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THE PSYCHOLOGICAL CONTRACT IN APPRENTICESHIPS AND TRAINEESHIPS: COMPARING THE PERCEPTIONS OF EMPLOYEES AND EMPLOYERS

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ABSTRACT

This paper compares the perceptions of Australian apprentices/trainees and employers of apprentices/trainees in relation to the psychological contract: the unwritten mutual expectations employers and employees have of each other. A random sample of apprentices and trainees (N = 219) and employers of apprentices and trainees (N = 262) from Victoria and Queensland, Australia completed surveys. Information was collected about perceived employer, employee and training obligations and how well they had been met. Overall it was found that apprentices/trainees and employers rated similar individual employer, employee and training obligations as being the most and least important. Training obligations were perceived by both parties as being the most important obligations overall. Differences between the groups mainly related to perceptions of the extent to which obligations were met, particularly employer obligations. Despite significant differences, the overall mean ratings suggest that the psychological contract is being met well for both parties. Implications of the research for psychological contracts and for apprenticeships/traineeships are discussed.

OVERVIEW

This study examined the importance of the psychological contract in apprenticeships and traineeships in Australia. Attrition has been identified as a major concern in apprenticeships. Completion rates in apprenticeships and traineeships are around 50%, with apprentice completion rates slightly higher than traineeship rates (Karmel & Misko, 2009). Also of concern is the retention of the apprentices and trainees at the end of their contract of training in permanent jobs with their employers. Studies in Australia by Karmel and Misko (2009), Cully and Curtain (2001), and Callan (2000) have found that apprentices

leave their contracts of training more often for job-related than training-related reasons.

Previous research (eg Sadler-Smith & Smith, 2004) suggests that clearer expectations — on both sides — of what is expected in an apprenticeship/traineeship would help to increase satisfaction and reduce attrition. Accordingly, the issue of expectations, realisation of those expectations, and what happens if they are not met, is a vital one, but this issue has not previously been examined within a theoretical framework. The psychological contract is one way of examining the expectations between apprentices/trainees and their employers. The psychological contract relates to the unwritten but often powerful aspects of the employment relationship that affect the parties' expectations and satisfaction.

Much of the research on psychological contracts has centred solely on the employee's perspective. The merit of this one-sided approach has been debated in the literature (eg Guest, 1998) because it is inconsistent with the nature of exchange and contracts, which are essentially two-sided. The primary emphasis of the research has been employer obligations, rather than both employer and employee obligations. While more recent work has begun to explore the employer's perspective of the psychological contract also (eg Chen, Tsui & Zhong, 2008; Lester, Turnley, Bloodgood & Bolino, 2002; Tekleab & Taylor, 2003), the focus has remained on employer obligations.

Another major area of psychological contract research has been perceived met obligations and the individual and organisational consequences of unmet obligations, most often referred to as 'breach'. It has been argued that measurement of met obligations without actually assessing the extent to which the obligations are actually perceived (ie importance) can inflate overall estimates of breach (Coyle-Shapiro & Kessler, 2000).

The focus of this paper is a quantitative comparison of the perceptions of apprentices/trainees and employers of apprentices/trainees in relation to the psychological contract, using surveys of apprentices and trainees and employers of apprentices and trainees in two States in Australia. The study examines the importance of perceived employer, employee and training obligations and the extent to which these obligations are fulfilled. This has enabled greater insight into the nature of the employment relationship between apprentices/trainees and their employers in terms of where expectations are aligned and where discrepancies exist.

BACKGROUND

The psychological contract consists of the perceived mutual obligations between employees and employers (Rousseau, 1990). Employees form expectations about the employment relationship that lead them to believe that certain actions will be reciprocated; this comprises their psychological contract. The psychological contract is quite complex; it involves agreement on specific contract terms (mutuality) and on the reciprocal contributions that these terms imply (reciprocity) (Dabos & Rousseau, 2004). The concept of the psychological contract is based on social exchange concerning the exchange of resources for rewards. Social exchange involves cooperation between two or more parties for mutual benefit based on a give and take relationship (Robinson, Kraatz & Rousseau, 1994). The individual expects that their actions will result in some kind of commensurate return, although the exact nature may be unspecified (Blau, 1964). Trust is a fundamental component of the social exchange, as both parties invest in the relationship with the risk that inputs might not be rewarded (Shore et al., 2004).

