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Knowledge creation and deployment in the small, but growing, enterprise and the Psychological Contract

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Abstract

This paper contains an account of a small-scale investigation into the usefulness of the concepts of the learning organisation and organisational learning when seeking to describe the processes of knowledge creation and deployment within the small, but growing, enterprise (SME). A review of the literature reveals a concern that the relationship between individual and collective learning in organisational settings is little understood. Focussing on this concern it is argued that when planning, leading and managing interventions to encourage and support entrepreneurial learning within organisational contexts, successful outcomes are more likely when leaders and managers have an informed appreciation of how the processes of psychological contracting can often influence people's behaviours.

Keywords: small and medium size enterprises; knowledge creation and deployment, entrepreneurial learning; psychological contract.

Introduction: the learning organisation and organisational learning

The roots of the learning organisation concept can be traced back to the 'organisational development' movement of the late 1960s and early 1970s when organisational development was often compared with managed incremental change. Referring to those times, Hayes

(2007:3) records how academics and practitioners confidently promoted the concept of continuous improvement.

In the late 1960s and early 1970s, few predicted the rapid emergence of a global and highly competitive economic environment, the speed with which new technologies would be introduced and subsequently replaced, or, a time when policy and planning within the education, health and social service sectors would be influenced by the philosophy of the competitive market-place and consumerism. Accounts of modern day organisations often describe how people operate at the outer limits of their own and other people's experience, and how they are required to make decisions based on insufficient information (Stata, 1996; Dale, 1994). Commenting on the speed of change and its impact in terms of the emerging distribution of leadership and management responsibilities within organisations, King and Anderson (2002) assert:

> Organisational structures are shifting radically to the point where individual managers and professionals have far greater autonomy, responsibility and accountability. Organisations are seeking to reduce central control and to 'empower' individual employees. These employees are combined in teams that are frequently cross-functional and project based rather than hierarchical in their construction (p. x1).

Nowadays, the concepts of the learning organisation and professional learning communities are used in the educational and business literature as a metaphor to convey a vision of a self-transforming community wherein people learn how to create and deploy new knowledge during a time of rapid and continuous change (Hargreaves, 2007; Stoll and Seashore, 2007; Starkey, 1996). This vision of a self-transforming organisation is, however, not just about people being encouraged to engage in regular training and development activity. It is also about the continual search for, creation and deployment of knowledge within a continuously self-transforming organisation.

Despite the widespread interest in the concepts, there are few reported examples of the learning organisation and learning communities, particular ones that withstand the test of time (Stoll and Seashore, 2007; Easterby-Smith, 1997). Consequently, much of the literature is characterised by examples of hypothesised descriptions and models of the learning organisation, professional learning communities, and organisational learning environments (Mitchell and Sackney, 2000). Mostly, these descriptions and models are rooted in reported investigations of organisational practices of learning, and continue to reflect a view that change can be planned and managed incrementally. Frequently, they discuss the relationship

between contextual aspects (cultures and cultural artefacts) and performance outcomes (D'Amato and Zijlstra, 2008; Fuller et al (2007)

More often than not, these descriptions and models are intended to serve two purposes. Firstly, they are offered as a hypothetical basis for subsequent theory testing during case study research (Nonaka, 1996: Pedler *et al*, 1991), Secondly, they are presented as tools for practitioners to draw on when seeking to build a learning community (e.g. Curado, 2006). Questioning this approach, Garrick and Rhodes (1998) claim such models and descriptions of the learning organisation and organisational learning ascribe legitimacy to themselves; each purporting to offer a strategic way of effectively encouraging learning and the utilisation of it outputs for the benefit of the organisation, and for the general social good.

A review of the literature, therefore, reveals three areas of concern and corresponding calls for investigations to address apparent gaps in research. Firstly, that theory concerning the learning organisation and organisational learning offer mostly idealised rather than 'real' representations of the proposed phenomena (Garrick and Rhodes, 1998; Buchanan and Haczynski, 1997). Secondly, that theory and models of the learning organisation are relatively uninformative when it comes to explaining the proposed relationship between individual and collective learning, and how one translates into the other (Stoll and Seashore, 2007; Starkey, 1996). Thirdly, that issues to do with personal and collective learning within organisational settings remains under-investigated.

