# Psychological Contracts' Influence on E-Collaboration

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#### INTRODUCTION

Organizations pursing global opportunities find advantage in requiring the use of e-collaboration. While organizations employ e-groups strategically to accomplish tasks, empirical reports indicate a large number of group failures (Levi, 2001). E-collaboration groups may experience an increased chance of failure since establishing trust (Jarvenpaa & Leidner, 1999) and instituting shared work practices (Chudoba, Wynn, Lu, & Watson-Manheim, 2005) is often difficult.

Studies investigating group failure have produced dismal findings using traditional information-based views (Timmerman & Scott, 2006). Information-based theories feature a dominant focus on information flows and density of communication channels (Daft & Lengel, 1986). These theories focus on reducing uncertainty and equivocation when transferring information between parties. The approaches focus on the content of the communication and the means of message transmission as explanations for channel preference and message effectiveness.

One reason for disappointing research findings about the effectiveness of virtual groups is that focus on information and communication channel characteristics fail to reflect the important elements of communication. Personal relationships are meaningful and valued by people but studies fail to examine how communication methods relate to the development of relationships among group members. Information-based approaches examine choices made among the means of communication. Online and other forms of mediated communication replace the face-to-face options in work settings requiring employees to rely on technological or mediated communication. Haythornthwaite (2002) finds no difference between f2f and mediated communication when good prior relationships exist among group members.

Research findings suggest a change in focus for the study of work groups. We propose a relation-based focus incorporating the concept of psychological contracts to understand virtual group behavior. Psychological contracts, used to explain relationships between employers and employees (Rousseau, 1995), provide rich insights to examining e-group behavior. The psychological contract established between an individual and the team in an f2f environment transfers to the online environment. Group members perceiving a breach to their psychological contract in f2f settings perceived the same violation with a team in an e-collaboration setting.

## BACKGROUND

Face-to-face communication provides the preferred channel for communicative exchanges (Daft & Lengel, 1986). While virtual team members have successfully combined the use of information communication technologies (ICTs) to effectively achieve the richness associated with f2f communication (Zack & McKenny, 1995), f2f communication remains the richest and preferred medium for communication (McKinney & Whiteside, 2006).

Media richness theory (MRT) (Daft & Lengel, 1986) and social presence theory (SPT) (Short, 1976) represent two dominant theories for studying the influence of specific communication media on individual's interpretation and information exchange. Studies based on technology choice theories find that consequences of use depend on contextual factors such as experience with the media and familiarity of the people engaged in the communication activity (Carlson & Zmud, 1999), thus reinstating that communication is more than just an exchange between sender and receiver (Katz & Kahn, 1978). Interpretation of the exchange within the social environment plays an important role (Falk, Schmitz, & Steinfield, 1990). This system of personal and professional relationships in which communication occurs plays a role in the formation of team mental models. One mental model is the psychological contract an individual develops towards the team.

# PSYCHOLOGICAL CONTRACTS IN GROUPS

E-groups incorporate individuals selected for reasons such as availability, skills, experience, or politics. Concerns over what group membership means may cause an individual to experience uncertainty when joining a group (McCollum, 1995). After joining a team the initial experience may involve uncertainty about the group and task since membership is often diverse and team members may be meeting each other for the first time. For an e-group to succeed, reciprocal relationships must exist between the group and the individual. Reciprocal relationships involve individuals using background and experiences to develop expectations about the group and task.

Psychological contracts provide beliefs that individuals use to reduce uncertainty associated with entering group relationships (Rousseau & Parks, 1992). These beliefs become instrumental to the unique psychological contract the individual develops. Group members' psychological contracts define the member and group obligations to each other.

E-collaborations usually have legal contracts associated with them (Sabherwal, 1999). On the other hand, psychological contracts in group relationships are perceptual (Robinson, Kraatz, & Rousseau, 1994). Group members bring unarticulated expectations to the first group meeting, then behave according to expectations of appropriateness (McCollom, 1995). The psychological contract does not include all of the individual's expectations about the group; instead the psychological contract is a subset of expectations based on the individual's conveyed promise to the group (Rousseau & Tijoriwala, 1998). In other words, beliefs are formed from incomplete information about what an individual's obligations are to the group and what the individual will receive from the group (Rousseau, 2001). The accuracy of these beliefs reflects the quality of information available to the individual (Rousseau, 2001). Promises are constructed from fragments of information received when communicating (Rousseau & Parks, 1992) creating an agreement that "exists in the eye of the beholder" (Rousseau, 1995, p. 6).

E-group members' psychological contracts address what individuals need to do and what they receive in return, yet each group member's perception of what specifically needs to be done and what specifically will be received remains unique. Individuals may not share similar views of the psychological contract (Rousseau & Tijoriwala, 1999), yet contracts sharing some beliefs permit the achieving of interdependent goals and provides group members a basis for aligning behaviors with the actual commitments made to the egroup (Dabos & Rousseau, 2005). As members interact and new information is presented, individuals use the new information to reevaluate the existing contract. The new information increases alignment between the individual's contract and contracts held by other e-group members (Arrow, McGrath, & Berdahl, 2000).

External influences operating in the e-group (e.g., social cues) and the individual's internal predisposition (e.g., cognitive styles, self-schemas) influence the individual's psychological contract (Dabos & Rousseau, 2005). This paper focuses on an individual's psychological contract with an e-group, yet we acknowledge that e-group members may concurrently hold other contracts (Rousseau, 1995).

# PSYCHOLOGICAL CONTRACTS IN E-COLLABORATION

Psychological contracts have been acknowledged as significant in situations involving exchange agreements (Rousseau, 1995), suggesting that individuals develop a type of psychological contract when entering group relationships (Kramer, Hanna, Su, & Wei, 2001). Since e-collaboration relationships are based on exchange agreements psychological contracts can be useful in providing new insight when studying behavior in groups relying on ICTs. The major difference between f2f groups and groups in e-collaboration relationships is environmental. The individual's perceived psychological contract should not change when transferred from an f2f environment to an online environment since decision makers successfully continue relationships using ICTs after establishing f2f relationships (McKinney & Whiteside, 2006).

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