

EFFECTS OF ELECTRONIC MONITORING AND SURVEILLANCE ON THE PSYCHOLOGICAL CONTRACT OF EMPLOYEES: AN EXPLORATORY STUDY

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ABSTRACT

This paper examines, through an exploratory empirical study, how employees feel about electronic monitoring in context of the psychological contract they have with their employer. This paper expands research related to psychological contracts as no scholarly research incorporating technological monitoring and surveillance effects on the psychological contract from the employee's perspective is known to exist. After reviewing literature related to psychological contracts and relevant literature related to expectancy theory, equity theory and agency theory and the organization's right to protect itself four hypotheses are proposed. Using a survey created for the study the four hypotheses are tested using a convenience sample of employees of a small, southern academic institution. Results are then presented followed by discussion, conclusions and limitations and suggestions for further research.

INTRODUCTION

In the past twenty years the rapidly changing attributes of technology can be seen throughout the embeddedness and integration in both an individuals' personal and professional lives. The diffusion of computers and information technology into the organization setting has forever changed the relationship between the employee and employer. Technology advances have affected the employers' needs and expectations as well as employee behaviors and role responsibilities. These changes have mandated new roles of technology monitoring and surveillance efforts by the organization in an attempt to increase performance, decrease abuses and/or waste, and control undesirable employee behaviors. Methods incorporated to assist in monitoring include electronic monitoring of email communications, website viewing, computer keystroke capturing, listening in on phone calls, video surveillance, etc.

The rate of organizations engaged in some form of electronic employee monitoring has been steadily increasing over the past ten years (Firoz et al, 2006; Fazekas, 2004). A survey done in 2001, by the American Management Association (AMA), reports that 82% of employers are using some form of electronic monitoring in the workplace and by 2005, the same AMA annual survey, reported 76% of organizations are engaged in tracking Internet usage (DePree and Jude, 2006). Email communications alone are reported to be monitored and tracked by 52% of organizations studied (AMA, 2003). However, The Center for Business Ethics, in 2003, asserted

that as high as 92% of all organizations electronically monitor and track their employees in some form or another (Firoz et al, 2006). With this increasing use of electronic monitoring in the workplace other issues of ethics, trust, procedural fairness, and employee reactions come to the forefront of organizational settings and effectiveness. Common sense dictates that monitoring can be used effectively to assist the organization in improving performance and protecting itself from potential hazardous behaviors and wasteful actions from employees. However, what is the psychological cost that employees pay from constant surveillance, and does it hinder the organization in the maximum attainment of its goals?

Legal and ethically debates on electronic monitoring and surveillance in the workplace has brought about little to no consensus and the contextual landscape surrounding this issue still seems vague and obscure. When it comes to electronic surveillance and monitoring the law does not explicitly define workplace rights and/or responsibilities of the employee or the employer. The Electronic Communication Privacy Act (1986) comes closest to creating a starting point for legal foundation of what can and cannot be done. The law states, (Firoz et al., 2006), that it is a crime to “intentionally intercept, endeavor to intercept, or procure any other person to intercept or endeavor to intercept, any wire, oral or electronic communication.” (18 U.S.C. 2511(1)(a)(2000)). However, it has been argued that since organizations do not intercept electronic communication but retrieve them, initially storing them in the course of normal business, that the law does not apply. Courts have sided with this interpretation of the law and have ruled in favor of the organization, rejecting employee claims of invasion of privacy as can be seen in *Smyth v. Pillsbury (2000)* and *Bohacv v. City of Reno (1996)* (Firoz et al., 2006; Fazekas, 2004). Ethical and performance implications of electronic surveillance are also at issue as employees’ perceptions of procedural fairness, trust, privacy, organizational commitment, job satisfaction, and stress-related illnesses have been affected.

