Individuals’ inducements and the role of personality: implications for psychological contracts

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Abstract
Purpose – The purpose of this paper is to explore and identify relationships between psychological contract inducements and the five-factor model of personality (FFM) in Greece.

Design/methodology/approach – A survey questionnaire that incorporated measures of intrinsic and extrinsic psychological contract inducements and a Greek personality measure of the FFM was completed by 299 respondents. Hierarchical regression analyses were used to explore the hypotheses.

Findings – The paper finds that extroversion and conscientiousness are associated with intrinsic but not extrinsic psychological contract inducements and that neuroticism is associated with extrinsic but not intrinsic inducements. The hypothesis pertaining to openness to experience was rejected, because it was not associated with intrinsic psychological contract inducements, as expected.

Research limitations/implications – The study design was cross-sectional and used only self-report measures. Therefore, it should be cross-validated with different research designs (e.g. longitudinal research) and in other countries.

Practical implications – The findings provide further support on the significance of personality measures for the selection, development and motivation of employees.

Originality/value – The most significant contribution of the study is that it explores the relationship between personality and psychological contract inducements rather than psychological contract types. Another contributing factor is that the study is carried out in Greece.

Keywords Personality measurement, Psychological contracts, Personality, Greece

Paper type Research paper

Introduction
Organizations are constantly changing, and their employees are expected to go along with and adapt quickly and successfully to the changes. A natural consequence of organizational changes is the transformation of the employment relationship. The traditional working relationship is shifting to a “new deal” that is characterized by short-term contracts and a lack of stability, employability and alternative forms of working (for a more detailed description, see Herriot and Pemberton, 1997; Millward

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A noticeable sign of the collapse of the traditional employment relationship is the decline of trade union membership and the collective values related to it (Guest, 2004) and the rise of a more dyadic-level agreement.

Within this context, Rousseau (2001) suggested that there are three main features that reflect the transition of the employment deal: standard, position-based and idiosyncratic. The standard deal reflects the traditional employment agreement, which is based on legislative or collective rights. The position-based deal also partly represents the old deal because it refers to certain features available to a specific group of workers. The idiosyncratic deal reflects aspects of the agreement negotiated on a more individualized level (Rousseau, 2001), but it appears to be more salient in the contemporary work context (Guest, 2004; Rousseau et al., 2006).

The theoretical background for analyzing this new individualized and less explicit deal is psychological contract theory (Guest, 2004; Rousseau, 1990). The most acceptable definition of psychological contract, which is also adopted in the current study, is “the beliefs, based upon promises expressed or implied, regarding an exchange agreement between an individual and, in organizations, the employing firm and its agents” (Rousseau, 2004, p. 120).

According to Porter et al. (1998, p. 770), this exchange agreement entails “the contributions to be offered by employees in return for certain inducements provided by the employing organization”. March and Simon (1958, p. 84) defined inducements as “the payments by the organizations to the employee, independent of utility”. Along with the contributions employees offer employers, they form one of the two main parts of the exchange agreement that constitute psychological contracts. Anderson and Schalk (1998) claimed that March and Simon’s (1958) inducement-contribution model is one of the main social psychology theories on exchange relationships, which shaped a significant characteristic of psychological contracts: the exchange relationship between the employer and the employee.

Two lines of thought exist regarding this exchange relationship: a broad approach, in which we compare the expectations and obligations of different levels (organization and individual), and a narrow approach, which conceives of the psychological contract as the employee’s individual perceptions of the exchange relationship. Rousseau and Tijoriwala (1998) suggested that by definition, the psychological contract is an individual perception. Individual perceptions can define what the psychological contract is and therefore can be influenced by individual characteristics, such as personality traits (Rousseau, 2001, 2004; Rousseau and Tijoriwala, 1998). The subjective nature of the psychological contract implies that personality should have an effect on employees’ perceptions of their employers’ inducements, thus affecting the development, formation, maintenance and breach or violation of their psychological contract. Porter et al. (1998) also suggested that the issue of differential perceptions of inducements has been highly neglected. Therefore, our focus in the present paper is on individual perceptions of the significance of various inducements and the role of the five-factor model of personality (FFM) on these perceptions.