Responding to these calls for research, this paper contains an account of a small scale investigation into the usefulness of the concepts of the learning organisation, and organisational learning, when seeking to describe the processes of knowledge creation and deployment within the small, but growing, enterprise

Design and conduct of the study

Reciprocal arrangements were agreed with three case study companies whereby I was able to obtain the research data, whilst at the same time providing consultancy for each firm. The firms were a construction company, a printing company and a company specialising in landscape design, site construction and maintenance.

The complex nature of the study required a qualitative research strategy and methods of exploring people's perceptions and understandings concerning their work-related experiences and the meanings they ascribe to them. Consequently, qualitative data was obtained during face-to-face open-structure rapport interviews (Massarik, 1981) with employees in each company, either on their own, or in groups of two to four. A total of fifty-six people were interviewed.

A particular concern was to encourage those being interviewed to focus on the following six categories of experience: relationships, reflective learning and innovation, work-related knowledge and skills acquisition, recognition and rewards, communications, and personal and career development and advancement.

Before each interview, participants were asked whether they minded if the interviews were taped. It was explained that no one, other than the researcher, would have access to the tapes. The majority were happy with this suggestion, and, in a few instances where this was not the case, a record of the main features of the conversations was kept during the interviews. Assurances that all feedback to company directors would be un-attributed were also given to all the interviewees, before the interviews began. Pleasingly, the interviews quickly developed into a series of informal conversations during which participants freely shared their thoughts and opinions.

Data preparation, coding and analysis

A grounded approach as described by Pidgeon and Henwood (1994, 1997) was used when preparing, coding and analysing the large quantities of unstructured data gathered during the interviews. This involved reading through the data transcripts to tentatively identify and label emerging themes, a process that was continued with until themes were judged to 'fit' the data well (Glaser & Strauss, 1967) Gradually, as the analysis developed, clusters of thematic categories were identified and labelled as being significant when reflecting on the changing individual- organisation learning relationship.

Analysis: emerging themes

Accepting Lemon and Taylor's (1997, p.236) advice, the first stage of the analysis involved the reading and re-reading of the transcripts in order to gain 'a feel for them' and to allow potential meanings to emerge from the data. Often when working with rich, qualitative data, statements have multiple meanings, and it is important to capture as many of these as possible. Consequently, as the analysis developed three sets of higher order and linked lower order grounded themes were identified as being significant regarding the research topic.

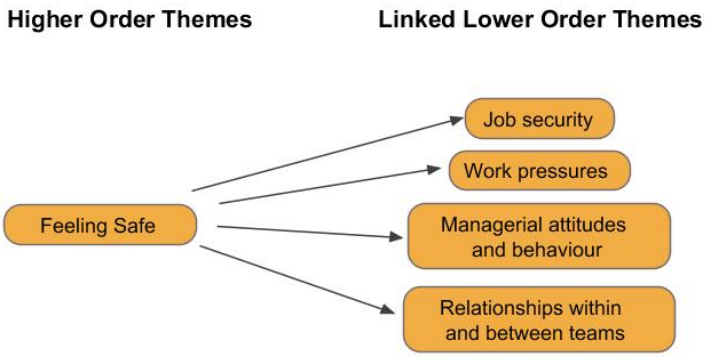
These grounded themes assume particular meaning when considered within the context of existing theory concerning the psychological contact. They confirm the idea that an implicit, but largely unwritten contractual understanding between employer and the employee concerning their respective role relationship and mutual obligations towards one another is being continually negotiated, tested, and affirmed within the workplace. In particular, they highlight employee perceptions and understandings concerning key areas of ongoing unwritten and largely unspoken concern, and the potential consequences for the individual-organisation relationship when the employee considers the employer is violating an implicit contractual understanding. As the analysis shows, collectively, the themes help explain how and why people's feelings of attachment and commitment to the business change over time, and why they may, or may not, be willing to engage in processes of knowledge creation and transfer.

Feeling safe

The first set of themes relates to findings concerning people's feeling of psychological safety in the workplace, and the potential implications when events and the behaviours of others cause them to feel unsafe (figure 1).

