

# International Journal of Knowledge, Culture and Change Management

Volume 4

Article: MC04-0112-2004

## Challenge of the K-Era

### The Psychological Contract of Knowledge-Sharing and Organisational Commitment

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**'Knowledge' and 'Culture': Organisational Intangibles and their Tangible Value**  
Proceedings from the Management Conference 2004



# International Journal of Knowledge, Culture and Change Management

Volume 4



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This journal and individual papers published at [www.Management-Journal.com](http://www.Management-Journal.com)  
a series imprint of theUniversityPress.com

First published in Australia in 2004/2005 by Common Ground Publishing Pty Ltd at  
[www.Management-Journal.com/](http://www.Management-Journal.com/)

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ISSN: 1447-9524 (Print)  
ISSN: 1447-9575 (Online)

Cover design by Common Ground

The International Journal of Knowledge, Culture and Change Management is a peer-refereed journal published annually. Full papers submitted for publication are refereed by the Associate Editors through an anonymous referee process.

Papers presented at the Fourth International Conference on Knowledge, Culture and Change in Organisations, University of Greenwich in London, United Kingdom, 3-6 August 2004.

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# Challenge of the K-Era

## The Psychological Contract of Knowledge-Sharing and Organisational Commitment

**Siti Korota Aini Omar**, Associated Professor, Faculty of Administrative Science and Policy Studies, Mara University of Technology

### Abstract

*In real life, which is what a psychological contract model is all about, the society is at the core (heart), of an intricate network, like a road map, which may at certain point crossed or link to each other. With regards to knowledge-sharing, our research of 608 employees from six organisations in Malaysia (four from the public sector and two from the privatised sector) indicates that this contract is under threat. The research notes that violation of psychological contract is significantly associated with knowledge-sharing. The employees who experienced violation display lower degree of knowledge-sharing compared to those who perceived no violation. Employees will likely encounter violation by an employer with violation, although some would admit neither had occurred. Violation may not be committed intentionally, but it could exist as a side effect of another management action. Knowledge-sharing is the nerve cell of organisational support. The employees expect it as a crucial part of their career development.*

**Keywords:** Psychological contract, Knowledge Sharing

### Introduction

A contract is “an agreement which is either enforced by law or recognised by law as affecting the legal rights or duties of the parties” (Treitel, 1989: 1). Usually negotiations precede a contract, in which the promises of the parties involved become legal obligations enforceable by law. An agreement however, is not a bona fide contract, unless it is accompanied by an offer, acceptance, consideration and intention to create legal relations. The psychological contracts are based on the same premise, except that the contract between an employee and employer (or in many cases the management and staff) is unwritten. They are the ‘small prints’ written within the mind of the workers that co-exist with the employment contract signed by them. This concept is consistent with Rousseau’s definition of psychological contract as:

the individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisations (Rousseau,1995: 9-14).

Commitment to the contract is realised through the normative contract, implied contract or social contract (ibid.) depending on the situation (see Table 1). The psychological contract involves an exchange - money, social-need fulfilment or self-actualisation for work, commitment and overall active participation on the achievement of the goals of interested parties (see Makin *et al*, 1996; Mumford, 1972; Schein, 1965). Advocates of this theory believe that psychological contracts possess ‘the power of self-fulfilling prophecies’ which can sketch the company’s blueprints of the future (ibid).

Table 1

### Elements of Psychological Contract

<p><b>Psychological contract:</b> Individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisations (e.g. Contract between management and staffs)</p>	<p><b>Normative contract:</b> The shared psychological contract when members of a group identify with each other because of similar interests or situations (e.g. Contract between members of trade unions)</p>
<p><b>Implied contract:</b> The interpretation of outside groups towards a contract within an organisation (e.g. Contract between a corporation and the interest groups such as investors, the environmentalists, etc).</p>	<p><b>Social contracts:</b> Shared, collective values and beliefs based on the culture of the society, which may influence the way its members perceive a contract (e.g. Contract between a corporation and the society)</p>

Source: Reconstructed from Rousseau (1995)



## **The Challenge**

A contract is discharged only after both parties have fulfilled the obligations of the agreement. An infringement of the agreement occurs when either party believes that the obligation for commitment (to the agreement) had not been fulfilled, hence causing a violation of the contract (also known as a breach of contract). A new working methods or arrangement, which changes a job description, from the legal perspective, is not a violation of a contract if they are within the parameters of the contract (Aikin, 1992: 54). The decision in any dispute over the legality of the change would have to be determined by the court. Violation of contracts 'occurs when failure to keep a commitment injures or causes damages that the contract was designed to avoid' (Rousseau, 1995: 113). For a contract to be enforceable, it must be built on the basis of achieving a superordinate goal, which will benefit all parties.

