The Psychological Contracts of Volunteers: What We Do and Do Not Yet Know

Joy Turnheim Smith, Ph.D., J.D., M.B.A.
Professor, Elizabeth City State University
1704 Weeksville Road, Elizabeth City, NC 27909
Tel.: 252-335-3485 * FAX 252-335-3491 * E-mail: jtsmith@mail.ecsu.edu

Matthew Liao-Troth, Ph.D., M.B.A.
Associate Professor, Western Washington University
516 High Street, Bellingham, WA 98225
Tel.: 360-650-2183 * FAX 360-650-4844 * E-mail: Matthew.Liao-Troth@wwu.edu

Abstract

Psychological contracts are interpretations by individuals and organizations about what each will do for and get from each other. Understanding the psychological contracts held by volunteers is important to a nonprofit organization because those contracts govern both the way individuals interpret their job tasks and how those tasks are carried out. Therefore, understanding what leads to the formation of a psychological contract, and the content of that psychological contract, is critical to the success of the sector. The authors map the current state of knowledge of psychological contracts within the nonprofit sector. They discuss why understanding the psychological contract helps in managing the behavior of volunteers in the nonprofit sector, present how the psychological contract works, review what we know about the psychological contract, and present implications for volunteer resource managers. They conclude with identifying areas for further investigation and implications for these issues as well.

Key Words:
volunteers, psychological contracts, labor relations

Why Do the Psychological Contracts of Volunteers Matter?

Promises made by the nonprofit organization to the volunteer, combined with the implicit (Harrison, 1995) and explicit promises made by the volunteer to the nonprofit, create a psychological contract that pertains to that specific volunteer relationship (Farmer & Fedor, 1999). For example, an organization may promise that volunteering to help build a house for charity will provide a sense of accomplishment and the opportunity to use or learn construction skills. Another volunteer may believe the personal use of a boat at a camp throughout the summer is promised by the organization for a job well done. Examples of the types of promises made (terms) are listed in Figure 1.

A fulfilled psychological contract can lead to improved performance by the volunteer towards organizational goals. Breach or violation of the psychological contract can impact the motivation to volunteer, an important consideration as it leads to decreased performance or decreased activity with the nonprofit (Starnes, 2007a)

Figure 1. Terms describing psychological contracts of volunteers.

Volunteer Terms (Smith, 2004)	**Organization Terms (Smith, 2004)**	**Terms (Starnes, 2007a)**
Willing to try new things	Fairness in assigning jobs	Help others
Loyal to the organization	Give volunteers sufficient power to accomplish their work	Use skills and knowledge
Positive attitude		Gain learning experiences
Take an active role in finding a niche within the organization	Give volunteers the opportunity to ask questions and seek task clarification	Obtain work experience
		Career enhancement
		Socialize
Make responsible decisions		Feel useful
Make a contribution to the organization	Be flexible in the scheduling of volunteers	Public recognition
		Employer requirements to volunteer
Make work with the organization a priority	Respect the needs of volunteers	Practice religious beliefs
		Return good fortune
		Work for a prestigious organization

Psychological Contract

A psychological contract is based on what the individual and the organization each bring to the relationship. Typically individuals bring motivation, personality, attitudes and beliefs, and cognitive biases, while the organization brings resources, existing contracts, and organizational needs (Liao-Troth, 1999). The parties interact with both official representatives of the organizations and colleagues within it, shaping the initial psychological contract (Liao-Troth & Drumm, 2004). The psychological contract forged then evolves as both parties adapt their understanding of these mutual promises (deVos, Buyens, & Schalk, 2003). Volunteer resource managers can help to shape the terms of the psychological contract by being cognizant of the interactions taking place and their impact on the respective expectations of the parties.

What Do We Know About the Psychological Contract of Volunteers?

Initially the psychological contracts of volunteers were compared to those of employees. Pearce (1978) examined the differences between employees and volunteers performing similar roles in similar organizations, noting that volunteer psychological contracts contain ambiguity that leads volunteers to be more likely to exhibit absenteeism or withdraw from the organization. Pearce (1993) noted that volunteers were unreliable only on their peripheral tasks, not on the tasks they perceived to be core tasks, although they didn't always agree with the organization on which tasks were core tasks. Thus volunteer managers need to recognize that volunteers don't always understand and interpret the psychological contract in the same way that the nonprofits do, and they need to add clarity to the process to help harmonize those understandings.

