

**The Social Contract of Work:
Moving beyond the Psychological Contract**

forthcoming in *Human Resource Management Journal*

Prof. Marek Korczynski
University of Nottingham
Marek.Korczynski@Nottingham.ac.uk

Abstract

This paper develops the critique of psychologisation by going narrow and deep into the analysis of the concept of the psychological contract. In its early incarnation, the psychological contract literature explored key elements at the heart of the employment relationship. However, in the current mainstream psychological contract literature, there are four key problems. The paper shows that these problems match on to the wider problems associated with psychologisation. The concept of the *social contract of work* is put forward as a way to return productively to the original focus of the field. The social contract of work is defined as *workers' implicit, collective, and socially embedded understanding of the effort bargain at work*.

The critique of psychologisation (Godard, 2014; Budd, 2020; Kaufman, 2020) highlights important negative consequences of the growing application of psychology to the study of employment relations and HRM. While most of this critical scholarship has necessarily been conducted at a general level, Kaufman (2020) and Barry and Wilkinson (2022) show that there is also merit in conducting an in-depth analysis of core concepts that have come to be dominated by psychological scholarship. It is in this spirit that this paper examines the psychological contract concept – a concept that is at the heart of psychologisation (Godard, 2014; Shields and Grant, 2010). Psychological contract scholarship (centred around Rousseau, 1995) has been subject to some important criticism in the past (Arnold, 1996; Guest, 2004; Conway and Briner, 2009; Cullinane and Dundon, 2006), but the umbrella critique of psychologisation, allows a wider frame for, and extending of, appropriate criticism.

The paper outlines how the four elements of Rousseau's definition of the psychological contract link to the four key problematic consequences of psychologisation. From this critique, the paper develops the concept of the *social contract of work*. The social contract of work is defined as *workers' implicit, collective, and socially embedded understanding of the effort bargain at work*. Each element in the definition moves forward from the psychologisation-related problems in the concept of the psychological contract. However, it is also acknowledged that there may be important research questions where the individual worker is the appropriate unit of analysis. Here, the paper argues that a modified-version of the psychological contract concept can usefully be seen as sitting alongside the concept of the social contract of work.

Critiques of Psychologisation

A number of authors have pointed critically to the growing psychologisation of the study of employment relations and HRM. Following Godard (2014), I refer to psychologisation as the increasing colonisation, by psychologists, of the study of employment relations and HRM - areas in which, previously, sociologists and industrial relations scholars had led debates (Kasyanenko et al., 2014 Budd, 2020, and Kaufman, 2020). Criticism pertains primarily to the consequences of psychologisation. There are some differences between Godard (2014), Budd (2020) and Kaufman (2020) but, collectively, they outline four key consequences of psychologisation.

The first key consequence of psychologisation is that the default *unit of analysis has become the individual*. Indeed, this element is core to Kaufman's (2020: 49) definition of psychologisation – 'the drive to reduce explanation of macro-level HRM outcomes to *individual-level* psychological-behavioural factors and *individual* differences' (emphasis added). This focus on the individual and individual differences marginalises the structural, the social and the collective (Godard, 2014: 7). Second, psychologisation has meant that research is increasingly *undertaken within a neo-positivist research paradigm*. Kaufman (2020: 51) argues that 'Godard's critique of psychologising is... better understood as Exhibit A in his case against positivism in business school research'. Godard (2014) points out that positivist research tends to be about prediction and control, or *erklaren* (explaining – Blaikie and Priest, 2019), while key questions of understanding (or *verstehen* – Blaikie and Priest, 2019) are ignored. Such neo-positivism tends to be manifest in survey-based research methods. Third, psychologised research tends to *abstract topics of study from the key structural context of the employment relationship*. Budd (2020: 2) argues that 'attention is

being pulled away from conceptualising the nature of the employment relationship’. Godard (p.7) observes that ‘there is virtually no understanding of the nature of the employment relation as one of subordination under conditions of interest conflict’. Godard’s final phrase offers a segue into the fourth central consequence of psychologisation – *the tendency towards unitarist scholarship*. For Budd (2020), this is the primary negative outcome of psychologisation (also, Kasyaneno et al. [2014]).

Criticisms have been directed mainly at the broad field of psychologisation. Following Kaufman (2020) and Barry and Wilkinson (2022), I add to this literature by going narrow and deep into the literature on the psychological contract, a core element within the psychological colonisation of the study of employment relations and HRM (Shields and Grant, 2010: 68). Godard (2014: 2) notes the central role of the psychological contract within psychologisation. He states that psychologists are coming to ‘dominate not just core HRM subjects, but increasingly also the study of the labour-management relation (‘the psychological contract’), of work practices (‘team effectiveness’), and even of resistance (‘counterproductive behaviour’).