Manifestation of employee behaviour resulting from contract violations at the extreme could either produce destructive behaviour or exit. The Michigan's violence, where a laid off letter-carrier who failed to get his job back, killed five co-workers, wounded five others and shot himself, is one example of extreme frustrated behaviour (George and Jones, 1996: 256-257). Other effects of threats to contracting might not directly affect the worksites, although they leave disturbing experiences such as depression, suicide, child abuse, etc. (see Berry and Houston, 1993; George and Jones, 1996).

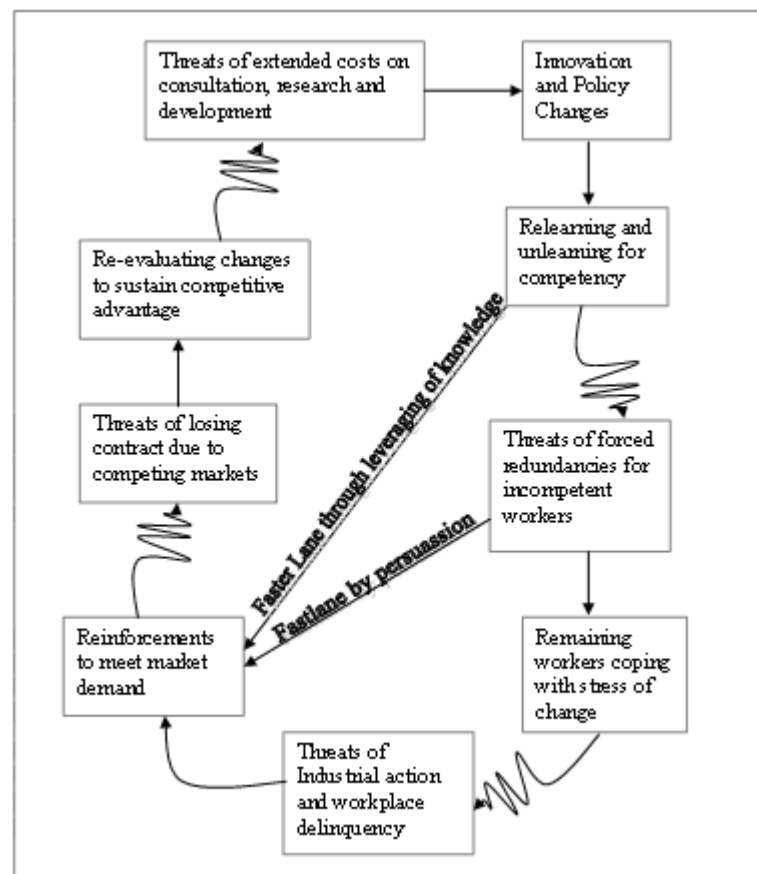
All successful knowledge enterprises place knowledge management at the core. A sensible notion is that the craze for high productivity could never be rendered fully relevant without the human intelligence as its driver. It does not really matter that the human beings are referred to in cost-benefit analysis as stakeholders or in knowledge management as intellectual capital (see Stewart, 2000).

\* \* \*

An organisation's overall performance depends on the reciprocity of the employer-employee relationship that a psychological contract is viable. Otherwise, the employer-employee's psychological contract will not be discharged to the satisfaction of both parties, which may lead to threats and violations (Omar, 2003). Even an innovation for increased productivity or efforts toward quality assurance such as the ISO certification could induce threat.

There must be preventive measures to block the hazards of change; otherwise threats could escalate to violations. It is therefore imperative that management consider the workers' needs when making decisions of new policies affecting them. Employees as workers expect to share knowledge, not just hardware (such as fast computers), to make them more competent and efficient. Persuasive methods (through power or carrots and sticks), may help to hasten the process of recovery from threats. This technique, however, is inadequate because threats to contracting are fragmentary, yet continuously recurring, as illustrated in Figure 2.