**Types of inducements**

Kickul and Lester (2001) suggested that a common theme appears between the different conceptualizations of psychological contract inducements: a focus on the intrinsic characteristics of the job (e.g. challenging and meaningful work, increased
participation in decision making, advancement opportunities) and a focus on the extrinsic features of the job (e.g. health benefits, reasonable workload, secure work environment).

In this study, we adopt a distinction between intrinsic and extrinsic inducements. Porter et al. (1998) suggested that the content of the psychological contract centers on the contributions employees offer in return for certain inducements provided by their organizations. Because we were interested in exploring how personality characteristics influence the significance that individuals attribute to various motives provided by employers, we adopted the intrinsic – extrinsic inducements distinction, rather than the relational-transactional features of the psychological contract, because we believe that the former provides employees with a better description of their employers’ offerings, whereas the latter is more strongly related to the type of the psychological contract employees adopt.

The role of personality on prioritizing psychological contract inducements

The profusion of research and meta-analyses in the FFM (Barrick and Mount, 1991; Barrick et al., 2001; Mount et al., 1998) sheds light on employees’ and prospect employees’ preferences of inducements. The five factors, usually labeled neuroticism, extroversion, openness to experience, agreeableness and conscientiousness (Costa and McCrae, 1992), have provided personality psychology with a clear measurement framework and are responsible for the resurgence of interest in personality research and practice. These five factors have been identified across several cultures and radically different languages, providing further support for the existence of the FFM and its universal application (Saucier et al., 2000).

As discussed previously, the idiosyncratic feature of the employment relationship tends to overshadow the other more tangible features of the relationship. Therefore, researchers and practitioners need to focus on the more flexible and less explicit aspects of the employment agreement. This observation calls for a closer examination of the influence of personality dispositions on the inducement priorities. To our knowledge, two empirical studies that examine the impact of personality theory on the psychological contract theories have been conducted (i.e. Ho et al., 2004; Raja et al., 2004). In short, Raja et al. (2004) explored the association between employee personality and psychological contract type and between perceptions of contract breach and emotional reactions of contract violation. Employing the experimental method, Ho et al. (2004) examined the influence of personality features on individuals’ reactions to broken promises. These two studies focused mainly on the effect of personality traits on broken promises and agreements. However, how individuals with differential personality attributes prioritize psychological contract inducements remains an open issue. Therefore, the current research aims to explore the association between the personality attributes and the potential psychological contract inducements. In the following paragraphs, we briefly describe the dimensions of the FFM and explain our expectations with regard to their relationship to psychological contract inducements.

Extroversion is related to the experience of positive emotions and is closely linked with increased social activity and more rewarding social relationships (Watson and Clark, 1997). Extroverted individuals enjoy being with people, attending social events and being adventurous; are assertive, frank, sociable and talkative; and make friends easily; in contrast, introverts tend to be quiet, reserved, shy and unsociable (Costa and
Extroverts are bold and easily state their opinion, seeking excitement to alleviate boredom. In a study that explored the relationship between Eysenck’s (1967) three-factor model of personality and Herzberg’s (Herzberg et al., 1959) two-dimensional work motivation theory, Furnham et al. (1999) concluded that extroverts are intrinsically motivated and reported higher correlations with motivators than with hygiene factors. Extroverted individuals prefer being involved in many activities and seek out working environments that value praise and influence at work, where they are encouraged by reminders of potential rewards commensurate with competence performance (Furnham et al., 1999). Raja et al. (2004) suggested that extroverts tend to seek long-term working relationships that will provide them with increased opportunities to gain status, power or recognition. Thus:

H1. Extroverted individuals will consider intrinsic contract inducements more important than extrinsic contract inducements.

Neuroticism refers to a lack of positive psychological adjustment and emotional stability. Individuals who score high on neuroticism are more likely to experience stress proneness, personal insecurity, irritability, bad moods and so forth (Costa and McCrae, 1992). Anxiety leads them to prefer low-stress tasks with well-defined job responsibilities and low workload. Research exploring the relationship between neuroticism and various employee attitudes has demonstrated that high neuroticism is related to increased job dissatisfaction, low morale, high turnover and withdrawal intentions, a lack of commitment and so on. As a result, Bozionelos (2004) suggested that neurotic individuals tend not to be goal or career oriented, and therefore we expect that they will also be more attracted to extrinsic contract inducements because they do not seek a long-term investment with an organization. In a cross-cultural study exploring the link between personality and Herzberg’s (Herzberg et al., 1959) work motivation theory, Furnham et al. (2005) have shown that neurotic individuals rate extrinsic work values and hygiene factors as more significant than motivators (see also Furnham et al., 1999). Raja et al. (2004) have also shown that neurotic individuals tend to create transactional contracts. Thus:

H2. Neurotic individuals will consider extrinsic contract inducements more important than intrinsic contract inducements.