Different Types of Psychological Contracts Exist

While early research in the field identifies two types of psychological contracts—the relational contract focused on maintaining the relationship and the transactional contract focused on delivering the work product—the terms in Table 1 are

not shaped by the type of contract. This indicates that the promises themselves are usually more important than the category of the contract (Lambert, Edwards, & Cable, 2003).

The importance of the terms themselves has spawned several studies. Using terms derived from psychological contracts in employment relationships, Liao-Troth (2001) studied volunteer and paid nurses' assistants, finding that the terms of their psychological contracts were consistent within the same organization. Turnheim (1999), in a study of volunteers and volunteer resource managers, derived terms specific to volunteers' psychological contracts that suggested that the promises of the volunteers were viewed in terms of attitudes and behaviors, while the expectations of the managers were characterized by distributive and procedural justice (Smith, 2004). Starnes (2007a) connected these volunteer behaviors to the motivations underlying the psychological contract (see Table 1). Thus knowing more about the potential types of terms of the psychological contract held by the volunteer can help the nonprofit understand and shape the contracts held by the volunteers.

Misunderstanding a Psychological Contract Leads to Problems

Differences in understandings could result from the volunteer and the volunteer resource manager holding different views of where the volunteer falls within the organizational hierarchy and what the priorities placed on individual versus organizational goals should be (Smith, 2002), a finding supported across multiple studies (Smith, 2004). For the volunteer resource manager, this suggests that finding out whether a volunteer is more focused on his or her own goals or on the goals of the group, and identifying where the volunteer believes he or she falls within the organizational hierarchy, will help identify potential sources of miscommunication in the psychological contract. For example, a volunteer who believes that they have come on board to "run the fundraiser" may believe that they have the authority to sign contracts relevant to the fundraiser on behalf of the organization, while the nonprofit believes that the volunteer is simply providing information about options for the nonprofit to choose between. Similarly, a volunteer who has promised to write a grant proposal may believe it acceptable to leave for vacation with the proposal incomplete, while the nonprofit might expect the proposal to be completed on time without regard to whether the volunteer had planned a vacation.

Farmer and Fedor (1999) studied the connection between volunteers' expectations of the psychological contract and their performance for the organization, finding that volunteers with met expectations were more likely to increase volunteer activities than those with unmet expectations. Likewise, volunteers who perceived more organizational support were also more likely to participate in volunteer activities, although greater organizational support was not significantly related to having expectations met. In a subsequent study, Liao-Troth (2005) surveyed firefighters and student volunteers, finding that when volunteers have the opportunity to practice the skill that they joined the organization to practice, they derive intrinsic satisfaction from performing that task and believe that the organization has treated them with good faith and has dealt with them fairly. For the manager, meeting volunteer expectations is one way to ensure that volunteers feel that the organization has treated them well, continue to be engaged with the nonprofit, and feel encouraged to increase their involvement.

Breach and Violation Must Be Actively Managed

Breach exists when the organization (Rousseau, 1995) or the individual (Turnheim, 2002) fails to follow through on promises made to the other party, whether as a result of inability or unwillingness. Violation is the feeling of outright betrayal beyond mere impersonal actions by an organization, and results in negative consequences for the individual and potentially also for the organization (Elangovan & Shapiro, 1998).

A majority of employees have experienced breach by the organization (Coyle-Shapiro & Kessler, 2000). In a meta-analysis of 51 studies, Zhao, Wayne, Glibkowski, and Bravo (2007) found that breach led to: violation; mistrust; reduced job satisfaction, organizational commitment, organizational citizenship behaviors, and job performance; and increased turnover intentions (but not actual turnover). We also know that supervisors withdraw mentoring when employees breach the psychological contract (Chen, Tsui, & Zhong, 2008). For nonprofits, this suggests that this is a widespread problem, and that staff members may be less willing to work with volunteers who they perceive to have breached their psychological contract.

It follows that, as Starnes (2007a) found, the volunteer will experience lower levels of organizational support as it is withdrawn by the staff members, leading in turn to decreased volunteer participation. While Starnes (2007b) found that breach is not related to organizational commitment or trust for volunteers, she also found that a correlation exists between psychological contract breach and decreased satisfaction with the volunteer experience. After breach, volunteers may change their behavior by decreasing the number of hours worked (Starnes, 2007a), as Harrison (1995) found for implied contracts. For nonprofits, the message is clear: volunteers whose psychological contracts are not fulfilled become potential morale problems for everyone within the organization as they may voice their dissatisfaction or perform work at a less-than-desired level.