**Figure 2**  
Chain of Threats to Contracting

## Research Methods

The fragmentary characteristic of threats to contracting makes it difficult for an organisation to identify, diagnose and obtain remedial action. The focus of this paper, therefore, is:

- to determine the association of psychological contract violation to knowledge-sharing in organisations;
- to examine the relationship between knowledge-sharing and organisational commitment; and
- to analyse the impact of psychological contract violation to knowledge-sharing and organisational commitment.

## The Instruments

Our study is modelled from some of the research methodologies, which involves examining primary data, such as surveys and questionnaire (see Balfour and Wechsler, 1996; Becke, Silverstein and Chaykin, 1995; McHugh and Brennan, 1994; Pearson and Chong, 1997; Steinhaus and Perry,

1996) and observational approaches (Aktouf, 1996; Feldman, 1996 and Golding, 1996). Hence, the research strategy is **descriptive** and **correlational**.

The groups under study comprised of 608 employees from six entities in Malaysia (Four from the public sector and two from the privatised sector). They consist of 291 public sector employees and 317 employees of privatised organisations. The detail sample distribution is displayed in Table 3-1. Most of the respondents (56.23% of the support groups and 67.53% of the management and professional group) have 16 and more years of service. Only two (0.87%) respondents from the management and professional group have less than a year of working experience compared to 17 (4.51%) from the support group. Majority of the respondents are male. Only 19.05% of the management and professional group and 39.27% of the support group are female. Considering that majority of them (72.53%) have more than 10 years of working experience, we believe that they are the right individuals to be selected as our respondents.

Table 3-1

**Sample Distribution**

Category of Entities	Sub-Category	Types of Organisation/ Service	Actual Responses = N				
			SG	%	MP	%	Total
Public Sector	Government Services	Malaysian Civil Service			104	100.00	104
		Agriculture	68	91.89	6	8.11	74
	Statutory Bodies	Primary Industry	54	87.10	8	12.90	62
		Tourism	39	76.47	12	23.53	51
Sub-set of the sample			<b>161</b>	<b>55.33</b>	<b>130</b>	<b>44.67</b>	<b>291</b>
Privatised Sector	Property		140	72.16	54	27.84	194
	Transportation		72	58.54	51	41.46	123
Sub-set of the sample			<b>212</b>	<b>66.88</b>	<b>105</b>	<b>33.12</b>	<b>317</b>
Total Sample			<b>373</b>	<b>61.35</b>	<b>235</b>	<b>38.65</b>	<b>608</b>
Indicators:							
MP = Management and Professional; SG = Support Groups							

**The Design of the Scales**

A Likert scale is utilised in the research because they are the practical and the appropriate rating measures for assessment of values and belief of human in organisations. This methodology provides the flexibility to test the data using the following instruments:

- Chi-Square tests;
- Bivariate Pearson Correlations;
- Means and Means Total;
- Cross-tabulations; and
- Plot regression curves.

\* \* \*

**Violation of Psychological Contract**

A question is asked to assess the employees' consideration of their employment contract. In the case of the public sector the promises were made by the higher-ranking officers in the top management who represent the organisations or services concerned. The Forced-Choice question needs a 'Yes' or 'No' response. A 'Yes' response would require a reason/reasons. The question is:

Has or had your employer ever failed to meet the obligation(s) that were promised to you since you started work?

For the purpose of determining the correlation of variables, a dummy scale was used to denote the employees' experiences where 2 = experienced violation of contract and 1 = no experience of violation of contract. The mean score of the data set violation of contract denotes the degree of violated promises experienced by the employees.

**Knowledge-Sharing**

Knowledge-sharing is the 'disseminating and making available what is already known' (Tiwana, 2002: 50; see also Awad and Ghaziri, 2004). Respondents were asked to rate the degree to which the organisation is practising knowledge-sharing values. These are extracted from responses to specific statements expressed in terms of skills maintenance, partnership and knowledge expansion (see Table 3-2-2).

**Organisational Commitment**

Organisational commitment involves 'compliance', 'identification' and 'internalisation' (O'Really III and Chatman, 1986: 493; see also Balfour and Wechsler, 1996). Respondents were asked to rate the degree to which they are committed to their organisations based on specific statements expressed in terms of pride, sense of belonging and exchange (see Table 3-2-3).