The purpose of this paper is twofold. The first purpose is to do an exploratory empirical study of how employees feel about electronic monitoring in context of their psychological contract they have with their employer. Currently, scholarly literature is available on many facets of the employee psychology contract, investigating different independent variables that may influence both positively and negatively the employee perception, performance, and satisfaction related to these contracts. However, there is no current scholarly research on point that incorporates technological monitoring and surveillance affects on the psychological contract from the employee’s perspective. The second purpose of this paper it is to attempt to add to the literature of organizational behavior within this unique construct of technology implications on the values and beliefs that surround the employee’s psychological contract within the organizational setting.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Contracts are an ubiquitous part of all employment relationships. Contracts, defined as a set of promises committing one to future action (Robinson & Rousseau, 1994:245), are the catalyst of organization production and maintenance. These mutual promises or reciprocal obligations between the organization, the employer, and the employee are based on relationship issues of inducement, exchange, and expectations. The shared set of mutual beliefs of obligation for future exchange, implicit or explicit, is considered the psychological contract (Ramlall, 2004; Lester & Kickul, 2001; Rousseau, 1994). However, this psychological contract is based on the separate perceptions of each party of the mutual obligation of what is expected and exchanged within the relationship (Robinson et al., 1994), and often times there are differences between the two points of view.

A psychological contract is defined for this paper as “an individual’s interpretation of an exchange of promises that is mutually agreed on and voluntarily made between two or more

parties” (Rousseau & Schalk, 2000:284). These contracts are based on trust, equity and procedural fairness, mutual benefit, and the meeting of expectations of parties involved in the relationship. Actions ascribed to maintaining the ongoing performance and measuring the activities within the organization can be misconstrued by one or both parties. Some actions taken by the organization through the use of technology monitoring may be seen as a violation of the psychological contract. From the employees’ point of view, violations of the perceived relationship of trust and dual mutual obligation, which underlies the psychological contract; often times have both performance and job satisfactions residual effects.

The concepts and controls related to technology usage in the organization as a construct of the employment psychological contract and how it fits into the overall picture of how employee’s beliefs and values are associated with issues relating to privacy, employer responsibility, trust, and procedural fairness is what this paper is attempting to explore. Building on the previous organizational behavior research literature based on employee feelings of satisfaction with technological monitoring and surveillance (George, 1996), organizational commitment (Ashford & Mael, 1989) violations of psychological contracts (Aiello & Kolb, 1995, Robinson et al, 1994, Robinson & Rousseau, 1994), employee expectations of trust and procedural fairness (Tabak & Smith, 2005; Hovorka-Mead et al, 2002; Lester & Kickul, 2001, Kidwell & Bennett, 1994), employer’s need for technological monitoring control systems (Firoz et al., 2006, Kalleberg & Torger, 1993; Attewll, 1987), what aspects that employees value of their psychological contract (Lester and Kickul, 2001) and performance implications of technological monitoring (Hovorka-Mead et al, 2002; George, 1996, Kidwell & Bennett, 1994, Griffith, 1993), Expectancy Theory, Equity Theory, and Agency Theory will be utilized in the creation of hypothesis around the psychological contract and technology/monitoring construct.

EXPECTANCY THEORY AND THE PSYCHOLOGICAL CONTRACT

Expectancy theory holds that people are motivated and make choices to behave in certain ways that increase the likelihood of producing desired expected outcomes and results. People process information differently while evaluating the alternatives, the outcomes, and the action-outcome results of any given situations in an attempt to choose which action they will take (Mitchell, 1979). The original expectancy theory proposed by Vroom, 1964 claims “that motivation is a result of a rational calculus that examines the degree to which: (1) effort will yield performance (expectancy); (2) performance will be rewarded (instrumentality); and (3) rewards will be valued (valence)” (Westerman & Sundali, 2005:101). Psychological contracts include expectations about the relationship between the employees and the organizations. Organizational commitment, trust and citizenship are an integral and important part psychological contract (Rousseau 1997). The two basic types of psychological contracts involving workers’ perceptions and expectations about mutual obligations in an employment relationship are transactional contracts these include short-term, economic/materialistic variables, usually represented by short-term employment and/or limited involvement and relational contracts which involve a long-term open-ended commitment such as job security, career development, and other relationship establishing elements (Robinson, Kraatz, & Rousseau, 1994).

Psychological contracts are based on perceived dual party relationships and dependency. A major element of any relationship is the aspect of trust. “Trust is a phenomenon that can be created, enhanced, or inhabited by interpersonal relationships with confines of situations factors” (Tabak & Smith, 2005:178). External environmental variables, such as previous work experience and knowledge, combined with individual personality characteristics all are determinants of an individual’s trust development and disposition as explained by Tabak and Smith (2005). Consistent with Ashford & Saks (1996) findings, employees will enter new organizations with high expectations of mutual trust and as they navigate the new environment they will seek to find

information and predictability of situational factors and other individuals that will reinforce this belief system. "Trust involves positive expectation about another person's motives in situations of risk" (Tabak & Smith, 2005:178).