Openness to experience is defined by intellection, creativity, unconventionality and broad-mindedness (Barrick et al., 2001). Open-minded individuals, who are imaginative, inventive, creative, curious and unconventional (Costa and McCrae, 1992), tend to be inherently interested in new ideas. These individuals are unconventional (Costa and McCrae, 1992), and curiosity is an internal motive that leads them to prefer jobs that fulfill their needs for gaining experience. High scores on openness are an indication of individuals who love to play with ideas, are open-minded, are eager to try new activities, are adventurous and detest routines. Their quest for experimentation, excitement and variety directs them to positions with varied job duties and increased responsibilities, which enable them to take full advantage of their intellectual capacities. Their source of happiness at work is not a result of the fulfillment of the extrinsic characteristics of the job, such as salary, benefits and job security, which they tend to underestimate (Furnham et al., 2005). Thus:
Conscientiousness has been repeatedly identified as the best predictor of successful job performance across jobs and even continents (Barrick and Mount, 1991; Salgado, 1997). It is related to an individual’s degree of self-control and need for achievement, order and persistence (Costa and McCrae, 1992). The dimension of conscientiousness is a measure of how competent, dutiful, orderly, responsible and thorough a person is (Costa and McCrae, 1992) and is a term bound with self-discipline and deliberation. Costa and McCrae (1998) viewed achievement striving as a basic facet of conscientiousness. People who are high in conscientiousness are more likely to set goals, have higher expectations that their efforts will result in favorable consequences, and believe that they can do more (have higher self-efficacy) than those who are low in conscientiousness. Therefore, we expect that they will underestimate the extrinsic characteristics of a job, which will prevent them from demonstrating their ability to perform well and succeed at their work. Raja et al. (2004) claimed that highly conscientious individuals are attracted to jobs in which they will be able to form long-term exchange relationships, with greater opportunities for achievement and success; however, as a result, they might be “offered” more enduring relational contract terms because of their proclivity for high performance and job satisfaction. Furnham et al. (2005) have also shown that conscientious individuals rate intrinsic work values higher. Thus:

**H4.** Conscientious individuals will consider intrinsic contract inducements more important than extrinsic contract inducements.

Finally, agreeableness describes people who are compliant, soft-hearted and good natured; avoid tensions and disagreements in the workplace; are not jealous; and are mild and gentle (Costa and McCrae, 1985). Agreeable people display altruism, care, and love to provide emotional support and are considerate to others. They rely on their own integrity as well as others’, and their ability to trust and care for people enables them to form deep relationships. A lack of agreeableness is expressed as competitiveness and impatience (Costa and McCrae, 1992). However, because previous research has not provided a clear-cut direction of the kind of psychological contract inducements to which agreeable individuals are prone, we do not provide a specific research hypothesis regarding this inducement.

A final contributing factor of the current study is the country in which it was conducted. More specifically, we explored the aforementioned hypotheses in Greece, a country-member of the European Union, with a central role in the financial and business development of south-eastern Europe. Psychological contract is still relatively unknown in Greece among both researchers and practitioners. We identified only one published study (Bellou, 2007) that explored the features of the psychological contract in Greece in mergers and acquisitions. Several other studies have explored the role of personality in occupational settings in Greece (e.g. Nikolaou and Robertson, 2001; Vakola et al., 2004), and Furnham et al.’s (2005) work was a cross-cultural study that explored the relationship between personality and work values in the United Kingdom and Greece, a theme related to the topic of the current study. Therefore, the current study attempts to fill in this gap.
Method

