Sending the wrong message: How company smartphones create new psychological contract expectations.

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ABSTRACT: Using the concept of psychological contract this research investigates whether company-provided smartphones influence employee and manager expectations regarding connectivity. From semi-structured interviews, our findings show that company-provided smartphones can lead to the development of perceived work expectations about connectivity. This suggests that company-provided smartphones act as a signal that can change perceived connectivity expectations and can even become an additional information source about psychological contract expectations. The perceived expectations can lead to hyperconnectivity which has a number of negative performance and health outcomes. The study makes an original contribution to psychological contract theory by showing that smartphones create perceived work expectations to stay connected to work and that this phenomena is true for both employees and their managers.

Keywords: Psychological contract, interpersonal behaviour, communication, employment relations, technological change.

INTRODUCTION

Technology is changing the way people work, live and conduct their relationships. Despite this, research considering the influence of mobile Information and Communication Technologies (ICTs) on manager-employee relationships is sparse. The psychological contract concept suggests that individuals in organisations have different expectations for each other (Rousseau, 1989). Psychological contracts are subjective or implied promises and parties to a contract can have very different perceptions regarding its terms. Expectations can include a wide range of factors such as work hours, flexibility, work-life balance and productivity (Conway & Briner, 2009). Issues can arise in psychological contracts because organisations have varied and numerous expectations of employees, and employees have varied and numerous notions about what the organisation should offer them (Anderson & Schalk, 1998). Psychological contract expectations usually form at the start of the recruitment process. However, expectations can change at any point during employment, especially if these perceived promises are broken, interrupted or altered by a noticeable event (Rousseau, 1995).

Existing research shows that organisational adoption of ICTs or when an organisation provides ICT to its employees, expectations regarding communication, flexibility and connectivity change (Bittman, Brown & Wajcman, 2009; Duxbury & Smart, 2011; Jaakson & Kallaste, 2010). Due to rapid advancements in ICTs, one of the key expectations in contemporary workplaces is about how
connected managers and employees are to each other outside of normal work hours. According to Kolb, Collins and Lind (2008) the optimal amount of connectivity is called ‘requisite connectivity’, which refers to having an appropriate level of connectivity to perform effectively. Individuals can also experience hypoconnectivity, which refers to not being connected enough to perform well; and hyperconnectivity which is too much connectivity, creating overload which can lead to distraction and burnout (Kolb et al., 2008). Usually individuals can control their own connectivity by either engaging or disengaging with work through using a technological device, however changing developments in Information Technology (IT) create pressure on individuals to maintain a connection with work during non-work times.

This research explores whether company-provided smartphones alter the employee-manager psychological contract, specifically in terms of connectivity expectations. The overarching research question asks: Do company-provided smartphones influence workplace expectations in regards to manager and employee connectivity?

The paper begins with a discussion of psychological contract theory, exploring how individuals typically learn psychological contract expectations and how ICT can change connectivity expectations. It then proceeds to methodology and findings, and discusses theoretical and practical implications of the emerging psychological contract expectations created through company-given smartphones. We conclude with the idea that smartphones can become an important participant in work relationships and create hyperconnectivity in manager-employee psychological contracts, and we recognise the wider impact upon human relationships.

LITERATURE BACKGROUND

Psychological contract and learned expectations

Psychological contract theory originated in the 1960s and posited that workplace contracts combine both explicit elements such as remuneration and the hours of work with implicit elements that relate to expectations between individuals, managers and organisations (Coyle-Shapiro & Parzefall, 2008; McInnis, 2012). Rousseau (1989), a key psychological contract theorist, claims that
psychological contracts are not just expectations but are also mutual obligations based on individual beliefs. Psychological contracts are subjective promises and parties to a contract can have very different perceptions regarding its terms of these implicit contracts. These contracts act as a frame of reference, a schema that employees can use for reducing uncertainty about their employment relationship (Sharpe, 2002) and have been found to improve productivity (Rousseau, 1995).

Rousseau (1995) proposed a model of psychological contract formation. This starts with receiving information or ‘messages’ about the expectations and obligations for a particular employment relationship. Salient information (factors that are more noticeable and important to employees) will be more likely to be a part of their psychological contract (Tomprou & Nikolaou, 2011). Psychological contracts are formed through interactions between the employee and the employer regarding implicit or explicit promises made both by the employer and the employee (Sutton & Griffin, 2004). Once hired, the terms of the psychological contract are perceived through communication with managers, or by observing actions of both managers and co-workers, and through how organisations treat employees. This means that direct managers greatly influence the formation of psychological contract (Shore & Tetrick, 1994).