Volunteers reporting a breach evaluate the quality of their work more highly than those who do not report a breach in the psychological contract (Starnes, 2007a), although the perceptual change may be adjusted based on information received about the behavior of others with whom they interact (Adams, 1965). For example, a volunteer may overvalue the work done for the organization, while the organization may take a more critical view and withhold elements of the expected exchange because it feels that the individual did not uphold his or her end of the deal, thus causing the volunteer to experience breach. Therefore, volunteer resource managers would do well to ensure that volunteers receive regular and accurate feedback.

What Do We Not Know?

While theoretical articles about psychological contracts started with Rousseau in 1989, empirical work on the application to volunteers started a decade later (Farmer & Fedor, 1999; Liao-Troth, 1999). Ten more years later, we can see where the study of volunteers has gone and evaluate where the distinctive features of volunteers are not being addressed in the broader literature. For volunteer resource managers, understanding more about the areas that have not yet been researched in the nonprofit sector will assist in gaining a fuller understanding of the psychological contracts held by the volunteers.

How Personality Affects Psychological Contract Formation

Personality plays a role in the type of psychological contract created, albeit one

that is not yet clear. Raja, Johns, and Ntalianis (2004) found that paid employees who are nervous, anxious, and depressed focus more on the transactional, while those who are more conscientious focus on relational contracts. Volunteers who are agreeable and who are emotionally stable tend to form relational contracts, while those who are conscientious tend to focus on transactional contracts (Liao-Troth, 2005). The difference in the type of contract formed by conscientious individuals shows the importance of replicating findings from the for-profit sector in the nonprofit sector.

How Fulfillment Leads to Desirable Behavior

Research has recognized that both fulfillment and breach of a psychological contract can have performance effects. This fulfillment is now conceptualized as a continuum rather a binary choice between *fulfilled* and *breached* contracts. Two major works have found positive effects for the fulfillment of the psychological contracts of workers. Turnley, Bolino, Lester, and Bloodgood (2003) found that the fulfillment of a psychological contract led to individuals performing better and going the extra mile for the organization more often. In addition, Raja, Johns, and Ntalianis (2004) found that when individuals' psychological contracts focused on the relationship with the organization, the individuals liked the organization more and were more satisfied with their jobs. They were also less likely to quit the organization. The opposite was true when the psychological contract was more focused on the exchange than on the relationship, making the relational contract preferable for the organization. If this applies to volunteers, it suggests that volunteer resource managers should focus on relationship building rather than on discrete exchanges with volunteers.

How Breach and Violation Affect Volunteer Behavior

The source of breach may differ depending on the role within the organization. Lester, Turnley, Bloodgood, and Bolino (2002) found that lower-level paid employees attribute breach to the organization's internal disregard for the commitments made to them, while supervisors tend to attribute breach to situations beyond the organization's control. The volunteer may view the volunteer resource manager as the source of the problem rather than associate the problem with the way in which the nonprofit operationalizes its mission (see Thompson & Bunderson, 2003). Meta-analytical support for this idea suggests that favorable feelings toward the organization limit the effect of breach on work attitudes and individual effectiveness (Zhao, Wayne, Glibkowski, & Bravo, 2007). If this occurs, the volunteer would perceive the supervisor to be in error, but would not perceive the psychological contract with the organization violated. This may translate into a weaker reaction to the breach and a lesser decrease in effectiveness for a volunteer who feels positively toward the organization. An example of this would be the donors who supported the United Way after it distanced itself from former president William Aramony for his perceived abuses of the organization (Glaser, 1994).

Finally, positive employee job attitudes, such as perceived support by the organization and a perceived relationship with an organizational leader, can reduce the impact of breach (Dulac, Coyle-Shapiro, Henderson, & Wayne, 2008). In a broader sense, we do not know if managing the psychological contract is a substitute for leadership or if it is an aspect of leadership. While volunteers may not share the organization's view of who the leaders are, this also suggests that any member of the

nonprofit that the volunteer views as a leader may trigger this response, whether that individual is an official member of the nonprofit staff or not.

