocate, they are well aware that they are in charge of survival in the organization and pursuit of career
advancement. Traditional employment relationship is no longer valid, thus employees perceive a transactional or balanced type of the psychological contract as more suitable for dealing with prevailing insecurity.

From an organization’s view, this can be either bane or boon. On one hand, the firm may have more discretion in choosing forms of employment contracts. That is, it may form various portfolios of make and buy approaches to employment contracts. While providing benefits promised to the employees, the organization may intend to keep them for a short-term and communicate explicitly performance requirements. This is particularly relevant when resources employees have are generic and can be bought from elsewhere. On the other hand, it may be disadvantageous because reciprocation from employees is not guaranteed. Organizations may have to make efforts so that employees commit to them and reciprocate. If all the employees commit to their occupation and not organization, the organizations may have to devise ways that promote employees to reciprocate.

An alternative reason that occupational commitment is negatively associated with psychological contract fulfillment may be related to the organizational factors related to the nature of reciprocation behavior. Recent research on OCB has suggested a refined view on how and when employees are more or less likely to exhibit discretionary behavior. For example, when the appraisal and compensation system is outcome-based, behavioral performance may be rather detrimental to one’s career advancement in and out of the organization (Bergeron, 2011). Further, OCB may imply higher performance expectation after all. While OCB has been argued to be performed at employees’ discretion, it can be included as a part of job. Organizations are well aware that such discretionary behaviors are beneficial for the organizational performance. Hence, they may explicitly or implicitly require employees to do so. While that can occur in a rather mechanistic way (i.e., employees automatically engage in discretionary behavior when they perceive delivered obligations from the organization), this form of reciprocation should occur regardless of employees’ attitude toward the organization. This leads to
employees’ sense of burden, which in turn may lead to withdrawal behavior or fatigue.

Our study is not without its limitations. First, it is conducted as a cross-sectional study, suggesting a less convincing causality. Second, while the psychological contract is conceptualized to reflect a continuum, on which relational, balanced, and transactional psychological contract are ranged, our measure of the psychological contract does not have a sufficient number of items. In addition, the majority of the respondents in the sample have three years of organizational tenure on average. While it is argued that one’s psychological contract is mainly formed at an early phase of employment, it can change over time. Indeed, employees and organizations change their psychological contract as their needs change and situations change. The characteristics of the sample may not reflect such a variety of expectations.

6.4 Conclusion

Psychological contract fulfillment is a fertile ground for future research on the employment relationship. As conceptualized as an individual’s beliefs, the psychological contract provides a mental representation of reciprocity between the focal employee and organization. Work commitment is a lot similar with the construct, such that both reflect employees’ view on the relationship with the organization. They are theoretically distinct, however, such that commitment can occur without exchange or exchange relationship. An employee may commit him or herself because he or she feels it is a morally right thing to do so, or because he or she has no alternative than the current job. On the contrary, the psychological contract is a mental model of what to give and what to take. The content and level of what both parties have exchanged matter in determining the nature of the relationship an employee has with the organization.
Commitment as a mediating mechanism has been suggested by several authors. While organizational commitment has been examined by several studies, no attempts have been made to date to compare organizational commitment and occupational commitment and their relation to reciprocation. Future research may as well examine other commitments, such as commitment toward supervisor, coworker, subordinates, and the like.

Our study has examined an employee’s commitment toward his or her organization and occupation as a psychological mechanism. Consistent with our argument, it has been found that employees with occupational commitment were less likely to reciprocate than those with organizational commitment. It may be that the content of the psychological contract means different things to employees. For example, while developmental opportunities have been argued to indicate an organization’s intent to maintain a relational contract with an employee, it may not be sufficient for the employee to reciprocate. The employee may conjecture that it is part of a transactional contract. That is, the organization is providing developmental opportunities because it is a legal mandate to do so. Further, Guest and Rodrigues (2012) argue that promotion is more explicit and confirming expression of long-term career promise. Granted, while the employee feels the organization has fulfilled its promises, it may not always lead to the employee’s reciprocation.
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