The information that employees are seeking can be both informal and formal in nature. Corporate culture and the socialization process of newcomers will be an integral part of their internal definitions of their psychological contract and expected realities of working in the organization. Corporate value systems and social identity are instilled through consistency of company philosophy and business practices (Ashford & Mael, 1989). As reported by Lester and Kickul (2001), employees rated trust and respect as the second most important item, out of thirty-two factors, involved in their psychological contract while rating open and honest communication third and fair treatment fourth. If employees feel that they have trust and respect coupled with open and honest communication within the organization then trust is reinforced within the relationship and they will come to know what is expected of them.

However, electronic monitoring has the capacity to create an adversarial environment in the organization violating employee trust and potentially producing unwanted effects and/or destructive countermeasures (Marx and Sherizen, 1998). Research on continuous electronic monitoring has produced mixed results as some have linked its use in the workplace to psychological illness (Fairweather, 1999, Howard, 1985), increased stress (Fairweather, 1999: Aiello & Kolb, 1995), feelings of powerlessness and vulnerability (Fairweather, 1999: Zuboff, 1988), turnover propensity (Chalykoff and Kochan, 1989: Attewell, 1987) and decreased productivity (Marx and Sherizen, 1998). Others have mixed findings on stress levels and job satisfaction (George, 1996: Aiello & Kolb, 1995: Kidwell & Bennett, 1994) presenting the argument that other environmental variables have more to do with stress levels and job satisfaction ratings than the use of electronic monitoring.

Psychological contracts impact almost all aspects of organizational behavior and performance, from job attitudes and motivation (Hovorka-Mead et al, 2002: Hawk, 1994) to leadership and job satisfaction (George, 1996: Chalykoff & Kockanm 1989), especially when there is a perceived contract breach or feelings of violation (Lester & Kickull, 2001: Robinson & Rousseau, 1994). Breach is the cognition that one's organization has failed to meet one or more real or perceived obligations or violates established trust within the perceived standards/norms of the psychological contract. Results of a perceived violation/breach may include emotional distress, feelings of betrayal, and anger and has impact on the employee's overall behavior and obligation to the organization (Robinson & Rousseau, 1994: Robinson et al, 1994).

Electronic monitoring and surveillance in the working environment can be effectively utilized with the full and upfront disclosure by the organization. The psychological contracts in the employees view will remain in tact and trust will be maintained if electronic monitoring and surveillance policies and procedures are disclosed in advance and effectively tied into the legitimate processes of the organization (Kidwell & Bennett, 1994). Therefore it is proposed: Hypothesis 1: There will be a positive correlation to prior knowledge of the institutions policies and procedures on Internet usage and email communication and trusting by the employee that the organization has the responsibility of monitoring Internet and email activities.

Privacy in the workplace is another element that ties into the psychological contracts. "The right to privacy", though not officially or legally recognized, can be seen as providing four protective functions for the individual employee: (Velasquez, 2002), 1.) It ensure individuals that others do not acquire information that would expose them to harm, 2.) Privacy protects individual from unwanted and unwarranted intrusions, 3.) Privacy helps protect the individuals' loved ones or others that they care about, and 4.) Privacy prevents involuntary self-incrimination. The argument has been put forth that employee privacy is a "moral obligation" of the organization (Brown, 1996) and key determinates of relevance, consent, and methods (Valesquez, 1992) should be incorporated into all electronic monitoring policies and practices of organizations.

Employees feel that they are entitled to some forms of privacy. In the age of technology being constantly under some sort of surveillance in everyday life (shopping malls, while driving, etc.) the need for one's own private space and area may be desired to allow the employee to relax and not have to be continuously vigilant of others. Spending a considerable amount of time during the week in the working environment it is common to see personal memento and pictures occupying peoples' workspace within the organization. The large amount of time spent at the organization during the workweek may also mandate that personal business be brought to and engage/resolved at work during normal business hours. Examples could include banking, medical appointments, child related issues, etc. Thus, privacy would be of large importance as having personal items on your work computer would/could offer information that the public usually is not privilege too.