Sample and procedure

In total, there were 290 participants, of which 199 (68.6 percent) were undergraduate or postgraduate full-time students without work experience and 91 (31.4 percent) were executive MBA students who worked full-time. The undergraduate students participated in exchange for course credit, and the postgraduate and the MBA students participated voluntarily. Because work experience could be a significant moderator, we carried out a series of independent sample t-tests of the key variables under investigation (i.e. psychological contract inducements and personality dimensions) without identifying any statistically significant differences between students with and without work experience. As a result, we treated working and nonworking students as one sample. Of the sample, 165 (57 percent) were women, with a mean age of 25.3 years (SD = 6.6). Half the participants completed the personality measure first and the psychological contracts inducements measure second, and the other half completed the measures in the reverse order. The researchers informed the participants about confidentiality issues and that they had the right to withdraw from the administration at any time and any stage. The questionnaires were distributed toward the end of class to give the participants enough time to complete the measures. On completion, each participant returned the completed questionnaire to the researcher in a sealed envelope.

Measures

The psychological contract inducements measure. An extensive search of the psychological contract literature identified only one measure that described intrinsic and extrinsic psychological contract inducements, developed by Kickul (2001). Kickul and Lester (2001) ran a confirmatory factor analysis in an attempt to promote the distinction between extrinsic and intrinsic outcomes but with vague results. Thus, we carried out a maximum likelihood with oblimin rotation exploratory factor analysis of the initial 23-items measure, but the results were also unclear. Therefore, we repeated the analysis including only the contract inducements with the highest factor loadings (>0.50) and without secondary loadings, which resulted in a two-factor solution. We carried out these analyses using only the subsample of the executive MBA students, to carry out a confirmatory factor analysis with the remaining sample. We selected 14 contract inducements with the highest factor loadings:

Extrinsic contract inducements:

(1) Retirement benefits.
(2) Health care benefits.
(3) Job security.
(4) Well-defined responsibilities.
(5) A reasonable workload.
(6) Safe work environment.

Intrinsic contract inducements:

(1) Challenging and interesting work.
(2) Meaningful work.
Eight items loaded on the intrinsic dimension and six loaded on the extrinsic dimension. Next, we carried out a confirmatory factor analysis using the remaining sample to confirm the factor structure of the adopted measure. The following indices were used: an absolute index; the chi-square/degrees of freedom ($\chi^2$/df), in which figures less than 4.0 (Bollen, 1989) indicate acceptable fit; and four relative goodness-of-fit indices – the Tucker-Lewis index (TLI; Tucker and Lewis, 1973), the normed fit index (NFI; Bentler and Bonett, 1980), and the comparative fit index (CFI; Bentler, 1990), in which values higher than 0.90 indicate a model with good fit, and the root mean square error of approximation (RMSEA; Browne and Cudeck, 1993), in which values less than 0.1 indicate a model with good fit. The perspective results were within the expected range, with the exception of the TLI and NFI, which failed marginally ($\chi^2$/df = 1.91, TLI = 0.89, NFI = 0.84, CFI = 0.92, and RMSEA = 0.07).

Participants were asked to indicate the inducements they considered most important by using a Likert-type scale that ranged from not at all important (1) to extremely important (5). Scales were created by the sum of items. The alphas reliabilities were 0.78 and 0.82 for the extrinsic and the intrinsic factors, respectively, for the whole sample.

We translated the original measure by Kickul (2001) into Greek, and then two bilingual occupational psychologists back-translated it into English. Differences between the original English and the back-translated version were discussed, and mutual agreements were made as to the most appropriate translation. This procedure tries to balance the competing needs of making the translation meaningful and naturally readable to native participants with the need to preserve the integrity of the original measure and its constructs (Brislin, 1980); it has also been regarded as a compromise between completely “etic” and “emic” approaches to cross-cultural psychology (Church, 2001).

**Personality measure.** We assessed the FFM using the Traits Personality Questionnaire 5 (TPQue5; see Tsaousis and Kerpelis, 2004). The TPQue5 is a Greek measure of the FFM. It is a short version (101 items) of the TPQue (Tsaousis, 1999) and comprises scales of neuroticism, extroversion, openness, agreeableness, and conscientiousness. TPQue5 has been used in several studies with Greek adults and has demonstrated excellent psychometric properties (e.g. Furnham et al., 2005; Vakola et al., 2004). The alpha reliabilities in the current study ranged from 0.77 to 0.87.