FIG.1

The Analysis



Job security

In one company, people described how they interpret the employer's willingness to continue to employ them during difficult times, and for as long as possible in such circumstances, as showing that he is a good employer. Such behaviour is then interpreted (by the employee) as signalling an employer's appreciation of their efforts on behalf of the company.

> Certainly, they carried me, I mean, I've spent three months sat in a cabin with nothing to do, but the company will carry you. I think its times like this that you see that the company is loyal to you.

A feature of this emerging unwritten understanding is the way its continuing affirmation by the employer leads to a reciprocal build-up of employee loyalty to the company. In this way, it would appear employer and employees are negotiating, affirming, and re-affirming an unwritten understanding concerning reciprocal behaviours over time.

> A lot of people have been here a long time. And the crucial word is loyalty. You don't get loyalty with a lot of companies any more, that's one of the unique selling points of our company
>
> I'm grateful to the owner-manager, he's helped me out a lot, he's taught me a lot, he's helped my out financially when I was at college.

However, people's comments also signal recognition that it might not always be possible for the employer to continue to employ them, and that the employer, and employee, might not always feel able or inclined to comply with implicit and unwritten understandings concerning job security.

> The margins that we work on are extremely slight, and we have experienced a 50% drop in turnover in the last few years. I don't know the depth of the company's finances, but I'm concerned that they might not make it. At the end of the day, you have to look at it from a selfish point of view. If the company goes bust, it's a lot of jobs. If the company gets taken over, you could be out of a job. If we take someone over, it could go wrong.

Work pressures

In each company an apparent unwritten expectation on the part of employees is that they can, if the pressure of work begins to adversely affect them, turn to their director, or their manager, for advice and support without feeling threatened. However, commenting on whether or not they would feel comfortable about discussing issues of personal concern with their manager or director, some interviewees indicated that they wouldn't, or, would do so hesitantly.

> I think the problem with that is, you would think of yourself as admitting that you couldn't do the job, and nobody wants to do that.

> There's that fear in the back of your mind that you are not going to progress (with your career).

Several people did, however, describe how experience has caused them to believe certain directors and managers would respond sympathetically if they found themselves needing to discuss personal matters.

> I do feel there are one or two people I could go to for advice if I thought things were getting on top of me, may be not to say I'm under pressure, I can't cope, but may be for advice on how to cope with the pressure.

Reflecting on their concerns, some interviewees indicated that they believe directors and managers are expecting too much of them, and that such expectations are unfair. In all three companies, people spoke of the amount of work everyone has to do, how they sometimes feel driven by the pressure of work, how stressful such experiences are, and how they feel unsafe.

> I find that I get direct instructions from the owner, the MD, my department manager, or whoever walks through that door, and they always say ' I need it now'. And I can't slot them into some sort of priority. And sometimes I go home not with a feeling of job satisfaction, but with a sense of frustration that I've not done all the jobs that I had to do.

> The idea was that it would be a good idea to learn certain technical skills, but nobody took any of this work-load off me that was piling up on my desk, and when I went to my manager (to be trained) he would have his work to do as well, and people are interrupting every five minutes…and it's do this, this and this, right then you can get on with that now, so I was nearly in tears. I didn't even know where the keys were on the keyboard – and I was frustrated, my manager was frustrated, and I didn't want to come into work.

Managerial attitudes and behaviour

In two of the three companies, people expressed feelings of being able to communicate freely, and without fear, with directors and managers, and that in most instances directors and mangers will support and back them up when things go wrong.

> You can go and speak to anyone, all the way up to the owner of the company. They are approachable.
>
> Sometimes you cock up, and everyone helps out and you sort it out. So, in that respect, it's quite good because everyone here is totally approachable, so you don't have to hide things.

During the interviews people spoke of how they look to directors and managers for positive feedback when they do a good job, and that such feedback helps them feel safer.

> After I'd been working here for about eight weeks, my manager took me into a room and gave me a talk about how I was doing, and she said I was doing well.
>
> We've had a lot of stress over a two to three week period, and, wherever possible, she has come and said, well done, which hasn't happened before (in other parts of the organisation).

Notable in one organisation is the way people expressed a view that managers should act to ensure the environment in the workplace is psychologically safe. Some described experiences which caused them to believe the employer and, or, managers were violating this unwritten expectation.