Table 3-2-2

**Knowledge Sharing Variables**

Definition	Values	Statements	Scale/Inference
<b>Skills Maintenance:</b> The foundation and tools for knowledge which facilitate employees to sustain their expertise	Job description	The job description provided is very clear	1 = Very strongly disagree 6 = Very strongly agree A high score would indicate a high degree of employee skills maintenance by the employer
	Training	I was provided with on-the-job training to do my job well	
	Vision	I can see how my work contributes to the mission of this organisation	
	Idea	I make suggestions to improve the organisation	
	Equipment	I have enough equipment to do my job well	
<b>Partnership:</b> The accessibility of the right channels of collaborations to enhance employees' job involvement and commitment.	Guidance	My supervisor provides the guidance I need to be effective in my work	1 = Very strongly disagree 6 = Very strongly agree A high score would indicate a high degree of partnership between the employees and the employer.
	Input seeking	The management usually seeks my inputs into decisions that directly affect my job	
	Voluntariness	I have put a great deal of effort beyond what is normally expected in order to help the organization be successful	
	Consultation	The management of this organisation usually makes decisions without consulting knowledgeable employee (Reversed score)	
	Information Sharing	This organisation shares information about the plans, goals and performance of its businesses/ services with its employees	
<b>Knowledge Expansion</b> The power which enable workers to leverage their knowledge and make them more competitive.	Challenge	Generally speaking my work is exciting and challenging	1 = Very strongly disagree 6 = Very strongly agree A high score would indicate a high degree of leveraging of knowledge in the organisation.
	Learning Experience	Doing my job is one of the learning experience	
	Competency	I work for an organisation that is incompetent and unable to accomplish its mission (reversed score)	
	Career Advancement	I can see little opportunity for advancement in this organisation (Reversed score)	
	Performance Assessment	I am generally satisfied with the way my performance is assessed by my organisation	

**Turnover Intent**

It is difficult to measure real commitment as it is not possible for a survey researcher to look at individual's work habits such as absenteeism (Balfour and Wechsler (1996). To measure commitment, therefore, is to examine the signs of

non-commitment: the turnover intent of the employee, which means intention to leave a job permanently (see George and Jones, 1996; and Gruneberg, 1979). The rationale is, the more often an employee thinks about leaving his or her job the less is the commitment (see Table 3-2-3).

Table 3-2-3

**Organisational Commitment and Turnover Intent Variables**

Definition	Values	Statements	Scale/Inference
Organisational commitment is the 'psychological attachment felt by the person for the organization' (O'Really III and Chatman, 1986: 493).	Pride	I am proud to tell people who it is I work for	<b>1</b> = Very strongly disagree <b>6</b> = Very strongly agree  High score would indicate a high degree of the worker's psychological attachment to the organisation
	Stand	What this organization stand for is important to me	
	Goals	This organisation and my organisation is very similar	
	Belonging	I have a strong sense of belonging to this organisation	
	Appreciation	This organisation appreciate my accomplishment	
	Allegiance	I am willing to work harder to make this organisation be successful	
Turnover intent is the intention to leave the organisation permanently.	Departure	I will probably look for a job during the next year	1 = Never 2 = Rarely 3 = Occasionally 4 = Often 5 = Always  High score would indicate a high degree of employee's intention to leave the organisation permanently
	Quitting	I am thinking about quitting my job	
	Apathy	There is nothing much to gain if I go on working in this organisation	
	Alienation	I feel just as well be working for a different organisation as long as the job is similar	
	Breaking point	It would take very little change in my present circumstances to cause me to leave this organisation	
	Disloyalty	I feel very little loyalty to this organisation	

**Result**

The study establishes value congruencies of those who experience psychological contract violations in terms of their responses in knowledge-sharing, organisational commitment and turnover intent. With regards to these variables, following are our findings:

**Violation of Psychological Contract**

From a total of 599 respondents who had answered the question, 28.05% (168) reported violation of contract. Majority of the allegations were from the employees of the privatised organisations at 63.10% (106) in comparison to 36.90% (62) reported by public sector workers (Table 4-1). The management and professional groups reported relatively higher

incidence of violations compared to the support groups. The main reasons reported for violation of contract are on 'career development and advancement', 'recognition', 'promotion', 'management style' and 'the corporate policy'. The reasons cited by the respondents encompass the incentives and channels of knowledge-sharing, which is incorporated in the package of knowledge management practices.