The Development of the Psychological Contract Concept – An Example of Psychologisation

In this section, I outline the sociologically-oriented origins of the psychological contract concept. Then I note the growth of the psychological contract field as linked to Rousseau’s scholarship. Finally, I lay out the four key elements in Rousseau’s definition, and connect each of these elements to the wider process of psychologisation noted above.

The idea that the employment relationship is suffused with *implicit* understandings of what is to be exchanged was central to the early psychological contract literature (Menninger, 1958; Argyris, 1960; Levinson et al., 1962). As Conway and Briner note, the explicit contractual elements ‘will also be open to interpretation by parties to the contract, which leads to inferred and implicit understandings of the employment relationship. Furthermore, the unfolding employment relationship will lead to additional implicit perceptions derived from observing the other party’s behavior’ (2009: 72). This is a specific application of Durkheim’s wider argument that ‘contracts give rise to obligations which have not been contracted for: contracts ‘make obligatory not only what is expressed in them, but also all consequences which equity, usage or the law imputes from the nature of the obligation’ (Durkheim, 1964: 212). Durkheim argued further that contracts can only be sustained within a framework of social regulation and obligation which is not embodied in the contract itself.

The Durkheimian element of an implicit understanding of diffuse obligations is present in Argyris’ first use of the term ‘psychological work contract’ – made with reference to a US factory (1960: 97):

A relationship may be hypothesized to evolve between the employees and the foreman which might be called the ‘psychological work contract’. The employee will maintain high production, low grievances etc., if the foremen guarantee and respect the norms of the employee informal culture (i.e. let the employees alone, make certain they make adequate wages, and have secure jobs).

This ‘psychological work contract’ is diffuse (consider that ‘etc.’), and is implicit – it is never explicitly articulated on the shopfloor.

Levinson et al. (1962) were the first to articulate a full analysis of the psychological contract in employment, defining it as ‘a series of mutual expectations of which the parties to the relationship may not themselves be even dimly aware but which nonetheless govern their relationships to each other... The psychological contract or unwritten contract is a product of mutual expectations... [that] are largely implicit and unspoken’ (1962: 21-22). The implicit nature of the psychological contract is central to the definition, and the diffuse nature of obligations is clearly suggested by the phrase, ‘a series of mutual expectations’. Schein also emphasised the implicit and diffuse nature of mutual expectations: ‘the psychological contract implies that the individual has a variety of expectations of the organization and that the organization a variety of expectations of him [sic.]... Expectations such as these are not written into any formal agreement between employee and organization, yet they operate powerfully as determinants of behaviour’ (Schein, 1965:11).

After these initial contributions, the point for the growth of the field was the writing of Rousseau, who made a key contribution by pointing to the importance of the psychological contract *breach*, which occurs ‘when one party in a relationship perceives another to have failed to fulfil promised obligation(s)’ (Robinson and Rousseau, 1994: 247). In her 1995 book, *Psychological Contracts in Organizations*, Rousseau gives the definition which has become a pillar for the psychological contract field: ‘the psychological contract is individual beliefs, shaped by the organization, regarding terms of an exchange agreement between the individual and the organization’ (1995: 9). It is with this definition that I centrally engage. It is acknowledged that there have been moves (Griep and Cooper, 2019) to develop the definition of the core concept (notably, Guest [2004] has given a holistic re-working of Rousseau’s approach, but space precludes a full analysis of this contribution). However,

within recent overviews, Rousseau's is still seen as the core approach (Alcover et al., 2017; Coyle-Shapiro et al., 2019).

There are four core components to Rousseau's (1995) definition – each of which connects to one of the key consequence of psychologisation.

1. *The unit of analysis* is the individual worker. The psychological contract is the beliefs of the *individual*, regarding the terms of an exchange between that *individual* and the organization. There are a number of noteworthy points here. First, the original coining of the phrase *psychological* contract was informed not by association between psychology and the individual as the unit of analysis, but by dint of the implicit, tacit nature of the contract. Argyris' (1960: 97) uses the adjective 'psychological' to refer primarily to the implicit, tacit nature of the agreement between workers and foremen. Levinson et al. also use the adjective 'psychological' to refer to the tacit nature of the agreement. They write that 'the psychological or unwritten contract is a product of mutual expectations' (1962: 21-22). Second, returning to the quote from Argyris above, the unit of analysis for Argyris is the collectivity of workers and their culture. Argyris uses the plural term, 'employees', repeatedly in this quote, and refers to the collective informal culture. Overall, Rousseau's choice of the individual as the unit of analysis diverges from the more sociological approach in some of the early writing. Her adoption of the individual as the unit of analysis exactly matches onto the first of the highlighted negative consequences of the wider process of psychologisation.