**Results**

Table I lists the means, standard deviations, reliabilities and intercorrelations for the variables. The correlation matrix provided some initial support for our hypotheses. Two personality variables were positively correlated with the extrinsic inducements factor; that is, neurotic and agreeable participants rated the extrinsic contract items...
Table I. Means, standard deviations, reliabilities and correlations

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>SD</th>
<th>α</th>
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<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Extrinsic</td>
<td>22.50</td>
<td>4.58</td>
<td>0.78</td>
<td>0.179**</td>
<td>-0.092</td>
<td>0.194**</td>
<td>-0.040</td>
<td>0.173**</td>
<td>-0.017</td>
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<tr>
<td>2. Intrinsic</td>
<td>35.29</td>
<td>5.90</td>
<td>0.82</td>
<td>0.274**</td>
<td>-0.069</td>
<td>0.043</td>
<td>-0.035</td>
<td>0.206**</td>
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<tr>
<td>3. Extroversion</td>
<td>51.58</td>
<td>8.26</td>
<td>0.83</td>
<td>0.294**</td>
<td>-0.198*</td>
<td>0.192</td>
<td>0.160**</td>
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<tr>
<td>4. Neuroticism</td>
<td>42.83</td>
<td>9.78</td>
<td>0.87</td>
<td>-0.023</td>
<td>0.180**</td>
<td>-0.063</td>
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<tr>
<td>5. Openness to experience</td>
<td>50.96</td>
<td>8.43</td>
<td>0.78</td>
<td>0.124*</td>
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<tr>
<td>6. Agreeableness</td>
<td>50.30</td>
<td>6.99</td>
<td>0.77</td>
<td>-0.021</td>
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<td>7. Conscientiousness</td>
<td>51.17</td>
<td>7.72</td>
<td>0.80</td>
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Notes: *p < 0.05; **p < 0.01
highly. Furthermore, two other personality dimensions were positively associated with the intrinsic factor; that is, extroverted and conscientious participants rated intrinsic contract outcomes highly. There were no clear associations between openness to experience and the psychological contract inducement scales.

To test our hypotheses, we performed separate hierarchical regression analyses for each component of the psychological contract inducement factors and each personality variable (see Table II). The hypotheses predicted that extroversion, openness to experience and conscientiousness would demonstrate stronger associations with intrinsic psychological inducements and that neuroticism would demonstrate stronger associations with extrinsic psychological inducements. To investigate these predictions, we regressed each of the psychological contract inducements scales on each of the FFM dimensions. Most of the expected associations were confirmed; extroversion ($\beta = 0.27$, $p < 0.000$) and conscientiousness ($\beta = 0.21$, $p < 0.000$) were clearly associated with the intrinsic but not the extrinsic inducements ($\beta = -0.09$, n/s; $\beta = -0.02$, n/s, respectively), and neuroticism was associated with the extrinsic inducements ($\beta = 0.19$, $p < 0.01$) but not with the intrinsic inducements ($\beta = -0.07$, n/s). Our hypothesis regarding openness to experience was rejected, because it was not associated with intrinsic psychological contract inducements, as expected. Finally, contrary to our expectations, agreeableness was associated with extrinsic inducements ($\beta = 0.17$, $p < 0.010$).

**Discussion**

The main purpose of this study was to explore the role of personality dispositions on the prioritization of psychological contract inducements, because one of the main features of psychological contracts is its subjective nature. We carried out this study in Greece, in one of the first attempts to explore the features and characteristics of psychological contracts in this country. Our data supported three of the four hypotheses. Extroversion and conscientiousness were positively associated with intrinsic psychological contract inducements, and neuroticism was positively

<table>
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<tr>
<th>Predictors</th>
<th>B</th>
<th>S.E. B</th>
<th>$\beta$</th>
<th>Adjusted $R^2$</th>
<th>$F$</th>
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<tr>
<td><strong>Dependent variable: intrinsic inducements</strong></td>
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<tr>
<td>Extroversion</td>
<td>0.20</td>
<td>0.04</td>
<td>0.27**</td>
<td>23.37**</td>
<td>0.07</td>
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<td>Neuroticism</td>
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<td>0.03</td>
<td>-0.07</td>
<td>1.35</td>
<td>0.00</td>
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<td>0.04</td>
<td>0.04</td>
<td>0.54</td>
<td>0.00</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>0.16</td>
<td>0.04</td>
<td>0.21**</td>
<td>12.76**</td>
<td>0.04</td>
</tr>
<tr>
<td>Agreeableness</td>
<td>-0.03</td>
<td>0.05</td>
<td>-0.03</td>
<td>0.34</td>
<td>0.00</td>
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$F$ (1,289)