This finding implies that knowledge-sharing is expected by the workers as part of their consideration when they accept the employer's invitation to treat. Knowledge-sharing is embedded in a worker's mind when he agrees to the explicit working agreement. The result shown in Table 4-2 supports this contention.

Table 4-1

**Violation of Psychological Contract**

Sectors	Public			Privatised			Gross Total
	Management and Professional	Support Group	Total	Management and Professional	Support Group	Total	
Incidence of violation (%)	27.91	16.25	21.45	35.64	33.49	34.19	28.05
Count of violations	36	26	62	36	70	106	168
Total Responses	129	160	289	101	209	310	599
Percentage of the total violations (%)	[62/168]x100 = 36.90%			[106/168]x100 = 63.10%			100.00
Total Sample	291			317			608

**The Association of Psychological Contract and Knowledge-Sharing**

The relationship of psychological contract and knowledge-sharing in terms of the opportunity for the workers' career advancement is noted to exhibit the most significant association with a Chi-square test value of 106.25 [Pearson Significant of 0.000 (<0.050)] (see Table 4-2). The other high significant association is in the way the management makes their decisions (consultation). This lack of sharing is also illustrated by the lowest mean score in career

advancement (2.5655) and consultation (2.8155), perceived by those who experienced violation. From a Likert scale of 1 to 6, these scores could be considered low.

On the whole, the mean total score in knowledge-sharing among employees who experienced violation is 3.6111, whereas the score of those who do not is 4.0615. This indicates that the employees who perceived that their employers had not fulfilled the obligations of the contract are more likely to view that knowledge has not been shared in the organisation.

Table 4-2

**The Association of Psychological Contract and Knowledge Sharing**

Knowledge-Sharing Elements	Pearson Chi-Square tests			Mean#		Mean Difference
	Value	df	Asymp. Sig. (2-sided)	No Violation	Violation	
Job description	15.705	5	0.008	3.9698	3.7440	0.2258
Training	17.399	5	0.004	4.1485	3.9345	0.2140
Vision	11.151	4	0.025	4.3248	4.2321	0.0927
Idea	14.424	5	0.013	3.9767	3.9401	0.0366
Equipment	70.472	5	0.000	4.1323	3.5238	0.6085
Guidance	64.805	5	0.000	4.2774	3.6905	0.5869
Input Seeking	41.316	5	0.000	3.9441	3.5210	0.4231
Voluntariness	20.391	5	0.001	4.1791	3.9157	0.2634
Consultation	104.336	5	0.000	3.7256	2.8155	0.9101
Information Sharing	75.204	5	0.000	3.7913	3.7040	0.0873
Challenge	41.896	5	0.000	4.2512	3.8155	0.4357
Learning Experience	29.026	5	0.000	4.4014	4.1726	0.2288
Competency	66.285	5	0.000	4.2715	3.5030	0.7685
Career Advancement	106.250	5	0.000	3.5522	2.5655	0.9867
Performance Assessment	126.134	5	0.000	3.9768	3.0893	0.8875
Mean Total				4.0615	3.6111	0.4504
Indicators:						N=608
<b>df:</b> Degree of Freedom.		<b>Asymp. Sig. (2-sided):</b> Significance of Association				
*A df = 4 means the responses with scale = 1 are regrouped to scale = 2						
#Mean result is obtained without regrouping						

**The Association of Psychological Contract and Organisational Commitment**

The Chi-Square test demonstrates that there are significant association of violation of contract and all the values of organisational commitment with a significant of 0.000 (< 0. 050) (see Table 4-3). The mean total scores on the Likert scales of 1 – 6 among employees who experienced violation is low (< 4.00) in pride, goals and appreciation. These values are critical psychological state of the mind of the workers, which reflect their real commitment. On the other hand, the score of those who do not experience violation is higher (> 4.00) for all values. This finding implies that employees who perceived that their employers had not fulfilled the obligations

of the contract are more likely to feel less obligated to be committed with their organisation.