2. *The form of understanding held by worker(s)* is 'beliefs'. This is a distinct change from the earlier literature where the emphasis was upon workers' tacit, implicit, unstated

understanding. Rousseau's move here is significant. Conway and Briner (2009: 78) note: 'an important implication of focussing on consciously accessible beliefs is that they are clearly amenable to questionnaire surveys.' Rousseau's move to focus on beliefs led to a dramatic growth in research, largely within the psychology discipline, involving questionnaires asking workers about their beliefs about aspects of reciprocal exchanges at work. Such questionnaire research was underpinned by a neo-positivist research paradigm. Again, here is a match onto a negative consequence highlighted by the scholarship critiquing psychologisation.

3. *The core substantive element* (i.e. that which the beliefs are about) is the terms of an exchange agreement between the individual and his/her organisation. This element does not represent a distinct break from the earlier literature on the psychological contract. Note, however, that Rousseau's definition is posited at the abstract level of 'an exchange agreement'. This implicitly denies any unique qualities of an exchange agreement *that is the employment relationship*. Rousseau's positioning here is in line with very first wider literature on the psychological contract - Menninger (1958) studied the explicit and implicit contract between a psychotherapist and a patient. If there is nothing significantly unique about the employment relationship, then it appears appropriate that the concept be widely applied to situations where there is any form of exchange agreement (see Conway and Briner [2009] for an overview of such research). The abstraction from the employment relationship within Rousseau's definition matches the abstraction of analysis from the structure of the employment relationship identified within the critique of psychologisation.

4. *The key context/influence* within Rousseau's definition is the organization - the individual's beliefs are 'shaped by the organization'. The first notable element here is the

identification of the organization as the arena in which individual beliefs are shaped. Here, Rousseau broadly follows Argyris' focus on the workplace-based formation of the psychological contract, but contradicts Levinson et al., and Schein who both reference the possible relevance of past experiences. As the psychological contract field has developed, there has been a wave of research that has looked at wider antecedents outside of the workplace (e.g. De Hauw and De Vos, 2010; Sherman and Morley, 2015). Second, there is the hierarchical element within the phrase 'shaped *by* the organization'. This hierarchical element becomes clear when considering a more neutral phrasing of 'shaped *within* the organization'. This represents another important break from the foundational literature on the psychological contract. For Argyris, Levinson et al., and Schein, the implicit expectations of workers are formed in a dynamic interplay of the organization and workers. As discussed further below, the idea of hierarchical, uncontested influencing speaks to an implicit unitarism within Rousseau's approach. Again, there is a correspondence between the development of the psychological contract concept and critique of the wider process of psychologisation.

Overall, Rousseau's approach marked a major break from the more sociologically oriented foundational literature, and key elements of Rousseau's definition match onto the wider negative elements of psychologisation.

Main Extant Critiques of the Rousseau Approach to the Psychological Contract

There are some important critiques of the Rousseau-related psychological contract literature – critiques written prior to, and (therefore) without reference to, the wider critique of psychologisation. From within the field of psychology, Conway and Briner (2009) (drawing

on Arnold, 1996; Guest, 1998, Meckler et al., 2003) offer the most sustained critical examination of the Rousseau-related scholarship, while Cullinane and Dundon (2006) put forward criticism from a critical employment relations tradition. Here, I concentrate on what I regard as key points that can aid the development of a constructive way forward for research – with regard to the four core elements of Rousseau’s definition.

Rousseau’s positioning of the individual as the core *unit of analysis* emerges largely unscathed from the extant critical literature. This is perhaps not surprising with regard to the critical literature from the psychology field – although Conway and Briner do acknowledge that ‘social interaction and social comparison among coworkers are viewed as having a major impact on shaping psychological contracts’ (2009: 91). Regarding *the form of understanding* within Rousseau’s definition, Conway and Briner are highly critical of Rousseau’s move away from the earlier literature’s emphasis on the implicit and tacit nature of the psychological contract (2009: 89):

all studies [on psychological contract contents] assume promises to be consciously accessible and therefore relatively explicit... Such an approach is clearly at odds with definitions that emphasize psychological contracts as highly implicit. Such beliefs are not simultaneously consciously accessible, employees become aware of them as they experience, engage in, and reflect upon events at work.