<table>
<thead>
<tr>
<th>Predictors</th>
<th>B</th>
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<th>$\beta$</th>
<th>Adjusted $R^2$</th>
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<tbody>
<tr>
<td><strong>Dependent variable: extrinsic inducements</strong></td>
<td></td>
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<tr>
<td>Extroversion</td>
<td>-0.05</td>
<td>0.03</td>
<td>-0.09</td>
<td>2.48</td>
<td>0.00</td>
</tr>
<tr>
<td>Neuroticism</td>
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<td>0.03</td>
<td>0.19*</td>
<td>11.27*</td>
<td>0.03</td>
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<tr>
<td>Openness to experience</td>
<td>-0.02</td>
<td>0.03</td>
<td>-0.04</td>
<td>0.45</td>
<td>0.00</td>
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<tr>
<td>Conscientiousness</td>
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<td>0.03</td>
<td>-0.02</td>
<td>0.08</td>
<td>0.00</td>
</tr>
<tr>
<td>Agreeableness</td>
<td>0.11</td>
<td>0.04</td>
<td>0.17*</td>
<td>8.89*</td>
<td>0.03</td>
</tr>
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</table>

Notes: * $p < 0.01$; ** $p < 0.001$

**Table II.** Regression of the five variables of the FFM on both psychological contract inducement factors ($N = 290$)
associated with extrinsic psychological contract inducements, suggesting that personality characteristics captured by the FFM are useful indicators of employees’ perceptions of psychological contracts.

Most psychological contract theorists argue that individual dispositions play a pivotal role in the formation, management and breach of psychological contracts (De Vos et al., 2005; Morrison and Robinson, 1997; Rousseau, 1995, 2001, 2004). Building on the current study’s findings, and combined with Raja et al.’s (2004) results, we can go a step further and argue that individuals who are attracted more by intrinsic inducements may create relational contracts, whereas those who prefer extrinsic inducements may be more prone to transactional contracts because, in both cases, the content is similar.

Extroverted and conscientious individuals appear to prefer intrinsic inducements. In terms of extroversion, this finding is consistent with Furnham et al.’s (2005) research on personality and work values. Extroverts seem to be attracted to jobs not where they are rewarded for their short-term investment in or tenure with the organization but rather where they are attracted to the specific characteristics of the job content, such as those expressed by the intrinsic psychological contract inducements. Raja et al. (2004) did not support Furnham et al.’s hypothesis that extroverted employees would form relational contracts but showed that extroversion was negatively related to transactional contracts. Our finding of the positive association between extroversion and relational-like psychological contracts, such as the intrinsic contract inducements, is an indicator of the need for further examination on this issue. Conscientiousness is also positively related to intrinsic contract inducements, in confirmation of H4. This finding is congruent with Raja et al.’s (2004) assumption that conscientious individuals form relational contracts. They claimed that conscientious individuals seek advancement opportunities and personal growth in their career choices, followed by respective behaviors that are valued highly by their supervisors (Rousseau, 2004). Conscientious individuals concentrate on goal accomplishment to accelerate in their organization, and they can only succeed in their attempt if they focus on the internal characteristics of their work, as is the case for the intrinsic psychological contract inducements.

According to H2, neuroticism is associated with extrinsic psychological contract inducements. Our results supported this expectation, confirming the results of previous studies on personality (Furnham et al., 1999; Furnham et al., 2005) and psychological contract theory (Raja et al., 2004); that is, neurotic individuals are more prone to transactional-like inducements. Individuals who are high in neuroticism value more highly the job features that, when satisfied, reduce their anxiety and irritability (Costa and McCrae, 1992), such as job security and benefits. Neurotic individuals are not concerned with “going the extra mile” – a key issue for relational contracting. Rather, they are more interested in keeping away any concerns in the form of additional job responsibilities that may increase their stress levels. Neuroticism has been repeatedly linked with decreased job satisfaction and negative employee attitudes (Furnham and Zacherl, 1986; Tokar and Subich, 1997). Neurotic individuals demonstrate a lack of goal and career orientation (Bozionelos, 2004), and as a result, they are more attracted by the extrinsic features of a job.