It must also be acknowledged that the theoretical construct of the psychological contract must be located within the context of the differential power relationships that exist between employers and employees. Each of the parties in this relationship has different levels of personal 'agency' and exercise different levels of influence over the construction of their employment. For example, the conditions of work are often the responsibility of the employer alone with the employee being expected to both comply and adapt to these conditions. Power relationships do not negate the psychological contract but they are strong and influential environmental factors that form the backdrop to the interpretation of the psychological contract.

The extent to which the psychological contract is fulfilled is vital to a successful employment relationship. Fulfillment can be affected by the extent to which the parties have developed clear and shared understandings, as well as by difficulties in identifying who represents the organisation and is responsible for delivering the contributions of the organisation (Dabos & Rousseau, 2004; Guest & Conway, 2002). An organisation as such cannot hold a psychological contract. Rather, the organisation provides a context in which the psychological contract develops and it is with managers as representatives of the organisation with whom individual employees hold a psychological contract (Rousseau, 1990).

When an employee perceives a discrepancy between what they believe they were promised by the organisation and what they have in fact received, the employee views this as the organisation's failure to meet the terms of the psychological contract and a contract 'breach' occurs (Turnley & Feldman

1999). The existence of a breach loosens the employee's ties to the organisation and can lead to attrition or to withdrawal of goodwill.

Despite the attention in the human resource management and organisational psychology literature on the psychological contract, it has not been utilised in any known major research with apprentices and trainees. Compared with other employment relationships, training is an integral part of the employment relationship in apprenticeships and traineeships. As such, there are additional parties to the contract, most notably registered training organisations, apprenticeship centres and sometimes group training organisations. Apprenticeships and traineeships therefore provide an interesting and complex context for investigation of the psychological contract.

Apprenticeships in Australia involve a contract of employment and also a contract of training (Smith, 2010). Apprentices are employed for three or four years and during that period of time they complete a qualification, normally at Certificate III level, which is overseen by a training provider (known as a registered training organisation). Since the late 1980s, a new form of apprenticeship called 'traineeships' has been introduced in Australia. Traineeships were designed to extend apprenticeship-like training to a wider group of workers, particularly in non-trade areas, and particularly to women (Smith & Keating, 2003). They normally last for 12-18 months. Apprenticeships and traineeships were formerly open only to full-time workers and to young people, but now both are available to all workers. By December 2010, the number of apprentices and trainees in training reached 440,700, 3.8% of the working population (National Centre for Vocational Education Research, 2011), with about twice as many in traineeships as in apprenticeships.

The research reported in this paper was part of a larger Australian project investigating the psychological contract of apprentices and trainees (Smith, Walker & Brennan Kemmis, 2011). A mixed method approach was used to investigate the topic and included interviews with high-level stakeholders; surveys of apprentices and trainees and employers of apprentices and trainees; surveys of group training organisations and their apprentices and trainees; and nine company-based case studies involving interviews with managers, apprentices and trainees, and registered training organisation staff. This paper reports on the survey results and provides a comparison of the perceptions of apprentices/trainees and employers of apprentices/trainees in relation to the psychological contract.