Conway and Briner regard the core false step by Rousseau as the move away from the foundational literature’s emphasis on the psychological contract as tacit, and implicit.

Conway and Briner also have an important critical commentary on the third element of Rousseau’s definition – *the substantive content* of what the beliefs concern. In Rousseau’s definition, the substantive contents are the terms of an exchange agreement between the

individual and his/her organisation. Conway and Briner note that ‘there is little agreement about the content items across studies’ within the field (88). Building on this observation, they argue that it may be that contents of the psychological contract are so context-specific, and potentially so amorphous that the search for precise measurement, within the psychological contract field, is a mistake.

This variation [in measures of the content of psychological contracts] is consistent with ideas that the contents of psychological contracts are potentially vast and could relate to anything... and the that terms of psychological contracts are defined with respect to the local context, as part of an unfolding relationship... such variation also implies that it is possibly a mistake to search for a small number of generalizable dimensions.

Cullinane and Dundon’s criticism with regard to Rousseau’s placing of ‘the exchange agreement’ as the core substantive content of the psychological contract centres on the argument that Rousseau’s approach has the effect of writing out the profound imbalance of power that is present in the employment relationship. It is little surprise, therefore, they argue, that management practitioners are increasingly attracted to the implicitly unitarist concept of the psychological contract. This overlaps with their criticism of the fourth element of the definition – the *key context/influence*. They argue that Rousseau’s emphasis on the organisation as the shaper of the worker’s understanding again plays into a managerialist agenda. This is a point with which Conway and Briner have sympathy (2009: 120). The Rousseau approach, Cullinane and Dundon argue, overlooks key wider, often power-laden, societal elements that come to inform the psychological contract.

The Social Contract of Work

Here, I build on criticism reviewed above in relation to each of the four elements in the definition of the psychological contract (which each link to the wider psychologisation literature), to develop the concept of the social contract of work. *The social contract of work is defined as workers' collective, implicit, and socially embedded, understanding of the effort bargain at work.* The development of this concept follows Troth and Guest 's (2020) call for scholars to offer constructive solutions and not just criticism.

1. *Unit of analysis.* Rousseau placed the individual worker as the unit of analysis. Such an approach has survived unchallenged in the critical commentaries. Curiously, the most sustained engagement with the idea of individual as unit of analysis comes from Rousseau herself. Rousseau (1995) considers the dimension of 'contract-holders', and within this dimension, appropriately, makes the distinction between the individual and the group. Here is Rousseau (1995: 8) on the group as a contract holder:

A group of contract holders is an organization or a group of members who see themselves as sharing the same promises with the organization (e.g. GE Aerospace division employees, Northwestern University tenured faculty). Group members interpret contracts together and often come to share a point of view that becomes reality to new members.

Further, Rousseau (1995: 11) notes that: '[group] contracts are most common in employment'. She gives a number of examples of such group contracts operating in employment contexts – hypothetical examples relating to part-time workers at McDonalds,

retirees from Pacific Telephone, and IBM staff in Atlanta who look across to IBM staff in Chicago.

Ethnographic studies within the sociology of work support this view of the widespread nature of strong *group* understandings of reciprocal obligations in employment. In Hodson's masterly overview of workplace ethnographies, he sees a strong consistent pattern of co-worker relations being central to '(1) socialization to occupational norms, (2) solidarity and mutual defense, (3) resistance to authority and role distancing' (2001: 203). In other words, central to key elements in the understanding and playing out of the exchange within the employment relationship is the *collective*. Note that Hodson's overview covers not just ethnographies in large manual work settings (such as car factories), which some might regard as the traditional home to the importance of a collective understanding held by workers, but also ethnographies of service work and knowledge work settings. The pattern of the importance of the collective is common across these settings. For instance, Rubinstein's ethnography of police work shows a group understanding regarding work practices, and how this informed the beginning of group responses when a replacement sergeant tried to go against this collective understanding. After the replacement sergeant elaborated on several rules that the police officers considered petty, one officer walked up to the podium and 'took at long drag from a cigarette he had left burning in an ashtray... staring directly at the sergeant. As he entered the line, the others turned to him and smiled their approval. That was just the beginning...' (1980: 57). These policer officers had a shared collective understanding of the terms of the effort bargain within employment that was being transgressed by the replacement sergeant.