The terms of psychological contracts can be communicated in three main ways. Firstly, the psychological contract can be communicated through job-related and personal communication (particularly communication between an employee and their direct manager). Secondly, it can be communicated through recruitment, training and job descriptions. This is perceived in the initial interaction with organisation and its representatives. Finally, it can be communicated through downward communication such as company mission statements or other company missives (Guest & Conway, 2001). External factors, such as rapid advances in ICT, can also influence the perceived expectations and have the potential to change the ‘traditional’ psychological contracts (Sharpe, 2002).

**ICT and changing workplace expectations**

A number of studies investigate the influence of ICT on workplace expectations. Matusik and Mickel (2011) focus on convergent mobile devices (such as smartphones, tablets and multifunctional...
computing) and find that these devices create expectations for workers to respond faster and be always accessible. Because of these pressures, the study participants compare having a smartphone to being always ‘on-call’ (Matusik & Mickel, 2011). Quesenberry and Trauth (2005) also highlight that there are increasing expectations for employees to be prepared to work extra hours and to be continually available on their phone or computer. These findings suggest that technological advancements change employer expectations and employee behaviour (Coultrup & Fountain, 2012).

Expectations to work increase if employees are given mobile ICT and evidence is emerging that organisational provision of ICT influences work expectations to stay connected (Bittman et al., 2009; Richardson & Benbunan-Fich, 2011). After-hours work by employees through technology occurs mostly because of the company-provided ICT devices because they signal the expectation of continuous availability and communication (Richardson & Benbunan-Fich, 2011). This means that organisational provision of technology leads to the creation of subjective norms about workplace connectivity which may therefore change psychological contract expectations. It is this emerging change in expectations, driven by technological imperatives, that forms the basis of this inquiry and so we turn next to the methodological approach.

**METHODOLOGY**

This explorative study draws upon eighteen semi-structured interviews, each of about 30 minutes duration. Research was conducted across three organisations in different industries (manufacturing, telecommunications and public services). Six interviewees from each industry participated in the study. The interviews investigate individuals’ perceptions on how mobile ICT influences their work expectations and perceived expectations in terms of ICT usage, and how ICT influences work relationships, in particular the relationship between managers and subordinates. Interviews included questions (asked of both employees and managers) such as: ‘What are the expectations around ICT use?’; ‘How does having this ICT influence your expectations regarding connectivity?’; and ‘How does mobile ICT influence your relationship with your manager/employee?’
Due to the explorative nature of this research and the use of semi-structured interviews, the data was analysed with NVivo software using thematic analysis to enable greater flexibility in coding of theme categories (Braun & Clarke, 2006). The resulting key themes include: work reach extension (with ‘managerial expectations’ and ‘employee expectations’ as key categories) and being constantly connected (with ‘constant connectivity to work’ and ‘constant communication’ as key categories). We now discuss the possible explanations and implications of these findings.

**FINDINGS**

**How individuals learn about expectations**

When explaining how mobile ICT can change or alter psychological contracts and expectations, it is important to consider how individuals come to know that these expectations exist. Employees in the current study learned about their managers’ expectations from four main sources that they described as: (1) through experience or ‘just knowing’, (2) through job description, (3) through meetings or (4) through observing modelled behaviour. While 1 and 4 are considered to be implicit sources of information, 2 and 3 are considered to be explicit sources of information. One employee, for example, discusses how the manager models expectations, an implicit source of information:

*I do find that our managers they do model being available all the time [sic]*

(Employee, 42, female, Public services).

The key source from which employees learn about these expectations is ‘experience or just knowing’. ‘Just knowing’ refers to the idea that employees already understand what is expected of them without receiving any explicit information about expectations. This indicates that the majority of employees in this study learn about managerial expectations through implicit ways:

*I guess it is through experience, you just learn through different roles*

(Employee, 42, male, Public services).

The second common information source is the highly explicit ‘job description’:
We have policies which are explained to employees in their contract so the expectation is quite explicit

(Manager, 39, male, Manufacturing).

Some employees also use ‘meetings’ (explicit source) and ‘observation of modelled behaviour’ (implicit source) to learn about expectations and a number of employees also state that they learned about their manager’s expectations from multiple sources.

**Changing and perceived expectations**

Although participants learned expectations through different ways (whether it was through implicit or explicit ways) almost all participants still perceived the expectation to be constantly connected to work and discussed how having smartphones affects their own connectivity expectations. In this study, the majority of employees (regardless of how they learn about expectations) felt that there is an expectation for them to be connected to their managers through their smartphone. These quotes are typical of the responses of the majority of employees:

> When you are out of work we usually would always have them [phones] on but it is not a company requirement... They just expect you to

(Employee, 23, male, Telecommunications).

> In terms of availability I know there are some managers that do [have these expectations]. Having this phone does kind of give you the expectation that the employer is expecting [you to be available] because they give you this device

(Employee, 42, female, Public Services).