METHOD

Participants and procedure

Ethics approval for the project was gained from the university ethics committee. Data for apprentices/trainees and employers were collected in two waves of mail surveys, using randomised entries from the state training authority databases of two Australian States: Victoria and Queensland. Only apprentices/trainees directly employed by an organisation were of interest in this study; ie the Group Training Organisation results and results from apprentices and trainees employed by Group Training Organisations were not included. A mailing house was utilised to ensure confidentiality; the mailing house was provided with the randomised sample directly from the State training authorities. Overall, there was a low response rate to the surveys for both groups of respondents. In each wave of the apprentices/trainees data collection, 2,000 surveys were sent out. A total of 219 usable surveys were received from apprentices/trainees, an overall response rate of 6.35%. In the first wave of the employer survey, 2,000 surveys were sent out. To increase responses from employers of trainees, a further 540 surveys were sent out in a second wave. A total of 262 usable surveys were received from the employers, an overall response rate of 10.40%. It should be noted that apprentices/trainees and employers were not matched and as such comparisons of employers and employees within the same organisation were not possible.

Of the apprentices/trainees who completed the survey, 141 were apprentices and 78 trainees. The apprentices were mostly employed in building and construction (44%) or manufacturing (22.7%). Of the trainee participants, 28.2% were employed in retail and hospitality and 21.8% in administration, communication and finance. Most of the apprentices and trainees worked full time (90.8% and 67.9% respectively), nearly half were in the 25 – 44 years age group (40.3% and 45.5% respectively). The vast majority (85%) of the apprentices were male and the majority (60.3%) of the trainees, female.

Of the employer participant sample, 169 were employers of apprentices and 93 employers of trainees. Employers of apprentices were predominantly from the building and construction (40.2%) or manufacturing industries (33.7%), while the employers of trainees were from health, personal and community services (22%) or from retail and hospitality (18.7%). Most of the employers of apprentices (69.2%) and trainees (53.7%) alike were small or medium sized employers.

Measure

The survey was focused on collecting information about the perceived obligations on both sides of the employment relationship and how well these obligations had been met. A psychological contract scale consisting of employer and employee obligations that was developed and validated in an Australian context by Hutton and Cummins (1997) was adapted for this research. Also, a purpose-constructed set of training obligations was developed for this research based on the apprentice/trainee literature. It should be noted that only employer obligations in relation to training were assessed, not apprentice/trainee obligations, and we did not specify who was responsible for the employer-side obligations of training – ie the obligations could be delivered by either the employer or the training provider. Therefore any deficiencies identified could be the ‘fault’ of the employer, the training provider, another party or a combination of more than one party. Demographic information and information about the nature of the job and the workplace was also collected. In most instances, questions on the survey were ‘paralleled’ for the two participant groups to allow comparisons.

To enable maximum discrimination in the findings, an 11-point scale was used to rate the importance of the three sets of psychological contract items (employer obligations, employee obligations and training obligations) and the extent to which these obligations were perceived to have been met. The following anchors were used: 0 = not at all important/not at all met to 10 = extremely important/completely met. Given that 0 represented no importance or an obligation not being met, importance and met ratings were therefore actually rated out of 10 (ie ratings made from 1 – 10).

Analysis

Apprentices/trainees and employers were compared in terms of mean overall scale scores obtained for importance and met employer, employee and training obligations. To enable comparisons, mean scores for each set of obligations were calculated by summing and averaging the individual item ratings. The independent samples t-test statistic with an alpha level set at .05 was used to test whether group differences were significant. Group comparisons were also made in relation to individual item ratings for each of the three sets of psychological contract obligations.

FINDINGS

A summary of the mean ratings of apprentices/trainees and employers in relation to overall importance and met obligations is shown in Table 1. Significant difference between the parties related to perceived importance of

employer obligations and to perceptions of all three categories of met obligations (employer, employee and training). As might be expected (eg Tekleab & Taylor, 2003), each group rated the extent to which they met their own set of obligations higher than the other group. The overall mean employer rating for met training obligations was also significantly higher than the overall mean rating given by employees.

Table 1 — Independent samples t-test statistics examining differences between apprentices/trainees and employers regarding mean importance and met ratings.