> When it gets to the point where your supervisor is scared of people below him and the people on the same level as him…The supervisors just want an easy life. If someone goes up to them and complains about someone else, they (the supervisors) don't seem to have the guts to say to them, look, concentrate on your own work. If they are not pulling their weight, I'll tell them.

Relationships with and between teams

Within organisations there is often an unwritten expectation that people will share ideas for improving products and services, and that people will 'pull together' to make the venture a success. And, judging by their comments, people expect, value, and feel safe in a working environment where they are able to learn with and from and one another.

> You learn by asking people who you are working with, the other member of the team. You throw ideas at each other. You say, this is the job, it's got to be finished by such and such a date and say, well, I think I'll do it this way, and someone says, well, what about doing it this way. We do that in the team.
>
> We all work together, and if there's a particular problem, we pull together and have a look at it, and try to sort it out between the four of us.

In contrast, the responses of some interviewees provided an insight into possible behaviours when they feel they are no longer operating with a safe environment, and when people are not pulling together.

> And I saw the list of work that was going through, and my name wasn't on it. Every one of those lists had the other reader's name on it. I actually went through them and I said, I want then all altered and all that work that I'm doing putting on the lists, because I want it booking to me, because, when the extra money comes for skilling, I want people to know what work I've done.
>
> We use to work every Saturday and Sunday. You would take work home, but all that's gone now. I don't think it's gone because everyone's on top of everything. I think it's more a case of, well, why should I put all this work in when other people aren't.

Expanding on this theme, some spoke in particular about instances of bullying in the workplace and its impact on them, and they were most critical of managers when they fail to act on such occasions.

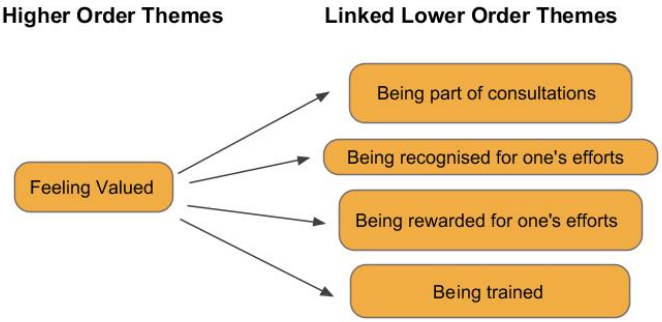
> There would be four people working closely together and you always knew there was something going on. You'd look around and you could see them, they'd tap on the desk, and another one would look over, and they knew. There was something going on all the time and you just didn't know what. It just made you feel so….
>
> I was the only woman there and it felt like a close shop. The number of times people said 'time served as an apprentice, time served as an apprentice – we've learnt the trade the right way'. That's been hard.

Feeling valued

The significance of the second set of themes lies in the way they shed light on people's need to feel valued and the potential consequences when this is not the case (figure 2).

FIG. 2

The Analysis



Being involved in consultations

Within organisations there is usually an expectation, be it spoken or unspoken, that communications between employer and employee will be a two-way process. When this is not the case, employees may assume that they and their ideas are not valued. In their

comments, interviewees described how they feel communications in their organisation are mostly top-down, and how their views and opinions are rarely sought. When sharing these perceptions, they also described some of the knock-on effects in terms of their own, and their colleagues' behaviour.

> I don't think any of our ideas get through… and you get to the point where people think, well, fair enough, if you are not bothered, I'm not going to try. I'm not bothered.
>
> You can see where improvements could be made, but nobody listens to you. In the end you are stuck until you get someone to listen.

Being recognised for one's efforts

In one way or another, interviewees in all three companies described an unwritten expectation that their efforts on behalf of the company will be recognised. Judging by their comments, one way in which they conclude this, or is not, the case is that they reflect on their employer's behaviour towards them, and, on that basis, infer whether, or not, they and their efforts are being valued.

> It's times like this you see the company is loyal to you. There are times when you think, those people up there don't know what I am going through here, but it's times like this that you know they do, and it's times like this, if you are being carried, you know you haven't go a problem with the company.
>
> Down here, the manager knows that we have worked our socks off to get as many issues out as we could by the deadline. You just feel it's nice to know that you have done well, and it creates a good atmosphere.