Similarly, the majority of managers also felt that they are expected to be accessible to their employees. Managerial responses indicate that it is not just the employees who feel expected to be constantly connected to work but managers also feel the same pressure. For example, one manager responded with:
What it does do is make you more accessible I think and it might put the responsibility on you to be more accessible… Yes I think they (employees) would expect me to be responsive

(Manager, 55, male, Public Services).

These interview quotations show that although there are no explicit expectations to be available, employees and managers see the receipt of an organisational smartphone as a signal that they are expected to be available on their phones, seemingly at all times.

Although most individuals (managers and employees) in the study perceive the expectation to be constantly connected to work because they have a company smartphone, there are some differences between managers and employees in terms of how smartphones influence actual connectivity expectations. While almost all of the employees do not expect their managers to be connected, managers usually expect their employees to be connected, as shown in this response:

I certainly expect her to be contactable, but we have never really sat down and discussed that [expectation]… It is not something we have ever discussed

(Manager, 47, male, Manufacturing).

This quote suggests that connectivity expectations remain implicit and are usually not discussed explicitly. The quote also shows that the limits or boundaries of accessibility, availability and especially responsiveness are ambiguous. For most individuals, having a company smartphone leads to increased perceived expectations for them to be more connected to work regardless of where they are or what they are doing, even if these expectations are not actually specified by the other party in the psychological contract, and this effect is similar for both managers and their subordinates.

Connectivity outcomes

The perceived expectations also create connectivity behaviours and outcomes. Almost all participants indicated that they feel like they are constantly connected to work because of their company-provided smartphones:
I think the danger is that people expect that you have a mobile device and will be able to respond no matter where you are and no matter when

(Employee, 42, female, Public services)

I don’t go anywhere without it, I have it beside my bed at night and that’s mainly because we run a factory 24-7 and you know I can get calls in the night when something has gone wrong in the factory

(Manager, 55, female, Manufacturing).

The majority of participants view this constant connectivity negatively:

I would say one of the problems is the constant connectivity. I am expected to be connected in case there’s an issue that must be solved. The mobile has to be on all the time even during the night

(Employee, 40, female, Manufacturing).

I suppose there is a drawback, of course sometimes you feel like “just leave me alone” or “just give us a break” so it is constant in that sense

(Manager, 57, male, Public services).

These responses suggest that being constantly connected to work might not be optimal for some individuals. Feeling constantly connected to work during non-work hours, which can even happen during sleep time as these individuals highlight, is perceived as the key negative outcome of receiving company smartphones.

DISCUSSION

One of the key findings of this study is that smartphones extend the reach of work by making people more accessible but this creates pressure to be more available and responsive. This links to the idea of Work Extending Technologies (WET), which suggests that mobile ICT devices enable work to
reach employees regardless of time or location by removing the boundaries that separate work from non-work (Towers, Duxbury, Higgins & Thomas, 2006). In the current study, all individuals (both employees and managers) claim that they are expected to be constantly connected to the other party in the psychological contract, in a two way perceived expectation of almost constant communication. This is similar to findings from past studies that show that having smartphones and receiving them from the organisation signals to the individual that they are expected to be ‘reachable’ (Richardson & Benbunan-Fich, 2011). However, the present study also shows that managers feel the same pressure as their subordinates to stay connected. This suggests that when employees receive smartphones from organisations, the phone also acts as a signal to managers that they are expected to make themselves more available to their employees. Whilst past studies focus mostly on employees, this study suggests that regardless of whether they are a subordinate or a manager, everyone perceives similar expectations to be accessible and available if given an organisational smartphone.

Similarly to past studies (Diaz, Chiaburu, Zimmerman & Boswell, 2011), this study also shows that having smart technologies and perceiving expectations to be constantly connected can lead to the creation of actual hyperconnectivity, where individuals feel like they are constantly connected to work. The perceived expectations and the fear of missing out on important information (Grauers & Wall, 2012) place pressure on individuals to stay connected and encourage behaviours such as constant checking and monitoring of the device after work hours (Mazmanian, Orlikowski & Yates, 2006). The pressure to stay connected and the resulting connectivity behaviours can also be seen in the current study as some participants admit to keeping their smartphones next to their bed at night to monitor any messages or calls. These behaviours allow smartphones to act as an extension of work into home life and can lead to work-family conflict (Duxbury & Smart, 2011). The smartphones allow for less time to be spent on family and personal activities and more time to be spent on work activities. Most of the participants in the current study discuss how company-given smartphones create hyperconnectivity and how this enables work to intrude on home life. Although individuals can engage in boundary management to reduce work-family conflict (Fenner & Renn, 2010), the participants in the study still expect and perceive increased hyperconnectivity to work. This suggests
that the pressure from perceived constant connectivity expectations is stronger than the perceived personal control over work-life boundaries. Constant connectivity expectations and behaviours have important implications for theory and practice.