Scale		Employers	Employees	t-test ¹
Importance of obligations				
1	Employer obligations	8.5	8.2	2.7*
2	Employee obligations	8.2	8.2	0.4
3	Training obligations	8.7	8.8	- 1.4
Met obligations				
1	Employer obligations	8.5	7.0	7.3*
2	Employee obligations	7.9	8.5	- 4.4*
3	Training obligations	8.4	7.7	4.1*

Notes: ¹ Group differences t-test comparing employers with employees;* significant at $p < .05$;

Item response range: 0 (not at all met) to 10 (completely met).

Importance ratings of the individual employer and employee obligation items are shown in Tables 2 and 3 respectively, ranked from the most to least important obligations. On the whole, there was general agreement between apprentices/trainees and employers about the obligations of the employer considered the most and least important by both parties (see Table 2). However, employers attached significantly more importance to their obligations relating to support, rewarding loyalty, promotion prospects and fair performance appraisals than did apprentices/trainees.

There was also general agreement between apprentices/trainees and employers about the most and least important obligations of the employee, as shown in Table 3. A cluster of items relating to employability skills (eg punctuality and working well with others) were rated as being particularly important by both parties, 'while working more hours' and 'being willing to accept a transfer' were not considered important obligations.

Table 1 showed that training was viewed as the most important among the obligations of the employer, by employers and by apprentices/trainees alike. The training obligations scale enabled training to be explored in more detail. Table 4 provides data about the importance of the different training

Table 2 — Independent samples t-test statistics examining differences between apprentices/trainees and employers regarding importance of individual employer obligation items.

Item	Employers	Employees	t-test ¹
Adequate training for the job	9.3	9.3	0.8
Treated the same as everyone else	9.3	9.2	0.1
Provide resources to do the job	9.1	9.0	0.7
Performance appraisal fair	9.0	8.6	2.7*
Act in supportive way	9.0	8.4	3.4*
Talk about matters	8.8	8.7	1.0
Help develop career	8.9	8.7	1.2
Considerate of long-serving employees	8.6	8.2	2.8*
Help gain promotion	7.9	7.2	3.0*
Time off for personal needs	7.8	7.8	- 0.3
Support for personal problems	7.7	6.7	4.4*
Job that I like	6.5	6.0	2.0*

Notes: ¹ Group differences t-test comparing employers with employees; * significant at $p < .05$;

Item response range: 0 (not at all important) to 10 (extremely important).

obligations of the employer. It is notable that nearly every rating was greater than 8.0 out of 10, with most rated more than 8.5. It is also notable that for almost every training item, employers and employees rated the items in the same order.

Ratings of met individual employer and employee obligation items are shown in Tables 5 and 6 respectively, ranked from the items met best to the items met least well. These tables show that there were significant differences between apprentices/trainees and employers on virtually every item relating to met individual employer and employee obligations. Generally, as might be expected, apprentices/trainees and employers each thought they had met their own obligations to a greater extent than the other party did. Despite this, ratings indicated that both parties were meeting their obligations well, with most ratings being in excess of 7.0 out of 10. Overall, employers appeared more satisfied with the extent to which apprentices/trainees met their obligations (see Table 6) than vice versa (see Table 5).

Table 3 — Independent samples t-test statistics examining differences between apprentices/trainees and employers regarding importance of individual employee obligation items.

Item	Employers	Employees	t-test ¹
Always be punctual	9.4	9.5	-1.3
Attend work every day	9.4	9.4	-0.7
Work well with others	9.3	9.3	-0.4
Put in a full day's work	9.2	9.4	-1.2
Become more skilled	9.1	9.3	-2.2*
Protect reputation of company	9.2	8.8	2.7*
Be open with supervisor/employer	9.1	8.8	2.6*
Be loyal to company	9.0	8.7	2.0*
Stay with present employer	8.8	8.7	0.8
Put interests of employer first	8.6	8.2	2.5*
Do non-required tasks	8.3	8.5	-1.6
Refuse to give outsiders information	8.1	7.7	1.6
Refuse to support competitors	7.2	7.0	0.6
Spend two years with employer	6.4	6.1	1.2
Work more hours	5.2	6.3	-4.1*
Willing to accept a transfer	5.2	5.8	-1.8

Notes: ¹ Group differences t-test comparing employers with employees; * significant at $p < .05$;

Item response range: 0 (not at all important) to 10 (extremely important).

