



The psychological contract in apprenticeships and traineeships: Differing perceptions

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What's the psychological contract?

- An implicit contract between employer and employee.
- It concerns mutual expectations and obligations
- What happens when they differ?
- What happens when the contract is breached?
- Common in the Human Resource Management literature, especially in the recent tight labour market.



[Why is it of interest to us?]

- Retention of apprentices and trainees is of great interest.
- The psych contract allows us a framework for examining expectations and factors that affect ties between employers and employees.
- We are particularly interested in differences between apprentices & trainees, and among industry groups.
- We want to provide data that helps employers and intermediaries improve retention and improve the experiences of apprentices & trainees.

What's special about apprenticeships and traineeships?

- The psychological contract has extra partners: The RTO and (often) intermediaries such as AACs.
- GTOs in particular are an important 'third party'.
- There is an expectation of learning, which is arguably greater than in 'normal' employment.

[Our project]

- Funded by NCVET, running from late 2009-late 2010.
- From our original proposal, we were asked to strengthen the employer viewpoint and to add expectations about literacy and numeracy.
- Currently at final report stage

[Research method, 2009-10]

- Interviews with 13 stakeholders covering 10 organisations.
- Survey sent to 1000 apprentices and 1000 trainees in each of Qld and Victoria. Used some standardised psych contract questions. *An additional wave sent to improve numbers.*
n=219
- Survey sent to 2000 employers of apprentices/trainees in Qld and Vic. *n=262*
- Additional survey to GTOs as employers in Qld & Vic, and to GTOs to administer to apps/trns. (not covered in this paper)
- Case studies in 9 companies employing apprentices and trainees.

[Stakeholder interviews (13 people)]

- National Association of AACs, Group Training Australia, STAs (2), Employer peak bodies (2), DEEWR, examples of TAFE, private RTO, AAC.
- Telephone interviews lasting around one hour.
- **Questions:** What are the expectations of the parties; what discrepancies might there be, how do these come about, and what are the consequences if the psychological contract is breached?
- **Findings**

[Apprentice/trainee survey]

- Sections on demographics, expectations related to employment and training (and how far they had been met); and expectations relating to the literacy & numeracy demands of the contract, the job & the training.
- Survey sent to 1000 apprentices and 1000 trainees in each of Qld and Victoria. *Second wave sent as response rate was low.* Respondents drawn from STA databases.
- The survey adapts pre-existing scales used in Australian HR literature. (Hutton & Cummins, 1997)
- The scales look at expectations and obligations from the point of view of the employer and the employee
- They measure **IMPORTANCE** of each item and whether the item **HAS BEEN MET.**

Example of a scale:

I believe it is important for my employer to....



Please circle one number on the scale on each line

		Obligation is not at all important											Obligation is extremely important
1	Talk with me about matters which affect me	0	1	2	3	4	5	6	7	8	9	10	
2	Help me develop my career	0	1	2	3	4	5	6	7	8	9	10	
3	Be particularly considerate of long-serving employees	0	1	2	3	4	5	6	7	8	9	10	
4	Provide me with support regarding personal problems	0	1	2	3	4	5	6	7	8	9	10	
5	Provide the resources required to do my work	0	1	2	3	4	5	6	7	8	9	10	
6	Make sure I am given a job that I like	0	1	2	3	4	5	6	7	8	9	10	
7	Make sure my performance appraisal is fair	0	1	2	3	4	5	6	7	8	9	10	
8	Treat me the same as everyone with respect to rules and discipline	0	1	2	3	4	5	6	7	8	9	10	
9	Help me gain promotion	0	1	2	3	4	5	6	7	8	9	10	
10	Give me adequate training for the job	0	1	2	3	4	5	6	7	8	9	10	
11	Allow me time off to meet personal or family needs	0	1	2	3	4	5	6	7	8	9	10	
12	Act in a supportive way towards me	0	1	2	3	4	5	6	7	8	9	10	

Apprentice/trainee survey findings

Table 3: Means and independent samples t-test statistics examining differences between employers and employees regarding mean importance and met ratings

Scale	Employers			Employees			t-test ¹
	Apps	Trnees	Tot ER	Apps	Trnees	Tot EE	
Importance of Obligations							
1 Employer obligations	8.5	8.4	8.5	8.2	8.2	8.2	2.7*
2 Employee obligations	8.3	8.0	8.2	8.2	8.1	8.2	0.4
3 Training obligations	8.6	8.7	8.7	8.9	8.6	8.8	-1.4
Met Obligations							
1 Employer obligations	8.6	8.4	8.5	7.7	6.9	7.0	7.3*
2 Employee obligations	7.9	7.8	7.9	8.6	8.4	8.5	-4.4*
3 Training obligations	8.5	8.4	8.4	7.8	7.6	7.7	4.1*

Notes: Apps = apprentices; Trnees = trainees; Tot ER = total employers; Tot EE = total employees; ¹ Group differences t-test comparing total employers with total employees; * significant at p < .05; Item response range: 0 (not at all met) to 10 (completely met).

Obligations considered most and least important

Employer obligations

- Employers and employees rated *adequate training for the job* and *treated the same re rules and discipline* as two of the **most** important obligations,
- *Job that I like* and *support for personal problems* were rated as the **least** important employer obligations by both parties

Employee obligations

- *Always be punctual and attend work every day* were rated as two of the **most** important obligations.
- Both parties rated *willing to accept a transfer* and *work more hours than contracted* as employee obligations that were **not important**.

[Case studies]

The purpose of these was to:

- Examine the nature of the psychological contract and how it's developed in its context.
- Examine influences of RTOs, GTOs etc.
- Look at breaches of contract using 'critical incident' questioning.
- Seek good practice in alignment of expectations.

[Case study sites]

Company pseudonym	Apprentices	Trainees	Industry area	State
Building Co	X		Building & construction	WA
Electrical RailCo	X		Construction/electrical	VIC
Hospitality and GamingCo	X	X	Hospitality, gaming and horticulture	ACT
PowerCo	X		Electricity generation	QLD
RetailCo		X	Retail	VIC
RestaurantCo		X	Fast food	QLD
Steel Manufacturing Co	X		Engineering, manufacturing	QLD
Regional GTO	X	X	126 different vocations	NSW
Electro GTO	X	X	Traditional trades, business	VIC

[Conclusions]

- Expectations of apprenticeships and traineeships were in most respects the same as of many job;
- The major difference was increased expectations in the training area;
- 'Pastoral care' not viewed as very important;
- In all these respected, differences between employers and employees were not huge;
- All expectations were met to a high extent compared with surveys of other workers.

[Aligning expectations]

