

The Psychological Contract

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Introduction

A psychological contract is a concept developed by organizational scholar Denise Rousseau. It represents the mutual beliefs, perceptions, and informal obligations between an employer and an employee. It sets the dynamics for the relationship and defines the detailed practicality of the work to be done. It is distinguishable from the formal written contract of employment which, for the most part, only identifies mutual duties and responsibilities in a generalized form. It concerns:

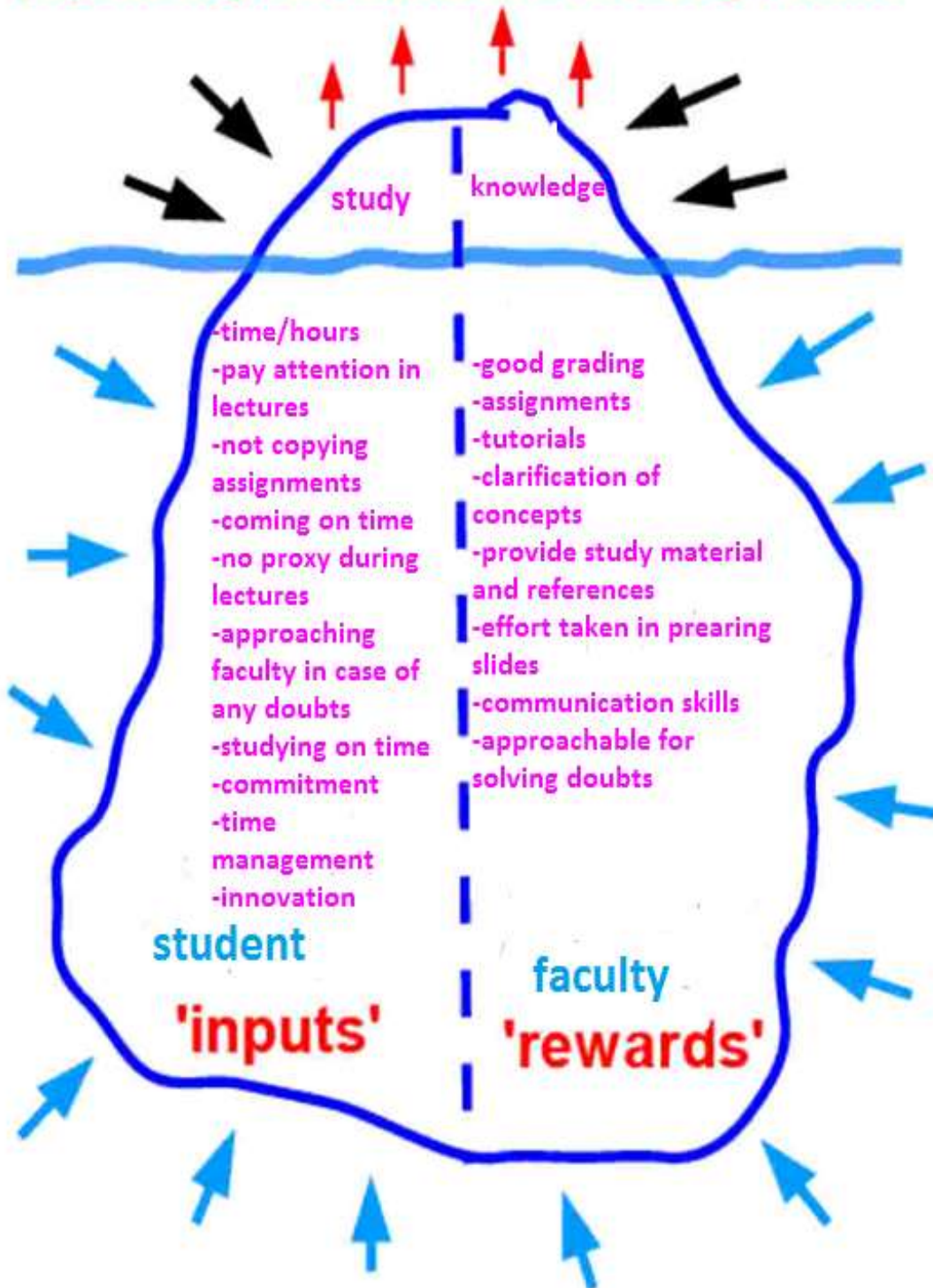
- how the employee is treated by the employer
- what the employee puts into the job