In contrast, during some of the interviews it was widely acknowledged, and accepted, that people rarely give, or receive, direct feedback on one another's performance. On such occasions interviewees said they assume they have done a good job if their work is not criticised, or, if they are asked to help someone else. Typical responses to the question, "how do you know when you have done a good job" were:

> No complaints from the client, from the contracts manager, from the site manager, from the quantity surveyor, from the sub-contractors you are using. The sub-contractor will speak to your manager if there is a problem, without a doubt.
>
> Basically, there is a saying - if you don't see or hear them you are doing all right. Usually, it's a case of you get feedback if you have done something wrong.

On this subject some interviewees spoke of being proactive when discovering whether their work is, or isn't, appreciated.

> I ask and then I'm told, and you know the appropriate people to ask. And you get a sense of achievement, or not.
>
> On a recent job, I met the end user, and he was very happy, so that was enough for me.

A common finding was that there are times when people in each firm feel their efforts on behalf of the company are not recognised, and when they feel generally undervalued.

> They (the directors) have a job to do and it's hard for them, I must admit. They are in that office and they are seeing a fraction of the job. They are not actually seeing what we are doing to fulfil the job.
>
> Someone from production will come down and look at your printout, and they say, that shouldn't have taken you two hours. They just get the finished article and think there is nothing difficult about it.

Pursuing this theme, some interviewees suggested managers were not always aware of their qualifications or capabilities, and, how, in some instances, they only become aware of people's qualifications by accident.

> Once when some work was returned by an outworker it was wrong, and we said, why couldn't we do that? They said, we didn't know whether you could do it, or not, and I said, it's simple, and within five minutes I'd done it for him.

Developing this theme, one interviewee describe how, in response to feeling bored with what she was asked to do, she proactively sought and took on more tasks, and, in the process, demonstrated her capabilities.

> The first three months I was absolutely demented. I was looking for jobs to do all the time, I don't think people realised what level I was at before. So, I went about getting as much information as possible from helpful people, just to make my job interesting, and then, suddenly, people started to notice that I was doing these jobs, and that I could do them. My job and responsibilities just expanded in that way.

Being rewarded for one's efforts

A common finding is that, in each firm, employees expect to be but rarely feel they are appropriately rewarded for their efforts and that on such occasions they feel let down.

> I now feel I was lured here on false pretences. The company made me an offer, and this offer was based on performance related pay, and, now they are cutting back on performance-related-pay. The company had said I can't have any because they haven't made any profit…. I feel the company is letting me down.
>
> You'll have seen the poster – 100% commitment, and I think people are quite willing to commit themselves to the job, and I think people want it (the team project) to go well. But people think, well, I hope this commitment is going to be rewarded.

Developing this theme, people provided an insight into the attitudinal and behavioural responses of employees in such circumstances.

> I don't know when they are going to sort out this whole wages thing, but, if they want you to put in all this commitment, and to do well, I don't think people are bothered about that, so long as it's rewarded. I don't think it can be one way. That's what's happened up there - the staff aren't treated well, so they think, stuff you, I've done just enough to get by.

Being trained

On the basis of their comments it was possible to infer that people value, and perceive themselves as being valued when they are offered and receive training.

> I came and worked a bit during my first year at college. The owner- manager was happy with me, and then I came as a middle year student and worked for 14-16 months. I just started off on site, then, I sort of moved into the office, doing bits of drawing. Then I went back to college, and the company sponsored me in the final year, and I carried on doing bits and pieces for the company, while I was at college. Then, I came back when I finished college. I'm grateful to the owner manager. He's helped me out a lot, he's taught me a lot.

On the other hand, in each firm, people describe why they sometimes feel their employer is in breach of a spoken or implicit agreement that they will be appropriately trained to do their job.