**The Psychological Contract and Turnover Intent**

The mean total score in turnover intent among employees who experienced violation from both sectors is >2.00, whereas the score of those who do not is <2.00. This finding support the above phenomenon that the employees who perceived that their employer had not fulfilled the obligations of the contract are more likely to be less committed and would leave the organisation than those who do not. The Chi-Square tests affirm that there are significant associations of violation of contract and all the turnover intent values with Pearson significant of 0.000 (< 0. 050) (see Table 4-4).

Table 4-3

**The Association of Psychological Contract and Organisational Commitment**

Organisational Commitment Elements	Pearson Chi-Square tests			Mean#		Means Difference
	Value	df	Asymp. Sig. (2-sided)	No Violation	Violation	
Pride	49.921	5	0.000	4.4130	3.8810	0.5320
Stand	52.396	5	0.000	4.5128	4.1548	0.3580
Goals	39.725	5	0.000	4.1308	3.6727	0.4581
Belonging	43.520	4	0.000	4.4849	4.1250	0.3599
Appreciation	82.339	5	0.000	4.0837	3.8810	0.2027
Allegiance	25.698	4	0.000	4.5070	4.1548	0.3522
Mean Total				4.3554	3.9782	0.37715
Indicators:						N=608
df: Degree of Freedom.			Asymp. Sig. (2-sided): Significance of Association			
*A df = 4 means the responses with scale = 1 are regrouped to scale = 2						
#Mean result is obtained without regrouping						

Table 4-4

**The Association of Psychological Contract and Turnover Intent**

Turnover Intent Elements	Pearson Chi-Square test			Mean#		Means Difference
	Value	df	Asymp. Sig. (2-sided)	No Violation	Violation	
Departure	83.346	4	0.000	1.9000	2.8210	-0.9210
Quitting	90.723	4	0.000	1.8074	2.6228	-0.8154
Apathy	97.121	4	0.000	1.9089	2.8494	-0.9405
Alienation	64.815	4	0.000	1.7488	2.5298	-0.7810
Breaking point	51.276	4	0.000	1.9722	2.6964	-0.7242
Disloyalty	68.241	4	0.000	1.5944	2.2381	-0.6437
Mean Total				1.8220	2.6263	-0.8043
Indicators:						N = 608
df: Degree of Freedom.						
Asymp. Sig. (2-sided): Significance of Association						

**The Correlations of Psychological Contract, Knowledge Sharing and Organisational Commitment**

The association of psychological contract with knowledge-sharing, organisational commitment and turnover intent are not unconnected phenomena. Based on a dummy scale (1 = no violation; 2 = violation), the study indicates that violation of psychological contract and turnover intent yields a positive correlation (Pearson Correlation  $\rho = 0.425$  at 0.01 level) but negative correlation with knowledge-sharing (Pearson Correlation  $\rho = -0.362$  at 0.01 level) and organisational commitment (Pearson Correlation  $\rho = -0.245$  at 0.01 level) respectively. Correspondingly, knowledge-sharing yields a positive correlation (Pearson Correlation  $\rho$

= 0.813 at 0.01 level) with organisational commitment and negatively with turnover intent (Pearson Correlation  $\rho = -0.489$  at 0.01 level).

The variables psychological contract, knowledge-sharing, organisational commitment and turnover intent are interrelated. This view is supported by the finding that the mean total scores is lower in knowledge-sharing (3.6111) and organisational commitment (3.9782) among employees who experienced violation, but higher in turnover intent (2.6263). For those who do not experience violation, the scores are reversed, with a higher knowledge-sharing (4.0615) and organisational commitment (4.3554) but lower turnover intent (1.8220). These behaviours do not indicate causal relationships, but it is safe to say that employees in any part of the world are likely to behave in similar manner, if they are subjected to a similar situation.