The Psychological Contract refers to the relationship between an employer and its employees, and specifically concerns mutual expectations of inputs and outcomes. It is hidden, unspoken and unwritten.

The iceberg model for faculty-student relationships:

Shown in the figure below is a representation of the iceberg model of the psychological contract. An iceberg is 90% hidden and so is the psychological contract. It is similar to the psychological contract for employee-employer interactions.

psychological contracts 'iceberg' model



The **left side** of the iceberg represents the student's inputs. These are also the faculty's needs or expectations, which may be visible or informal.

The **right side** represents typical examples of rewards/inputs given by the faculty. These are also the student expectations or needs and also may be visible or informal.

Above the water level represents 'study and 'knowledge' the basic contract, just like 'work' and 'pay' in the traditional employee-employer contract. It is typically the written contractual obligations on both sides.

The **black arrows** represent market influences on 'study' and 'knowledge'. These influences would include specifics such as institute rules, curriculum suggested, course duration and time slots, credits etc. If the course is of 3 credits, in-depth knowledge of a topic will not be possible in comparison if the course was of 8 credits. Also the rules prescribed by the institute need to be followed by both faculty and students.

The **red arrows** represent the tendency for the iceberg to rise with success and maturity in the job, and to a degree also in the success and maturity of IIT. More mature, experienced and high-achieving students will tend to see their personal icebergs rising so that increasingly the hidden contractual factors become visible. Students generally want the iceberg to rise. So do enlightened and progressive faculty. They want the hidden unwritten aspects of the Psychological Contract which are below the surface to become applicable, and to be visible and formalised contractually. A rising iceberg signifies increasing student contribution towards IITB's performance, which is typically rewarded with increasingly deeper rewards and benefits.

Below the water-line - the metaphorical 90% of the iceberg which is under the surface. These are the hidden perceptions which strongly affect interpretation of the Psychological Contract, notably by the student. Where the Psychological Contract is very largely hidden perceptions and mutually unclear, then we can imagine the

iceberg being more than 90% submerged. Where the Contract is healthier and clearer - for whatever reason - we can imagine the iceberg perhaps being only 60-70% submerged.

The **blue arrows** represent hidden factors influencing students and faculty and notably affecting their perceptions and attitudes to each other. They may include family factors, peer pressure, placement record, extra-curricular activities, time constraints due to other commitments, availability of infrastructure, etc. These factors may be very visible to and clearly understood by one side but not to the other until/unless revealed and clarified in objective terms. Many hidden influences are not well understood by either side. Many of these factors change unpredictably, but many are relatively constant and can easily be clarified. Both sides may assume the other side already knows about these factors, or alternatively has not right to know about these factors. Some factors are hidden because they are difficult for anyone to understand or predict, but a great many others result simply from secrecy, borne of distrust or insecurity.

Conclusion:

The Psychological Contract is a model which can guide us in the way we structure and manage the Institute, and deal with students. At a basic level it helps us understand more about the 'give and take' that characterizes its working. It is very useful in understanding why students are 'difficult to motivate', or 'difficult to manage' - especially when this is an ongoing or widespread challenge. The Psychological Contract helps professors understand better how to align their needs from students with those of the institute. The concept also offers a powerful way to expand thinking and possibilities for the spread of knowledge in the institutes.

Reference:

<http://www.businessballs.com/psychological-contracts-theory.htm>