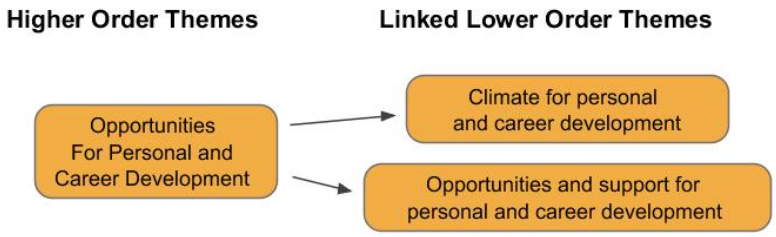
> It does say in the company bumph that training will be given as and when required, or when we ask for it. But training is there so long as it doesn't cost anything.
>
> Your training always gets pushed back or rushed because there just isn't time set aside to do it.

Opportunities for personal and career development

The third set of themes focus on people's hopes and expectations that they will be afforded work-based opportunities to achieve personal and career development, and the possible implications when this expectation is not met (figure 3).

FIG.3

The Analysis



A common experience among employees in each firm are feelings that they were 'thrown in at the deep end' when first joining the company. For some, this appears to have been a negative experience. Others explain how, over time, they began to realise that this is

how directors and managers 'test them out' to see what they can do, and how much they can be trusted to manage day-to-day activities.

> It's a case of you have previous experience and the company put you out to see whether you are any good.

Commenting on this practice, some described how, having grown accustomed to not having managers and directors regularly telling them what to do, and how to do it, they discovered that their work was more enjoyable and self-fulfilling.

> My first six months was hell – I thought what have I done? - until I got used to the company way. The culture here is entirely different from what I'd been used to, but now I feel I am a better person and I am enjoying it.

In two of the three companies, directors, managers and employees described how they frequently need to update their knowledge and skills. A key feature of the emerging unwritten understanding between employer and employee is the notion that, as long as employees continues to show they are capable, they will be entrusted with work that provides opportunities for them to extend their personal knowledge and skills, and which, in turn, increases the company's capacity to do business.

> I was given a job and I didn't know how to do it. It was on the Thames embankment and it was seven metres down, but the tide didn't allow you to work down there. So, I just kept asking questions of people…. I had this idea, and so I spoke to a few sub-contractors and they'd heard of something and put me onto someone else, and I made a few phone calls, and we finally came up with something… but nobody in the company knew how to do it. That's not a criticism of our company because it was something that we had never come across before.
>
> We've tried all sorts of new things… like that environmental matting… and we are not frightened of taking a job on. We were one of the first companies to lay those plastic bumps for councils and we developed a little machine to lay it.

When interviewed, one company director explained how, by providing opportunities and support for employees to achieve career development, they are doing what they believe is right for the employee and the company.

> There are plenty of opportunities at the moment for us to allow our designer technician to move into what he wants. We are keeping his interest by saying… we want to keep him, because he is good chap.

On the other hand, some employees described how they had reluctantly come to realise that, despite the employer's good intentions and efforts on their part, they would no longer be able to achieve their career aspirations in the firm.

> It was that Sheffield job, it killed it. It introduced me to people who build gardens at Chelsea, and win awards. And, when you get people like that saying to you...You start thinking, could I?

> I think it's a good company, I enjoy working here – don't get me wrong – it's a nice atmosphere, but I don't think I've got a future here.

Referring to an expectation that work will be self-fulfilling, some describe how, in the absence of employer interest or support, they have been forced into finding opportunities for personal and career development for themselves. Others explained how they are resigned to the fact that there will be few or no opportunities for personal and career advancement, and expressed feelings of disappointment, or resentment.

> I was doing a really basic task, and so I started going round the company taking jobs off people, just to make my job more interesting. Nobody really takes any notice of what you are doing, so, I just went along and just got myself things to make my job more interesting….I've always had to teach myself, or just tag along with someone, just to sit with someone.

> If you've never had it, you don't miss it. But I feel as if I've just drifted on. I've come to accept it. I can't say I am happy about it, but I've come to accept it.

For others, the experience is of being on the receiving end of ad-hoc career development, usually as a result of being invited to take on new responsibilities. In discussion with the directors, it was discovered that, from time to time, they identify employees with potential and look to give them opportunities to develop their potential, but usually in the absence of prior discussion with the employee. In such instances it is not unknown for the employee to have to guess why they are being asked to assume responsibility for a project.

> They do appraisals, I've found out, but we're not involved in them. It's your contracts manager who goes in and does an appraisal on you with the director, so I believe.