Table 4 — Independent samples t-test statistics examining differences between apprentices/trainees and employers regarding importance of individual training obligation items.

Item	Employers	Employees	t-test ¹
Opportunity to keep learning	9.1	9.3	-2.3*
Apply what is learned	9.1	9.2	-1.0
Exposure to different processes/experiences	9.0	9.1	-0.3
Range of training methods	8.8	9.1	-2.1*
Make mistakes and learn	8.7	9.0	-2.5*
Specific time for training	8.5	9.0	-3.3*
Regular assessment	8.6	8.5	0.5
Assessment involving feedback	8.5	8.6	-0.8
An identified training contact	8.6	8.4	1.2
Assessment not too easy	8.5	8.3	1.3
Assessment not too hard	7.9	8.0	-0.7

Notes: ¹ Group differences t-test comparing employers with employees; * significant at $p < .05$;

Item response range: 0 (not at all important) to 10 (extremely important).

Table 5 — Independent samples t-test statistics examining differences between apprentices/trainees and employers regarding extent to which individual employer obligations were met.

Item	Employers	Employees	t-test ¹
Treated the same as everyone else	9.2	7.6	7.7*
Adequate training for the job	9.1	7.5	8.4*
Provide resources for the job	9.0	7.6	7.0*
Act in supportive way	9.0	7.4	7.5*
Performance appraisal fair	8.9	7.3	7.9*
Talk about matters	8.6	7.3	6.3*
Help develop career	8.6	7.3	6.1*
Considerate of long-serving employees	8.7	7.1	7.0*
Time off for personal needs	8.2	7.6	2.5*
Support for personal problems	7.8	6.7	4.6*
Help gain promotion	7.9	6.1	6.5*
Job that I like	7.0	6.2	3.0*

Notes: ¹ Group differences t-test comparing employers with employees; * significant at $p < .05$;

Item response range: 0 (not at all met) to 10 (completely met).

Table 6 — Independent samples t-test statistics examining differences between apprentices/trainees and employers regarding extent to which individual employee obligations were met.

Item	Employers	Employees	t-test ¹
Work well with others	8.7	9.5	-7.3*
Put in a full day's work	8.2	9.5	-10.1*
Always be punctual	8.2	9.5	-9.9*
Attend work every day	8.1	9.6	-10.6*
Become more skilled	8.4	9.3	-7.0*
Protect reputation of company	8.5	9.2	-5.1*
Stay with present employer	8.4	9.2	-4.7*
Be loyal to company	8.1	9.1	-6.1*
Be open with supervisor/employer	8.0	8.8	-5.0*
Put interests of employer first	7.8	8.9	-6.8*
Do non-required tasks	7.4	9.1	-10.0*
Refuse to give outsiders information	7.9	8.3	-2.1*
Refuse to support competitors	7.6	8.0	- 1.3
Work more hours	6.4	8.3	-7.6*
Willing to accept a transfer	6.2	2.0	18.0*
Spend two years with employer ²			

Notes: ¹ Group differences t-test comparing employers with employees; ² This item was not deemed relevant at this stage of the apprenticeship/traineeship for met obligations and was excluded from the employee survey; * significant at $p < .05$; Item response range: 0 (not at all met) to 10 (completely met).

As with the employment obligations, Table 7 shows that employers thought they met the training obligations better than the apprentices/trainees thought they did and most of the differences in perceptions were also significant. However, the ratings also indicated that both parties perceived that, overall, training obligations were met well, with all ratings being in excess of 7.0 out of 10. The greatest significant differences between apprentices/trainees and employers for ratings of met training obligations related to: specific time for training; apply what is learnt; different processes/experiences; range of training methods; and opportunity to keep learning.