So, we have the position in which Rousseau acknowledges (and this is also strongly supported by a wide body of literature) that strong group understandings are widespread in employment contexts, and yet she does not adopt what would seem to be the logical step of proposing the group as the appropriate unit of analysis. She sticks to the individual as the unit of analysis. But with what rationale? Rousseau's closest attempt to square this circle is in her 1998 rejoinder to Guest's criticism, in which she draws on the (Durkheimian) writing of Atiyah:

Atiyah... makes it clear that all promises and binding obligations have to be understood in terms of the social context in which they arise:

The assumption that promises do in general create binding obligations entails... a social group whose judgement determines the initial question of entitlement. (Atiyah, p. 129.)

It is the social group that creates the rules upon which such judgements are based... Scholars interested in psychological contracts have reached beyond the answers sociology can provide to include the psychological processes that influence the interpretation of promises exchanged between parties. (p.66)

Here, Rousseau acknowledge the group as pivotal in creating and holding understandings of promises and obligations. Then, she performs the magic trick in the last sentence by arguing that the psychological contract (in which the individual contract holder is the unit of analysis) takes on board the importance of the group, and adds to it by focussing on (individual) psychological processes. This much is intimated in the phrasing that 'scholars interested in psychological contracts have *reached beyond* the answers sociology can provide *to include* the psychological processes' (emphasis added). However, a more appropriate phrasing would be: 'scholars of psychological contracts, by positioning the individual rather than the group as the unit of analysis, have effectively ignored the answers sociology can provide.'

To return to Rubinstein's police ethnography: psychological contract scholars would overlook the group pattern of understandings of promises and obligations about work practices, and instead would study individual understandings and responses, and individual-level differences in those understandings and responses. To return to one of Rousseau's own examples, the focus becomes not that IBM staff share a common understanding of promises and obligations, but to understand patterns and processes of understandings held by individual IBM staff.

Although Rousseau does not make the logical step, we should. Given that strong group understandings are widespread and play a pivotal role in employment contexts, the group is the appropriate unit of analysis within the concept of the social contract of work. Of course, this makes research immediately more difficult. In the psychological contract approach, scholars can instantly identify an individual to study. In the social contract of work approach, researchers are tasked, first, with finding out the parameters of the group, as the unit of analysis, within which circulates a commonly held understanding - for there can be no assumption that the whole workforce, as a homogenous collective, constitutes the unit of analysis.

2. Form of understanding held by workers. We have already seen that in making an individual's beliefs accessible through questionnaire survey as the de facto approach to this dimension, Rousseau departed considerably from the foundational literature on the psychological contract. Conway and Briner (2009) regard the core false step by Rousseau as the move away from the foundational literature's emphasis on the psychological contract as tacit, and implicit.

Building on this criticism, I put forward the key form of understanding held by a group of workers as an ‘implicit understanding’. Given that, as with Rousseau’s approach, a related research design can be implicated in the definition of the concept, it is appropriate here to discuss research design associated with the concept of the social contract of work. Recall Conway and Briner’s point (2009: 89) that ‘employees become aware of [beliefs] as they experience, engage in, and reflect upon events at work.’ This suggests that it is appropriate to have a longitudinal element to the research design – because workers themselves only become aware of the contours of the implicit understanding they hold as ‘they experience, engage in, and reflect upon events at work’. A further implication for research design is that there is a key role for research designed to access critical incidents. In the context of research into implicit understandings, critical incidents can be understood as events at work that throw into light, make explicit to the parties involved, that which is latent in the normal social order. Returning to the example from Rubinstein’s ethnography of police work, the presence of the new petty sergeant can be seen as a form of critical incident that exposed some of the implicit understandings held by the group of workers about work practices. The move to a focus on uncovering contextual, implicit understandings, and away from questionnaire surveys on beliefsⁱ, points to a move in terms of research paradigms – a move away from the neo-positivist research paradigm, the dominance of which has been seen as a key negative consequence of psychologisation. The move to a focus on implicit understandings also allows potential bridges to be built towards the work of economic historians and economists who make use of the concept of the implicit labour contract (e.g. Kiesling, 1996).