> But is like we said, if they are saying, well, he's done a great job there, we'll give him a chance on this next one, but you don't know that. The only way you get to know is when they say, right, you can go there now and give so and so a hand.

Others described how they believe opportunities for personal and career development are only offered when it is in the company's interest.

> I feel quite lucky because one of the operators was off sick at the time, it saved them from having to advertise for someone else, but I think if he hadn't been off, I don't think I would have got the chance.

> They'll specialise you, then, there is so much work in this specialist field that you do it all the time. So you get penalised in your appraisal because you haven't done other things within the pay banding system.

In one of the firms, when setting up a new team, the appointed team leader and the MD chose the people they wanted to be in the team. People were not invited to apply, they were 'called in' and informed that they had been chosen. During the interviews, those concerned spoke, often disparagingly, of the way these changes where being introduced, and of its impact in terms of their own personal and career development circumstances.

> Oh, it's been disgraceful. I hadn't worked here long, and I was taken into this new team. I was just moved, and someone else came in and took over, and I just sat and took a step down.
>
> I was taken up stairs. It was the MD who told me. I mean, he put it in a really nice way. He said, well you know so much about the customer…
>
> At first, a lot of us were up for it, because we were told our wages would increase. So, I thought, great, and since then, nobody's said anything about it, nothing has materialised.

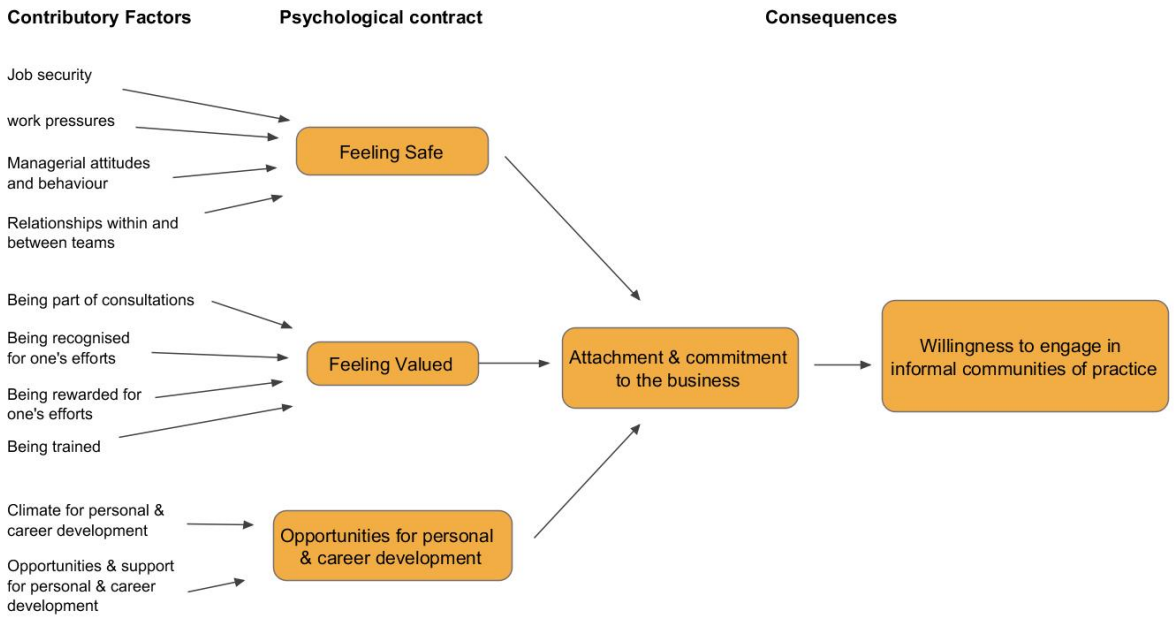
Discussion and conclusions

The power of the learning organisation metaphor lies in the way it points to, and opens up, new opportunities to investigate and comment on the changing individual-organisation learning relationship. An important outcome of this study is the realisation that various conceptualisations can be brought together to form a tentative hypothesis to shed light on the relationship between personal and collective learning, and the processes of knowledge creation and sharing within the small, but growing, enterprise. Firstly, that the organisation can be usefully construed as a network of informal communities of practice, wherein people interact to meet their own, sometimes competing needs, and to learn how to do what needs to be done (Burgoyne and Jackson, 1997; Wenger, 1998). Secondly, that the way in which people negotiate, agree to create, and engage in these informal communities of practice, can be usefully explained in terms of an ongoing process of psychological contracting (Leach, 2009; Conway and Briner, 2005; Hayes and Dyer, 1999).