How to Measure the Psychological Contract

Liao-Troth (2001) and Raja, Johns, and Ntalianis (2004) developed instruments based on the categories of psychological contract from Rousseau (1995). Subsequent research created a measure of the psychological contract using behaviors expected of each party rather than categorizing the contract (Turnheim, 1999; Turnheim, 2002; Smith, 2004). Zhao, Wayne, Glibkowski, and Bravo (2007) found that the categories used to measure breach (following from Lambert, Edwards, & Cable, 2003) affected the degree that breach led to violation, job satisfaction, and organizational commitment. This further led to Starnes' (2007a) use of motivational reasons to categorize the psychological contract. Tekleab and Taylor's (2003) research suggests that volunteer psychological contracts do become more like those of the employees over time. Volunteer resource managers should also keep in mind that despite this harmonization of contracts, the fundamental differences in the motivation to join the organization, the motivation to remain, and the set of expected behaviors continue to exist between nonprofit volunteers and staff members.

Implications for Volunteer Resource Managers

No two volunteers will necessarily have the same psychological contract, even if they started volunteering for the same organization at the same time. Variations in personalities and experience mean that the volunteer resource manager must regularly seek out individual expectations for the relationship between the organization and the volunteer. The volunteer resource manager must make explicit what are the central tasks and what are the peripheral tasks of the volunteer work and constantly verify that the volunteer understands these in the same way that the organization expects these to be understood.

The volunteer resource manager can use the terms and categories that have been identified to classify similar volunteer expectations but constant and proactive monitoring, communication, and feedback are the most important part of preventing a perceived violation of a psychological contract. The manager must also manage the perceptions between volunteers and paid staff, to make sure that no one feels that psychological contracts are not being honored.

It appears nurturing a relational contract will lead to longer-term commitments, and a stronger bond that mitigates the effects of a minor breach. Long term volunteers will have psychological contracts more similar to long term employees, but for newer volunteers, a lot of time needs to be spent managing expectations and making sure that the volunteer does not perceive that a promise from the organization has been breached or violated.

Conclusion

Psychological contract research presents a variety of viewpoints that are relevant for nonprofits and volunteer resource managers. A clear understanding of the nuances of the psychological contract and the sources of its terms can help the organization better manage volunteers. Research continues into the impact that personality and other individual traits have on the formation of the contract. Fulfillment and breach are also areas that are being further addressed. Key questions exist regarding the link between fulfillment and

desired behaviors and the impact of breach and violation on behaviors. In both areas, research in the for-profit sector suggests that volunteers who feel organizational support may repay that support with continued involvement, and that volunteers who experience breach act on their perceived disenfranchisement. Finally, nonprofit organizations need to be familiar with the different ways in which the terms of psychological contracts are evaluated. No common measure exists, but different researchers have focused on the nature of the relationship, the elements of behavior, and the elements of motivation as key types of terms to characterize the relationship. Volunteer resource managers would be wise to attend to these topics so as to improve the volunteer experience and the outcomes created by those volunteers.

References

Adams, J. S. (1965). Inequality in social exchange. In L. Berkowitz (Ed.). *Advances in experimental and social psychology, Vol. 2* (pp. 267-300). New York: Academic.

Chen, Z. X., Tsui, A. S., & Zhong, L. (2008). Reactions to psychological contract breach: A dual perspective. *Journal of Organizational Behavior, 29*, 527-548.

Coyle-Shapiro, J., & Kessler, I. (2000). Consequences of the psychological contract for the employment relations: A large-scale survey. *Journal of Management Studies, 37*, 903-930.

deVos, A., Buyens, D., & Schalk, R. (2003). Psychological contract development during organizational socialization: Adaptation to reality and the role of reciprocity. *Journal of Organizational Behavior, 24*, 537-559.

Dulac, T., Coyle-Shapiro, J. A-M., Jenderson, D. J., & Wayne, S. J. (2008). Not all responses to breach are the same: The interconnection of social exchange and psychological contract processes in organizations. *Academy of Management Journal, 51*, 1079-1098.

Elangovan, A. R., & Shapiro, D. L. (1998). Betrayal of trust in organizations. *Academy of Management Review, 23*, 547-566.

Farmer, S. M., & Fedor, D. B. (1999). Volunteer participation and withdrawal: A psychological contract perspective on the role of expectations and organizational support. *Nonprofit Management & Leadership, 9*, 349-367.

Glaser, J. (1994). *An insider's account of the United Way scandal: What went wrong and why.* New York: John Wiley & Sons.

Harrison, D. A. (1995). Volunteer motivation and attendance decisions: Competitive theory testing in multiple samples from a homeless shelter. *Journal of Applied Psychology, 80*, 371-385.

Lambert, L. S., Edwards, J. R., & Cable, D. M. (2003). Breach and fulfillment of the psychological contract: A comparison of traditional and expanded views. *Personnel Psychology, 56*, 895-934.