Hypothesis 2: There will be a positive correlation between those having personal items of their workplace computers and the feeling that all email communication is private.

EQUITY THEORY AND THE PSYCHOLOGICAL CONTRACT

Based on inputs and outputs, equity theory is based on the individual's perception of fairness. Equity theory is based on an individual's perception as they mentally measure their own actions/efforts, assessing their overall efforts and inputs to rewards they receive. These rewards can be intrinsic, (satisfaction, recognition) or extrinsic (monetary, promotion). After this self-assessment, a comparison is made about ones efforts/rewards to other worker's efforts and rewards, (Mitchell, 1979: Ramlall, 2004). This comparison is a perception measure of fairness. Is the ratio of inputs match the outputs of the individual, and are others in the organization fairly, with same perceived formula, compensated for their efforts in the same manner? If someone perceives that there is an imbalance in the comparison, tension is created and some form of action ensues. These expectations of what is fair within the organizational setting are often instilled in the initial socialization process of the individual (Ramlall, 2004).

Ascendants of the psychological contract involve elements of an individual's perceptions on organization's procedures, consistency, predictability, and global performance measurement and standards. These things taken together allow an employee to perceive equality and fairness in the distribution of work and measurements of performance in a standardized fashion. A study of thirty-two factors of importance in the psychological contract had employee's rate fair treatment fourth (Lester & Kickul, 2001). Usage of electronic monitoring and surveillance to evaluate employee's performance has been positively correlated to employee satisfaction and acceptance as long as it is disclosed and the employee has a voice (Tabak & Smith, 2005: Hovorka-Mead et al, 2002: Lester & Kickul, 2001, Kidwell & Bennett, 1994). The one key component of the integration and utilization of electronic monitoring in performance evaluations of employee output is that it is not the sole sources of information in the evaluation process (Kidwell & Bennett, 1994: Hawk, 1994). Disclosure and advance knowledge of organizational policies and procedures seems to be a major element of perceived fairness and justice consideration for the employee with the use of electronic evaluation systems (Tabak & Smith, 2005: Hovorka-Mead, et al., 2002)

Fairness in the use of electronic monitoring systems was also studied and the issue of how data is used in evaluation of performance was important to employees (George, 1996). Lack of uniformity and consistency of practices of monitoring employees (George, 1996) as well as weak justification and tie in to organizational processes showed negative correlation with job satisfaction and feelings of fairness. Using monitoring to integrate performance measures and increasing constructive feedback has positively viewed by employees (Griffith, 1993). Therefore it is proposed:

Hypothesis 3: Prior knowledge of the institutions Internet and email policies will be positively correlated to feelings of fairness of communication monitoring overall.

AGENCY THEORY AND THE ORGANIZATION'S RIGHT TO PROTECT ITSELF

Some estimate that U.S. companies lose an approximate \$500 million in workplace productivity due to personal non-worked related use of the Internet (Camardella, 2003). Electronic monitoring allows for organizations to attempt to prevent employees from utilizing company resources for personal use (Hodson, Englander, & Englander: 1999) as well as control illegal behavior (Marx & Sherizen: 1998). According to the 2005 Electronic Monitoring & Surveillance Survey, 26% of organizations reported to having fired an employee for misuse of the Internet, and 25% reported terminating an employee for misusing email (DePree & Jude, 2006). Also in 2001, 10% of U.S. companies reported that they had been served subpoenas resulting from emails usage of employees (Nord, McCubbins & Nord, 2006).

Taking the above facts into consideration, it must be a priority of all organization to protect itself from both loss and legally compromising employee behavior. "When the formal or informal employment contract is made between the employer and the employee, the employer obtains the right and the responsibility to request certain behaviors from the employee in exchange for the remuneration to the employee and has a legal and ethical responsibility to monitor the employee to assure that the employee is living up to her/his end of the bargain" (Hodson et al, 1999:102).