3. *Core substantive element.* As we have seen, Rousseau’s approach was to postulate that the individual’s beliefs relate to the ‘terms of an exchange agreement between the individual and their organization’. We have already noted the abstract nature of the focus of an ‘exchange

agreement' denies any core social relations that are specific to the employment relationship. Perhaps the most important aspect in arguments made by authors critical of Rousseau's approach is that her approach tends to write out the key element of power within the employment relationship. It is acknowledged that more recent psychological contract scholarship (e.g. Alcover et al., 2017) has extended Rousseau's definition to include the idea that important exchange agreements can occur with multiple parties within (and beyond) the organisation. However, this does not address the point that the focus on an exchange agreement abstracts from the employment relationship. Further, this literature's move to include co-workers as analytical equivalents to the organisation - in that both parties set the terms of the exchange agreement - constitutes a notable analytical mis-step. Such a mis-step moves psychological contract scholarship even further from understanding the operation of structural power within the employment relationship (Edwards, 1986).

Using this criticism as a springboard for the development of the concept of the social contract of work, I put forward *the effort bargain* as the core substantive element to which a group of workers' implicit understanding relates. Behrend (1957) introduced the term 'effort bargain' to refer to the linking of a wage to work to be done. The term has subsequently become associated with Baldamus' (1961) discussion of the social relations underpinning effort in production. Crucially, Baldamus acknowledges the core power imbalance immanent to the employment relationship: 'we shall assume from the start that employer-employee relations present a structure of differentiated power that reflects unequally distributed advantages and disadvantages' (7), and he links his understanding of the effort bargain to the distinction between labour power (the potential to labour) and labour (the labour actually enacted) by discussing the 'indeterminate employment contract' (91).

The effort bargain is a concept that is concept that is *compatible* with the key distinction between labour power and labour, and the understanding of the employment relationship as involving structured antagonism between workers and employer. This structured antagonism stems from the fact that the worker in entering the employment relations offer their labour power and the employer seeks to extract a maximum amount of labour from that labour power; while the workers seek to limit the amount and form of labour delivered on their terms (Edwards, 1986). This understanding of the structured antagonism within the capitalist employment relationship has widespread currency within organization studies and sociology of work. Note that the effort bargain is a concept that is compatible with, and but *does not insist on*, an understanding of structured antagonism within the employment relationship. Similarly, the concept of the social contract of work is compatible with an understanding of structured antagonism within the employment relationship, but it is also a concept that can be used by scholars who do not share such an understanding. In this sense, it speaks to Budd's (2020) call for diverse scholarship featuring a range of perspectives.

There can be many key aspects to the effort bargain in the employment relationship. The effort bargain concerns more than Behrend's bald association of a link between effort and wages. It concerns the link between, on the one hand, the translation of labour power into labour, and, on the other hand, the return to workers for their labour. In terms of the translation of labour power into labour, a wide range of elements such as output norms, various aspects of work organisation from the terms of the division of labour to the form of control, can be crucial. In the factory assembly line, a crucial element can be the speed of the line; in the service workplace, a crucial element can be the prevalence of customer abuse; in the knowledge-work workplace, a crucial element can be whether output quality is measured by peers or within a management hierarchy. In terms of the return to workers for their

efforts, there is a range of relevant formal elements – wages, certainly, but also benefits such as holidays, pensions, health insurance, career structures, as well as informal elements, such as recognition for work performed. The concept of effort bargain gives the researcher a frame within which to analyse how it is *contextually* played out within a given workplace.

Finally, given that the effort bargain is compatible with in an understanding of the structured antagonism within the employment relationship, it is clear that Cullinane and Dundon's critique of the psychological contract as writing out the systemic imbalance of power in the employment relationship cannot be applied to the concept of the social contract of work.

Rather, the concept of the effort bargain points to the idea that any social order in a workplace is in effect a temporary compromise based on the playing out of power of workers and employers, respectively.

4. *Key context/influence.* Rousseau's definition positions the individual's beliefs about an exchange agreement as 'shaped by the organisation'. Key criticism raised against Rousseau's approach here is that it is both managerialist and paternalist (in that it assumes a key hierarchical influence), and limited (in that it defines out the potential important influences from beyond the workplace). Indeed, it is still easy to raise critiques of managerialism and paternalism within recent overviews of psychological contract research by leading authors in the field. Here, consider Coyle-Shapiro et al.'s (2019: 161) reflection on how to manage negative organisational outcomes further to contract breach: 'organizations should provide tools to employees to help them overcome contract breach. Tools such as positive psychological capital or resilience can be developed through training.' In other words, problems arising from workers perceiving the employer breaching the psychological contract

can be addressed by developing a more positive and more resilient way of seeing things among the workforce.