With regard to openness to experience, contrary to our expectations and previous findings, the results of this study did not support the existence of a positive association
between openness to experience and intrinsic psychological contract inducements. We expected that the imaginative, adventurous features of the individuals who are open to experience would lead them to assess favorably the job characteristics that will enable them to take full advantage of their creative personality. Nevertheless, openness to experience remains the most controversial dimension of the FFM. It includes several diverse components, leading Hough (2003) to describe it as the most amorphous and heterogeneous dimension of the FFM. As a result, openness to experience demonstrates the weakest association with individual outcomes in organizations, such as employees’ work performance and attitudes.

Finally, note that despite our expectations, agreeableness demonstrated a positive relationship to extrinsic psychological contract inducements. In a meta-analysis exploring the personality – job performance relationship, Tett et al. (1991) identified agreeableness as a strong predictor of successful job performance when a confirmatory (i.e., theoretically driven) approach is followed. Nevertheless, psychological contract inducements are not features of performance at work. Rather, we argue that they entail aspects of the motivational drives of an individual. Judge and Ilies (2002) identified a strong negative association between agreeableness and goal-setting motivation and explained it as the tendency of agreeable individuals to set less ambitious performance goals because they are motivated more by communion (a desire to be part of a community) than by agency (a desire to achieve mastery). These results may partially explain the findings of the current study on agreeableness.

The findings of this study also provide rich implications for theory and practice. For practitioners, these results offer fruitful guidelines for selecting, managing and rewarding employees. Personality tests have been widely used in personnel selection (Rothstein and Goffin, 2006) as a tool to predict future job performance and person-organization fit (Nikolaou, 2003). The results of the current and other similar studies suggest that personality tests may also be used to predict psychological contract inducements. If systematic differences in the psychological contract inducements that different people value and pursue indeed exist, it would be useful for managers to pay more attention to employees’ personality dispositions to gain a balanced and healthy psychological contract. Respectively, if extroverted and conscientious individuals seek out intrinsic psychological contract inducements whereas neurotic job applicants pursue extrinsic psychological contract inducements, managers and supervisors may need to fulfill their psychological contracts differently for different groups of employees. For example, in contrast to extroverted or conscientious employees, neurotic individuals may not consider a promotion or increased decision-making opportunities a significant contract fulfillment.

With regard to research implications, this study contributes to the domains of personality theory and psychological contract theory. According to Raja et al. (2004), knowledge of the dark side of the role of personality dispositions on organizational behavior has just begun, and the current research facilitates this process. From the psychological contract perspective, this study provides a clear-cut distinction among contract inducements, supporting the subjective nature of psychological contract and how it can be influenced by personal factors. Nevertheless, further research should explore the effect of personality dispositions, such as those expressed by the FFM and others (e.g., proactive personality), on psychological contracts and especially during their early development stage of psychological contract creation. Further research
should also employ the use of longitudinal data because they can provide fruitful information about the causalities of personality differences and preferences on contract inducements and contract type. Greater attention should be paid to agreeableness because it is a highly neglected disposition that can contribute to the dynamics of psychological contract formation and violation (Ho et al., 2004).

This study is not devoid of methodological problems. We obtained all the data using a one-shot questionnaire methodology, and it is often argued that common method variance rather than causal links may explain some of the relationships identified. In this case, the correlation among the measures will be higher than it ideally should be because participants will apply the same biases to each task. However, the different pattern and direction of results observed across the variables of the study suggest that common method bias is an unlikely explanation for the results. In reviewing the effects of shared method variance on organizational research, Spector (1987, 2006) concluded that it is largely mythical, reaching the status of urban legend. He argued that well-developed measures with sound psychometric properties were free of this problem. In the current study, we took all the measures from previous studies with sound psychometric properties. Furthermore, even if shared method variance exists, there is no reason to expect that the differences in correlations among our variables are due to its effect, because its presence would not be expected to exert differential bias on the observed relationships.

In conclusion, this study demonstrated further the significance of personality and, more specifically, the FFM on an important topic for personality and applied psychology – namely, psychological contracts. Although readers may not argue about the causal explanations of the results because of the research design adopted, the findings offer significant insights into understanding the role of individual differences on psychological contract inducements.

References


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