Lester, S. W., Turnley, W. H., Bloodgood, J. M., & Bolino, M. C. (2002). Not

seeing eye to eye: Differences in supervisor and subordinate perceptions of and attributions for psychological contract breach. *Journal of Organizational Behavior, 23*, 39-56.

Liao-Troth, M. A. (1999). The psychological contract of volunteer workers and its consequences. *Dissertation Abstracts International*, *60* (3), 0804A. (UMI No. 9923162)

Liao-Troth, M. A. (2001). Attitude differences between paid workers and volunteers. *Nonprofit Management & Leadership, 11*, 423-452.

Liao-Troth, M. A. (2005). Are they here for the long haul? The effects of functional motives and personality factors on the psychological contracts of volunteers. *Nonprofit and Voluntary Sector Quarterly, 34,* 510-530.

Liao-Troth, M. A., & Drumm, H. M. (2004). The psychological contract, part I: What motives to anticipate in your volunteer firefighters. *The Journal of Volunteer Administration, 22*(1), 12-17.

Pearce, J. L. (1978). Something for nothing: An empirical examination of the structures and norms of volunteer organizations. *Dissertation Abstracts International, 40* (01), 481B.

Pearce, J. L. (1993). *Volunteers: The organizational behavior of unpaid workers*. New York: Routledge.

Raja, U., Johns, G., & Ntalianis, F. (2004). The impact of personality on psychological contracts. *Academy of Management Journal, 47*, 350-367.

Rousseau, D. M. (1989). Psychological and implied contracts in organizations. *Employee Responsibilities and Rights Journal, 2*, 121-139.

Rousseau, D. M. (1995). *Psychological contracts in organizations: Understanding written and unwritten agreements*. Thousand Oaks, CA: Sage.

Smith, J. T. (2002, November). *Po-tay-to, Po-tah-to: Incongruence in the psychological contracts of volunteers*. Paper presentation at the Annual Conference of the Association of Research on Nonprofit and Organizations and Voluntary Action, Montreal, Canada.

Smith, J. T. (2004). What they really want: Assessing the psychological contracts of volunteers. *Journal of Volunteer Administration, 22*(1), 18-21.

Starnes, B. J. (2007a). An analysis of psychological contracts in volunteerism and the effect of contract breach on volunteer contributions to the organization. *The International Journal of Volunteer Administration, 24*(3), 31-41.

Starnes, B. J. (2007b). Trust, job satisfaction, organizational commitment, and the volunteer's psychological contract. *The International Journal of Volunteer Administration, 24*(5), 26-30.

Tekleab, A. G., & Taylor, M. S. (2003). Aren't there two parties in an employment relationship? Antecedents and consequences of organization-employee agreement on contract obligations and violations. *Journal of Organizational Behavior, 24* (5), 585-608.

Thompson, J. A., & Bunderson, J. S. (2003). Violations of principle: Ideological currency in the psychological contract. *Academy of Management Review, 28*, 571-586.

Turnheim, J. K. (1999). *An exploration of the understandings of volunteers*. Chicago: Junior League of Chicago.

Turnheim, J. K. (2002). *Incongruence in psychological contracts: Antecedents and consequences*. Unpublished doctoral dissertation, New York University.

Turnley, W. H., Bolino, M. C., Lester, S. W., & Bloodgood, J. M. (2003). The impact of psychological contract fulfillment on the performance of in-role and organizational citizenship behaviors. *Journal of Management, 29*, 187-206.

Zhao, H., Wayne, S. J., Glibkowski, B. C., & Bravo, J. (2007). The impact of psychological contract breach on work-related outcomes: A meta-analysis. *Personnel Psychology, 60*, 647-680.

About the Authors

Joy Turnheim Smith received her Ph.D. from the Stern School of Business at New York University, her M.B.A. from DePaul University, and her J.D. from Northwestern University. She is currently a professor of Management at Elizabeth City State University in Elizabeth City, NC. She has been active in the volunteer sector and was one of the co-creators of Project CON:CERN, an award-winning Junior League of Chicago project that provides networking, consulting, and educational resources to nonprofits.

Matthew Liao-Troth received his Ph.D. from the Eller College of Business and Public Administration at the University of Arizona. He is currently an associate professor and chair of the Management Department at Western Washington University in Bellingham, WA. He formerly was on the faculty of Washington University in St. Louis and DePaul University in Chicago and was a division executive with the Boy Scouts of America.