Using this criticism as a way to develop the concept of the social contract of work, I put forward that the implicit collective understanding of workers' regarding the effort bargain at work is *socially embedded* (Polanyi, 1944). The central idea is that collective understandings of the effort bargain are informed by social processes both within the organisation, and outside of the organisation, within the wider societal sphere (see also Herriot and Pemberton, 1997). Regarding the social processes within organisations, there is a return to the foundational literature's emphasis on mutual and dynamic processes within the workplace. Dick's (2006) qualitative study of the social construction of the psychological contract in part-time and full-time police work is an illuminating analysis of how the meanings of various work and HR practices are socially constructed by workers. It shows the dynamic interplay between employer practices and the role of social norms in workers' social construction of the meaning of those practices.

5. *Name of concept.* An appropriate name for the concept is the *social contract* of work. The change in adjective from psychological to social is informed both by the idea that workers' understanding is *socially* held, and by the idea that there is also a process of *social* embedding at play. The term *contract* is used to link back to the important Durkheimian elements in the early use of the term 'psychological contract'. As Follert (2020: 169) has noted, in Durkheim's use of the term 'contract', 'the contract is both, then, a social relation, and a relation that relies upon the social.' I use the term here, to refer not directly to social relation per se, but to one party's understanding of a social relation – it refers to workers' understanding of the effort bargain. It cannot be assumed that there is an implicit

understanding of the effort-bargain that is *shared* by workers and management. Such a shared understanding may exist, or there may be significant differences between the parties' implicit understandings (such as between the new sergeant and the police officers above) that only become apparent through the playing out of critical incidents. These are key issues to be uncovered by research.

Finally, the term is close to 'social contract at work' – a term used by Kochan. Kochan (1999, Kochan and Dyer, 2020) does not precisely define the term, but clearly uses it as a macro-level normative concept – usefully seeking to begin a debate at that level. By contrast, the concept of social contract of work put forward here as a concept for middle-range theory (Merton, 1968), centred on the socially embedded understanding of the effort-bargain. The two terms can usefully talk to each other. Research into the heart of the content of the social contracts of work can reinvigorate and inform normative public policy debates about what social contracts at work *should* be.

The utility of the social contract of work can be seen by highlighting the questions asked within the social contract of work approach which are not asked within the psychological contract research approach. This follows Lee and Tapia's (2021) insistence on the importance of considering the unasked questions in evaluating a research tradition. For example, take the core issue of patterns in content of, or types of, contract. The concept of the social contract of work can help establish a frame for much excellent research that is being and has already been undertaken. Ethnographers of workplaces are motivated to unearth the insiders' (the workers') implicit understanding of workplace relations. Further, many are sensitively attuned to understand the often central importance of *group* understandings within the workplace. What is less often present within workplace

ethnographies is an overall picture of workers' implicit collective understanding of the effort bargain, and the implicit give and take of mutual obligations within this. Yet such an element would appear to be a central element in the texture of workplace relations. The social contract of work, as a systematic concept, can alert ethnographers to key questions to ask in their unearthing of patterns of workplace relations. A further step for analysis would be to consider how to sum up workplace-specific analyses of social contracts of work to be able to talk about broad sector or even national level social contracts of work. It has become common for commentators to write of the 'Fordist deal' as pertaining at the national level in the mid-to-late twentieth century across many advanced economies, often without explicating the process by which they draw such national level patterns. The concept of the social contract of work as put forward here implicitly asks analysts to build up from workplace studies of the forms of social contracts of work. The richness of the above questioning can be contrasted with what the psychological contract tradition has offered regarding types of contract. The psychological contract literature has gone little further on this issue than delineating two main types of psychological contract (Coyle-Shapiro et al., 2019). These are the transactional and the relational psychological contracts. As Conway and Briner (2009: 79) note, these types seem ultimately to relate back to McGregor's (1960) and Schein's (1965) Theory X and Y (essentially pertaining to personality types), respectively.

Similarly, we can point to the importance of the consideration of power in the questions asked further to the social contract of work concept in contrast to the ignoring of power within questions posed within psychological contract scholarship. For instance, when considering causes of breaches of the social contract work, we immediately turn to the core issue of the effort-bargain, and consideration of changes in the power imbalance underpinning that bargain. Such changes in the power imbalance may be played out within

the organisation but are often likely to have connections to the wider political economy in which the employer operates. By contrast, Coyle-Shapiro et al.'s (2019) list of organisational-level 'antecedents of breach' of the psychological contract tend only to confirm Cullinane and Dundon's (2006: 120) verdict that psychological contract scholarship (systematically) 'fail(s) to comprehend that these are merely surface level issues that arise from a deeper explanation of political and economic power.'