Table 4-5

**The Association of Psychological Contract Violation, Knowledge Sharing, Organisational Commitment and Turnover Intent**

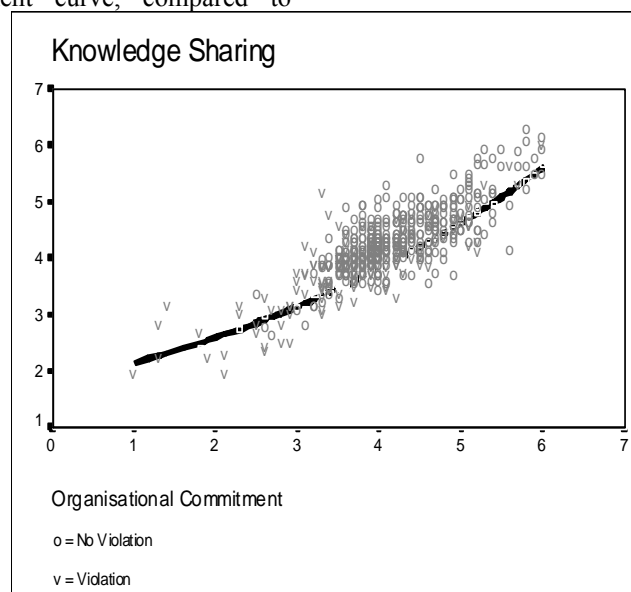
Variables/ Attributes	Tests	Skill Maintenance	Partnership	Knowledge Expansion	Knowledge Sharing	Organisational Commitment	Turnover Intent	N
Partnership	Pearson Correlation	0.624						608
Knowledge Expansion	Pearson Correlation	0.543	0.779					608
Organisational Commitment	Pearson Correlation	0.604	0.770	0.752	0.813			608
Turnover Intent	Pearson Correlation	-0.304	-0.469	-0.501	-0.489	-0.479		608
Violation of Contract	Pearson Correlation	-0.158	-0.372	-0.407	-0.362	-0.323	0.425	599

**Notes:** Correlation is significant at the 0.01 level (2-tailed).

To support the assertion regarding the relationships of the variables, we construct a curve estimation based on the mean total scores on knowledge-sharing, organisational commitment and turnover intent (see Figure 4-5 and Figure 4-6), which shows their normative characteristics.

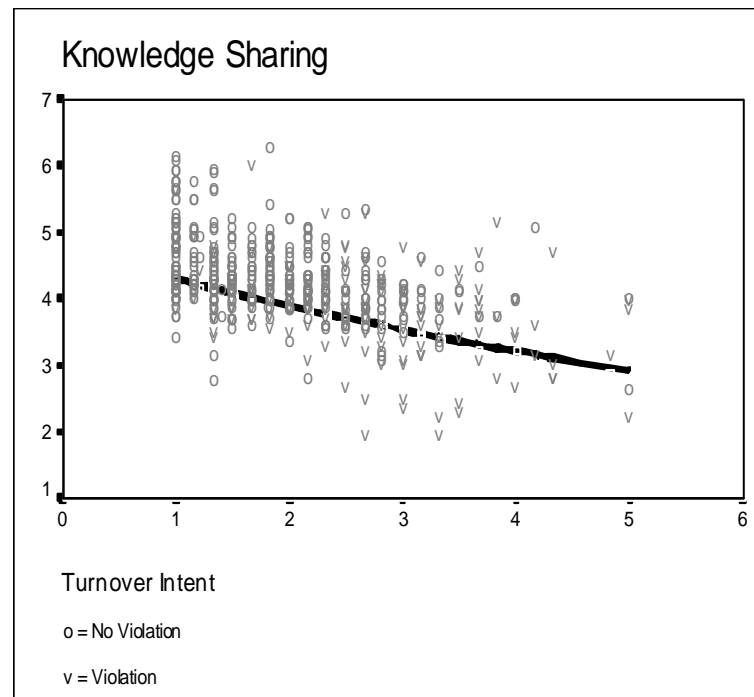
Figure 4-5 indicates a positive relationship of knowledge-sharing and organisational commitment, while Figure 4-6 display a negative relationship of knowledge-sharing and turnover intent. It is observed that more mean score for employees who experience violation (denoted by ‘v’) are scattered at the lower end of the knowledge-sharing-organisational commitment curve, compared to

those who do not experience violation (denoted by ‘o’). The characteristic of the scores is reversed in the knowledge-sharing-turnover intent curve. These phenomena imply that normative contract exists, which psychologically bonded employees to each other. They communicated their contractual thinking by displaying similar responses if given a similar situation, as observed in the regression curves. The result confirmed the assertion that employees who feel threatened by perceived violation of contract and experienced lack of knowledge-sharing exhibit lower organisational commitment and higher tendency to leave their organisations permanently.



