

## The Psychological Contract

This article outlines the importance of the 'psychological contract' to successful project outcomes. Project managers who fail to understand this importance or who breach contracts, may reap the type of attitudes and behaviours that will inevitably lead to poor project performance and even failure.

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As well as a written work contract, project team members will have also defined a psychological contract that will influence how they contribute to a project. The psychological contract consists of a set of mutual expectations that team members and project managers have about satisfying a set of mutual needs.

Team members will typically expect:

- Safe working conditions
- Fairness and respect
- Equal work distribution
- Clarity of role and responsibilities
- Clarity in work assignments
- Opportunities to develop
- Participation in project decisions
- Adequate rewards
- Recognition for achievements

The project manager will typically expect:

- Adherence to policies and procedures
- Commitment, innovation, creativity
- Team player
- Maintenance of the organisation's reputation
- Trust, honesty and integrity

In a nutshell, it is a game of give and take – you scratch my back and I'll scratch yours. The psychological contract can have more influence over behaviour than any written contract or positional power or authority that the project manager or anyone else can bring to bear. Project managers typically find themselves in the position of managing people who do not formally report to them so the psychological contract is especially important for projects.

Violations of psychological contracts can have significant implications for your projects as team members who feel that their contracts have been broken may react in a negative way. The last thing a project manager wants is for team members to adopt the attitude of "If you're going to treat me like that, then I'm just going to do as little as I can get away with." This may be accompanied by feelings of anger and betrayal. Expect this to result in reduced loyalty, effort, communication, innovation, productivity and commitment. These are the lifeblood of successful projects so the potential impact is obvious.

Project managers must know the significance of the psychological contract and must make every effort to keep them. Flexibility is one element of the psychological contract which is a key issue these days. Take hours of work for example. The project manager could have discussions such as, "you should be here between these core hours. I understand the need for flexibility so if you have to start late or finish early because of family or other commitments that is ok. However, I expect you to keep me informed and that you will make

up the hours some other time. And there will be occasions during the project when we may have to work extra hours and it will be much more difficult to be flexible”.

The integrity of psychological contracts will no doubt be tested especially when the pressure really comes on. To keep the psychological contract, the project manager must behave as they have promised even under the most pressurised conditions. The pillars of maintenance are honest open communications and integrity. This type of environment allows the inevitable disagreements and conflicts that occur in projects to be dealt with constructively and in a way that prevents team members from perceiving a breach of the contract.

The benefits of building and maintaining good psychological contracts are immeasurable, for both project managers and project team members. Team members who feel appreciated by the project will give of their best and will go the extra mile in times of crisis. The project manager can maintain a happy project accompanied by the attitudes and behaviours that are key to unleashing the innovation, creativity, productivity and commitment that is necessary for successful project delivery.

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