**Implications for theory**

The findings of this study have a number of important implications for psychological contract theory. The study shows that the smartphone itself appears to enter the psychological contract between managers and employees and can change expectations in the perceived contract. Mobile ICT devices can change psychological contracts in a number of ways. Firstly, the smartphone can influence the formation of the psychological contract by changing the psychological climate. The concept of psychological climate refers to the idea that certain factors are more valued in the workplace (Kickul & Liao-Troth, 2003). These factors are usually included in psychological contract terms and can therefore define the psychological contract. The recent advances in technology change what is valued in the workplace and therefore change the psychological climate because smartphones are now highly valued societally. Contemporary workplaces now place greater value on flexibility, reachability and connectivity (Hadley, 2007). As a result, these factors are becoming increasingly important in psychological climates and by extension in the psychological contracts. This means that the smartphones change psychological contracts by creating new expectations and obligations for managers as well as employees.

Company-provided smartphones can also influence the psychological contract by acting as a signal for reachability and connectivity expectations. Individuals can perceive this signal as an actual workplace expectation. This happens because although the smartphone is tangible, expectations are intangible and are not discussed explicitly. This suggests that the smartphone becomes an indicator of expectations within the manager-employee psychological contract. Company-provided mobile ICT devices act as signals for reachability expectations (Richardson & Benbunan-Fich, 2011; Ruppel, Gong & Tworoger, 2013) and can create hyperconnectivity expectations (which are not always real). This suggests that the smartphone itself becomes an additional source of information that significantly
influences psychological contracts. The smartphone’s influence on the psychological climate and its new role as a key information source about workplace expectations suggest that mobile ICT devices must be considered in psychological contract formation, development and change.

**Implications for practice**

In the current study, most individuals feel as if they are constantly connected to work. Regardless of whether it is actual or perceived, constant connectivity can still have serious practical implications for both employees and managers. Work productivity can be reduced because constant connectivity creates the potential for constant interruptions, even if merely checking one’s device, which reduce concentration on task at hand (Grauers & Wall, 2012). Organisational expectations can also clash with family expectations (Kreiner, Hollensbe & Sheep, 2009) and personal downtime. Therefore a smartphone-mediated psychological contract created at work can conflict with family and community expectations outside of work. Individuals who receive a smartphone from their organisation may be more likely to neglect family expectations and needs, which can cause work-life conflict (Fenner & Renn, 2010). Work-life conflict can lead to a number of negative outcomes for both the individual and the organisation and may include an increased intent to quit, stress, absenteeism, burnout and depression (Diaz et al., 2011). Future research is needed to substantiate specific outcomes created by changing expectations in psychological contracts.

**CONCLUSION**

This study investigates how company-provided smartphones create connectivity expectations within the manager-employee psychological contract. Traditionally, employees and managers learn expectations from each other. However, this study shows that company-provided smartphones can replace managers and employees as each other’s main information source about connectivity expectations. By acting as a signal, company-provided smartphones lead to the development of perceived expectations to be constantly connected to work. This suggests that company provided smartphones can create hyperconnectivity expectations in manager-employee psychological contracts.
The study makes an original contribution to psychological contract theory by showing that smartphones create additional work expectations for both employees and their managers that can lead to hyperconnectivity. This is the first study to consider how smartphones influence both manager and employee connectivity expectations and how perceived employee expectations influence their manager’s connectivity. The study makes a number of important contributions to theory and research within the fields of employment relations and organisational behaviour. The majority of past research on psychological contracts has focused only on the employee perspective (Cullinane & Dundon, 2006; Tekleab & Taylor, 2003). The current study adds to research and theory by including the managerial perspective because when employees are given smartphones it also affects managers and also places greater pressure on them to also be reachable and connected.

Due to a small sample size and a lack of variety in the ethnicity of participants these findings are not generalisable to all employees and managers who receive company smartphones. This is a potential limitation because ethnicity can influence how people use technology (Chesley & Fox, 2012). Different technology usage can create different expectations and therefore can potentially influence the psychological contract differently. Despite this limitation, the study offers a representation of participants’ experiences from three different organisational environments. In terms of future research, studies could look at the possible influences of ethnicity on technologically-induced expectations and could also compare how company-distributed smartphones influence expectations and experiences of individuals with different job types rather than from different industries.

Organisational provision of smartphones and the new expectations about their usage unintentionally lead to the integration of mobile ICT devices into everyday life. This integration can lead to changes at the societal level. If smartphones are on their way to becoming another member of the psychological contract (and by extension become a part of the manager-employee relationship) this means that they have the potential to influence human relationships in general. If smartphones are allowed to enter human relationships they have the potential to keep individuals constantly connected.
to each other, regardless of whether this hyperconnectivity suits individual preferences, health or lifestyles.

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