It is apparent from the analysis that, when describing their everyday working experiences and the meanings they assign to them, employees in the three firms are implicitly describing aspects of an ongoing process of emergent psychological contracting, operating at all times within their companies. This process is represented in figure 4, which is grounded in the core analysis, and is best likened to unscripted drama. It is argued that new possibilities for investigating the changing individual-organisation learning relationship and the way knowledge is created and shared within the small and medium sized enterprise unfold when taking account of the everyday processes of psychological contracting; processes during which people's expectations of feeling safe, being valued as a person and for their work, and being beneficiaries of enacted support for personal, professional and career development are affirmed or breached. The 'contributory factors' are the content of the processes of psychological contracting, which cause people to feel an implicit, unspoken psychological contract is being affirmed, renegotiated, or violated. The potential consequences among workers, when their expectations concerning psychological contract are affirmed, are a

willingness to engage in processes of knowledge creation and sharing within and across teams, and feelings of attachment to the company and its work.

Fig. 4
The ongoing processes of psychological contracting and the changing individual-organisation relationship



In terms of people feeling safe, contributory factors are their perceptions concerning the ethos and relationships within teams and the organisation, the nature of communications within the team, and across the organisation, the attitudes and behaviours of leaders and managers, and the extent to which the working environment is one wherein they can safely engage in entrepreneurial learning (Rae, 2009).

In terms of people feeling they are valued, contributory factors are their perceptions concerning the extent to which they have the respect of colleagues, leaders and managers, and, that colleagues, leaders and manager value the work they do, and their achievements. This includes being involved in business conversations and having one's views listened to.

Particularly revealing is the importance people assign to being beneficiaries of enacted support for personal and career development. The emphasis is on 'enacted' and not just 'vocalised' support. This involves notions of working in a safe and supportive organisation culture and climate, active mentoring, the supply of opportunities for accredited training and to gain new qualifications, and, a commitment to ensuring the work a person is ask to do is self-fulfilling and allows them to feel they can make best use of their developing knowledge and skills.

Nowadays, it is commonplace for policy makers, theorists and practitioners alike to claim that an organisation's greatest resource is its people, and that, in this new era of economic and social uncertainty, people will need to learn to be more enterprising and to create new forms of enterprise (Rae, 2009). However, employee resistance to change has long been an issue of research interest, and a concern for leaders and managers. Commenting on this issue, King and Anderson (2002:195) assert:

> Resistance has been seen at best as disruptive and troublesome and at worst as a coordinated process of radical militancy designed to undermine the very fabric of managerial control. …Resistance has almost always been characterised as irrational, counter-productive behaviour engaged in by a minority of workers to the inevitable detriment of the organisation, and, in the long term, to the disbenefit of those employees themselves.

Far from being 'irrational', from the employee's perspective, their resistance to change might be construed as a rational response to the circumstances within which they find themselves. Well-managed change can produce a workforce that is committed, enthusiastic, and ready to engage in entrepreneurial learning. Badly managed change, however, has a graver psychological impact, producing staff who feel betrayed, mismanaged, or who are operating under unnecessarily stressful conditions (West & Wallace, 1991; West & Anderson, 1992). This in turn leads to problems with staff retention problems, apathy, burnout, and in some cases even malpractice.

The concept of the psychological contract at work is centred around the human sense of belonging, and unspoken assumptions of loyalty, reciprocity, and organisational commitment. Although recent events have meant that the old concept of "jobs for life" is no longer to be expected, the overall concept of reciprocity between employer and employee ("you'll do right by us and we'll do right by you") has as much meaning in the modern world as it ever did (Hayes & Dyer, 1999). Consequently, it is apparent that, when planning, leading and managing interventions to encourage and support entrepreneurial learning within organisational contexts, successful outcomes are more likely when leaders and managers have an informed appreciation of how the processes of psychological contracting can often influence people's behaviours.

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