Different questions are prompted by the different concepts of social contract of work and the psychological contract, and while often these different questions lead analyses in different directions, sometimes these questions can be complementary. Specifically, while the definition of the social contract of work concept clearly prioritises thinking about workers' *collective* understandings of the effort-bargain, there may be important research questions that concern patterns of difference between individual workers.

As a first example, there may be a small number of highly individualised jobs in which no significant collective understandings of the effort bargain exist, but only differing individual-level understandings. While the number of such jobs is an open empirical question, the potential number of such jobs is likely to be small – even in many jobs that *appear* to be structured as highly individualised, research shows that there are still significant collective norms established regarding the effort-bargain (e.g. Cant [2019] on Deliveroo's atomised 'contractor'-riders). As a second example, important questions may pertain regarding how far individual migrant workers hold 'dual frames of reference' with regard to the effort-bargain at work (Waldinger and Lichter, 2006). In both of these examples, the unit of analysis should be the individual worker. Here, it would be more appropriate to use a modified version of the psychological contract concept, defined as workers' *individual*

implicit, and socially embedded, understanding of the effort bargain at work'. This modified version of the psychological contract holds to Rousseau's focus on the individual because that focus is appropriate to the research question. However, the modified version differs on the other three elements of Rousseau's approach. The earlier highlighted weaknesses in those elements still pertain, and do not need to be reconsidered merely because research questions relate to the individual as the unit of analysis. A modified version of the psychological contract concept and the concept of the social contract of work can be thought as complementary, as sitting alongside each other, to be utilised according to whether the research questions pertain to collective understandings of the effort bargain or individual understandings of the effort bargain.

In addition, we should think about not only what questions are asked, but also *how* they are asked. Consider the issue of contract breach as an example. Within the social contract of work approach, the emphasis is upon analysing workers' collective understanding of a breach, to be accomplished through a bottom-up ethnographic exploration of workers' situated understandings. Further, this would be followed through to investigate what the collective consequences of the breach have been (such as an implicit shared agreement to withhold certain forms of cooperative behaviour and effort). A great example of exactly this pattern comes from Hamper's ethnographic study of working in a car factory. Here, he describes a new supervisor *de facto* breaching the social contract of work, with collective consequences:

With a tight grip on the whip, the new bossman started riding the crew. No music...

Not working up the line. No leaving the department. No doubling-up. No this, no that.

No questions asked.

No way. After three nights of this imposed bullyism, the boys had had their fill. Frames began sliding down the line minus parts. Rivets became cross-eyed. Guns mysteriously broke down. The repairmen began shipping the majority of the defects, unable to keep up with the repair load. (1991: 206)

Here, we have a picture of a substantively meaningful pattern of workplace relations – something that is not offered through the individualising methods associated with the psychological contract literature.

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Conclusion

There are important problems that come with the psychologisation of the study of employment relations. The development of the psychological contract literature is a textbook example of such problems. In its early incarnation, the psychological contract literature explored key elements at the heart of the employment relationship. However, as this literature became dominated by a psychologising frame it has become beset with weaknesses and limitations. In the spirit of constructive critique, to move on from these weaknesses, this paper has put forward the concept of the social contract of work.

The social contract of work is defined as workers' collective, implicit, and socially embedded, understanding of the effort bargain at work. Research further to the social contract of work concept will ask different, and I argue, more important, questions than research linked to the psychological contract concept – for instance, questions about substantive types of social contract of work (that are not reducible to models of personality types), and questions about causes of contract breach that reach beyond surface-level issues to consider wider structures of political economy. In addition, research further to the social

contract of work concepts will ask questions in different ways, moving beyond individualising modes of knowledge creation (e.g. the questionnaire survey) to consider collective understandings and collective actions. It is acknowledged that there can be important research questions which position the *individual* workers's understanding of the effort bargain as the appropriate unit of analysis. Here, it would clearly be appropriate for researchers to make use of a (modified) version of the psychological contract concept. There is conceptual space for complementarity between a modified version of the psychological contract concept (with the individual as the unit of analysis) and the concept of the social contract of work.

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ⁱ The position is a little more nuanced than saying that there can be no merit in questionnaire research here. This is the case given: a) that I am following Conway and Briner (2009: 89) in calling for a focus on implicit understanding which may emerge as workers ‘experience, engage in, and reflect upon events at work’, and b) that questionnaire surveys can lead workers to a degree of reflection upon events at work. Nevertheless, it is also the case that there are other methods better suited to unearthing contextual reflections upon events at work.