**Figure 4-5**  
Knowledge Sharing-Organisational Commitment Curve





**Figure 4-6**  
Knowledge Sharing-Turnover Intent Curve

## Discussion

Knowledge-sharing involves conceptual, practical and psychological states of collaboration. All the states bear their share of threats as well as opportunities. The fact that consultation, career advancement and performance assessment generate the highest degree of correlations raised critical questions on the psychological states. This phenomenon implies that organisation shares knowledge if it directly benefits them, which is a short-run measure. A package of knowledge-sharing should be bundled with a win-win offer in order to be accepted by the parties involved. A fair consideration would be inconceivable if employees perceive that the organisation is intending to create a new unreasonable legal relation. For example, the higher rate of psychological contract violation in the privatised organisations is an indication of a breach of normative contract, and should be of a major concern to policy makers who care about competency and negligence.

Likewise, the higher incidence of psychological contract violation among the management and professional group is quite disturbing. Considering the higher mean total of turnover intent for violated group (2.6263), against non-violated group (1.8220), this phenomenon is a signal that the professionals are more likely to leave the organisation, leaving the inefficient, less-skilled employees behind. The points raised by employees as the main reasons for alleging violation of contract basically revolves around the questions of the wisdom of the management - an important component of knowledge-sharing, without which an organisation

cannot survive. They are social cues decoded from 'skills maintenance', 'partnership' and 'expansion' of knowledge. It is also noted that some respondents would not give their reasons for their views on violation of contract. This 'no comment' behaviour constitutes a silent passive loyalty culture, which is destructive to the organisation in a long run.

As shown in Figure 4-5 to Figure 5-6, knowledge-sharing cannot be taken for granted or in isolation of the employees' organisational commitment and turnover intent. The glue that attaches employees to their organisations is the psychological contract, which also binds employers more than the written agreement. The findings imply that:

- The worker who gets to share the knowledge is more likely to exhibit a higher degree of organisational commitment compared to those who do not;
- The worker who exhibit a lower degree of organisational commitment is more likely to experience a violation of psychological contract;
- The worker who experience a violation of psychological contract is more likely to experience a lower degree of knowledge-sharing compared to those who do not;
- The worker who experience a lower degree of knowledge-sharing is more likely to leave the organisation permanently than those who do not; and
- Threat to contracting begins from the management's failure to continue a promised support.

## **Concluding Remarks**

The way workers are treated can shape the employees' beliefs about their 'own entitlements or lack of them' (Rousseau 1995: 37). Other members of the organisation who share the same circumstances may make their own social constructions to cast their behaviour in the organisation. Workers may choose not to act out their belief or attitude due to their own limitations such as their status in the organisation, their obligation to ethnic cultural values or the work ethic. This phenomenon does not mean, however, that the chain of threats to contracting would not materialize. Reciprocated relationship of people in the organisation and the organisational leadership exist (see Berry and Houston, 1993; Handy, 1985: 188-196 and William et al, 2002) as in a normative contract.

In psychological contract the impact of contract violation on employees strikes in unpredictable ways. A 'tit for tat response' may escalate into stress, strained employer-employee relationships and other employee behavioural problems. If normative contract between workers are strong, there could be industrial actions. Otherwise, workers who experienced violation of their psychological contract would eventually leave an organisation permanently.

Even if they do not leave immediately, the thoughts of leaving itself denotes intention to breach their contracts.

The 'psychological and social underpinnings of contractual thinking and behaviour' on employment relationship (Rousseau, 1995: 3) does not render it irrelevant in this age of information. Knowledge-sharing is the normative element of the psychological contract. Those who view that knowledge is being fairly shared are less likely to perceive that violation of contract had occurred; hence they are more committed and loyal to the organisation. Our response to the challenge of the K-Era, therefore, is to accept the rule of law of normative contract of knowledge that: Knowledge shared downward from the employer denotes an incentive. Knowledge shared upward from the employee denotes loyalty. Knowledge shared horizontally denotes upgrading of skills and professionalism. Knowledge-sharing creates the synergy for collaboration. The threats to contracting would still be lurking, but they would not exacerbate into violations (psychological or explicit) if knowledge management is practised in the organisation. Leveraging of knowledge could identify the fragmented threats, fill the knowledge gaps, reconcile non-acceptance offers, and handle continuous improvements.

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