Table 7 — Independent samples t-test statistics examining differences between apprentices/trainees and employers regarding extent to which individual training obligations were met

Item	Employers	Employees	t-test ¹
An identified training contact	8.5	8.3	1.2
Exposure to different processes/experiences	8.8	7.9	4.7*
Apply what is learned	8.8	7.9	4.9*
Opportunity to keep learning	8.7	7.9	4.0*
Make mistakes and learn	8.5	8.0	2.9*
Range of training methods	8.5	7.5	4.4*
Assessment involving feedback	8.2	7.8	1.9
Assessment not too easy	8.2	7.7	2.2*
Assessment not too hard	8.1	7.7	1.6
Regular assessment	8.0	7.8	1.3
Specific time for training	8.4	7.1	5.3*

Notes: ¹ Group differences t-test comparing employers with employees;* significant at $p < .05$;

Item response range: 0 (not at all met) to 10 (completely met).

ANALYSIS

Similarities and differences alike were identified between the perceptions of apprentices/trainees and employers of apprentices/trainees regarding the importance of employer, employee and training obligations and the extent to which these obligations had been met. In general, both groups appeared to share perceptions about which individual employer, employee and training obligations were the most and least important, suggesting mutuality between the parties. These findings support those of Dabos and Rousseau (2004) who also found evidence of mutuality between research directors (as agents of the employer) and staff scientists (employees) in terms of the agreement in perceptions about the promises and commitments of each party to the other.

The high level of agreement between apprentices/trainees and employers regarding the most and least important obligations implies a positive

employment relationship between the two parties. When expectations are aligned, it is also more likely that expectations will be fulfilled, thereby promoting a positive workplace culture and positive employment relations.

Both groups in each of the three categories of obligations examined perceived training obligations as the most important set of obligations overall. This is not surprising because in apprenticeships and traineeships, training is an integral part of employment and the apprentice/trainee commits to both a contract of employment and a contract of training (Smith, 2010). The focus on training in apprenticeships/traineeships, however, can also complicate the employment relationship because of the addition of a third party 'training provider'. This adds a unique dimension to the employment relationship of the apprentice/trainee and sets it apart from other employment relationships.

Differences in the perceptions of apprentices/trainees and employers mainly related to the extent to which obligations were perceived to have been met. Not unexpectedly, and similar to previous research (eg Tekleab & Taylor, 2003), each group rated meeting their own set of obligations significantly higher than the comparison group. The self-serving bias can explain this phenomenon. With the self-serving bias, individuals tend to internally attribute successes and externally attribute failures, thereby making it more likely that they overestimate their contributions and underestimate the contributions of others (Robinson et al., 1994).

Compared with apprentices/trainees, employers also rated training obligations as being met to a significantly greater extent. While there were significant differences between the parties regarding the overall mean ratings of met employer, employee and training obligations, the ratings for all three categories were actually high (mean score of 7.0 or higher). This signifies a general level of satisfaction on both sides of the employment relationship. Despite this positive outlook, there was a large discrepancy between apprentices/trainees and employers in perceived met employer obligations. In fact, employers appeared to be more generous in their ratings of the extent to which employees met their obligations to the employer (mean rating of 7.9) than vice versa (mean rating of 7.0). It is possible that employers are more satisfied with the employment relationship than employees. Alternatively, employees may simply have higher expectations about the employment relationship than employers.

Perhaps the most interesting findings relate to the discrepancy between the parties overall ratings of importance and met obligations, as shown in Table 1. The discrepancy between ratings of importance and met obligations can indicate: (1) a breach of the psychological contract, whereby importance

ratings are higher than perceptions of met obligations; or (2) an over fulfilled contract, whereby met ratings are higher than perceptions of importance (Coyle-Shapiro & Kessler, 2000). Our findings show that in most cases, the ratings of importance were higher than the met ratings, indicating psychological contract breach. In the case of employer ratings, this difference was quite small, but in the case of apprentice/trainee ratings, the difference between importance and met ratings was substantially larger, especially in relation to employee ratings of employer obligations. For example, both employers and employees rated 'adequate training', 'treated the same' and 'provide resources' as being the most important employer obligations. Employers also rated these obligations as being met very well, with ratings in excess of 9.0. Employees, on the other hand, rated these obligations as being met to a lesser extent, with ratings around 7.5. This suggests that apprentices/trainees had their psychological contract breached to a greater extent than employers. The extent to which the perceived breach of employer obligations actually impacted attrition in this study was not investigated, but the findings go some way in supporting research by Karmel and Misko (2009), Cully and Curtain (2001), and Callan (2000) who assert that apprentices are more likely to leave their contracts of training for job-related than training-related reasons.

CONCLUSIONS

There are some limitations that need to be noted. The overall low response rate from participants in this study means that the data may not be an accurate representation of the apprentice/trainee populations. However the age, gender distribution and industry areas are roughly in line with the general apprentice and trainee populations, although the building and construction industry area is over-represented. Moreover, the project did not capture data from apprentices/trainees who have withdrawn from their employment contract and so it is possible that a more positive view of the employment relationship is presented than actually exists across all apprenticeships and traineeships. Nevertheless, employers were asked to respond for apprentices/trainees in general, therefore it could be assumed that they had in mind both those who did and did not complete the apprenticeship/traineeship when responding. Despite these limitations, our findings suggest that, overall, a positive employment relationship exists between apprentices/trainees and employers of apprentices/trainees. This is evident in the high level of agreement between the parties in relation to the obligations that comprise the psychological contract and in the extent to which these obligations are perceived to be met.

Our research contributes to the psychological contract literature in a number of ways. The inclusion of the employer's perspective and examination of both employer and employee obligations contributes further to the understanding of the employment relationship. Psychological contract research has primarily focused on the employee's perspective of the extent to which employer obligations are perceived and fulfilled. Of the few studies that have also examined the employer's perspective, only Tekleab and Taylor (2003) and Chen et al., (2008) included investigation of both employer and employee obligations. While employers and employees are necessarily in an unequal power relationship, the nature of our survey phase (that apprentices and trainees were not matched to their employers) means that people may be assumed to have been answering without fearing any reprisals, and so the study is particularly valuable. Moreover, in the current Australian tight labour market, particularly with regards to apprentices, the power relationship may be assumed to be more equal than in a labour market where unemployment is high.

Another major area of psychological contract research has been perceived met obligations and the individual and organisational consequences of unmet obligations, most often referred to as 'breach'. Coyle-Shapiro and Kessler (2000) argued that measurement of met obligations, without actually assessing the extent to which the obligations were actually perceived (ie importance), could inflate overall estimates of breach. Our study examined both the importance of obligations and the extent to which these obligations were fulfilled. This enabled greater insight into the nature of the employment relationship between apprentices/trainees and employers in terms of where expectations are aligned and where discrepancies exist.

Our comparison of apprentices/trainees and employers of apprentices/trainees in relation to the psychological contract found a high level of agreement overall on the obligations of the two parties in the employment relationship. While these obligations are similar to those in any employment relationship, there was also a greater emphasis on training obligations on both sides. These findings have positive implications for organisations that employ apprentices/trainees. Agreement on the terms of the psychological contract means that both parties are aware of what is required and expected, leading to greater trust between the parties and ultimately more effective performance. It is also more likely that apprentices/trainees will complete their period of training thus reducing attrition overall. Our findings suggest that mismatched expectations are not, in general, a major issue in apprenticeships/traineeships and therefore may not be a factor in the high attrition rates of around 50%. Rather, the focus needs to be on the extent to which particular expectations are met. Future

research could consider examination of the extent to which agreement about the psychological contract actually predicts completion rates in apprenticeships/traineeships.

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