Organizations have different ways that corporate culture within the firm is communicated and instilled to employees. This socialization process includes incorporation and communication of company philosophy, traditions, management style, authority structure, and business practices utilized. Some organizations take a Theory Y approach (Mayo, 1945) and treat employees to organizational conditions so that they can achieve their own goals best by directing their own efforts towards organizational objectives, while other organizations take a more Theory X approach (Taylor, 1911) and treat the employee in a more suspicious and adversarial manner. From a purely economic view, employees and psychological contracts are too complex and should be simply about processes of efficiency, rationally, performance, and the investment put in by the organization (Kalleberg & Torger, 1993).

Furthering the economic view, the organization can be said to be acting in its own best interests by attempting to control technology and its use within the organizational arena. Agency theory (Kalleberg & Torger, 1993; Attewell, 1987) can be used to explain how in the light of inadequate information, the contractual arrangements that may be made, could be in conflict with the organizations goals of maximizing performance and profit. The employer, the principle, may not be aware if the employee (the agent) has done what was agreed upon and in a manner that is in line with the organizations best economic interests.

Attempts for managerial control of the labor force can be seen in some form or another throughout organizational literature. Factory systems using the "scientific management" ideas of Taylor (1911), utilizing time and motion studies in the establishment of quotas and work standards, monitored the individual worker through direct interaction. Consistent with Taylor, Hodson, Englander, & Englander (1999) view the employer's economic self-interest as another key component of why organizations should monitor their employees' actions. This self-interest economic relationship has two key features according to Sewell and Barker (2006: 940) 1.) The incomplete character of the contract between the principle and the agent means that the agent always has some discretion over how the work is actually organized, and 2.) The principle has limited ability to evaluate an agent's work effort especially when he has little understanding of the actual work performed by the agent. They continue on as they say that the employee may "free ride", social loafing as per Taylor (1911), when the above two features are combined and action thus must be taken to forgo this lose of economic self-interest from happening within the

organization (Sewell and Barker: 2006). To overcome the agents' perceived power in output of work product in the employee/employer relationship and equalize it, monitoring is needed to maximize organizational performance.

The relationship between employer and employee can also be looked at through the lens of a Marxist interpretation as discussed by Pfeffer (1982:163). He asserts several key points of employment relationships and the organization:

- Employers seek a powerless workforce.
- Employers seek a workforce easily controlled.
- Means of production (technologies) selected have the effect of deskilling workers to ensure social control over them.
- The employment relationship is structured that management power is largely hidden and control over the workers is achieved.

Thus, again technology and its by-products of monitoring and surveillance could be interrupted as a means of needed social control over the worker in the Marxist view. Social control is legitimate when the following elements are in place (Sewell and Barker: 2006:939). 1.) On balance, it promotes greater liberty, 2.) It is implemented by impartial experts, 3.) It ensures that all citizens meet their mutual obligation under some form of social contract. The organization to has a right and a duty to protect itself and the others within the system from legal harm, lack of productivity and abuse.

Hypothesis 4: There will be a positive correlation of the relationship between employee's personal work-time computer usage and feeling that monitoring of any kind by the organization is wrong and that all monitoring is an invasion of privacy.

METHODOLOGY

Sample. Participants in this study were full-time faculty and administrative staff from a small southern liberal arts university in the sandhills of North Carolina. The university has current, academic year 2006-2007, enrollment of approximately 2150 full-time day students undergraduate students and 100 full and part-time graduate students. The institution offers 15 different undergraduate programs and 3 graduate level masters programs. There are approximately 110 full-time professors currently on payroll. Questionnaires were administered at the beginning of the monthly full faculty meeting with the permission of the administration, in November of 2006. 92 questionnaires were distributed and participation was voluntary for those who were present on that day. The research objective was explained as being need for graduate level analysis only; the sample remained blind to the focus subject of the study as to prevent bias. However, the researcher that distributed the survey did have personal and/or professional interactions with the sample participants on previous occasions, thus a relationship bias may exist. The researcher did leave the room when the surveys were being collected. To guarantee anonymity, a collection point was stationed at both exit doors with receptacles.

Of the 92 questionnaires distributed, 63 were returned, a response rate of approximately 69%. Of the completed questionnaires, 8 were disqualified due to open ended write ins and/or multiple answers for a single question. There were 55 usable questionnaires, leaving a 59% response rate, from the sample in the analysis that follows. The average respondent was 46 years old, with 9 years working experience at the current institution, with males representing approximately 51% of the sample, and females 49%.

Measures. A self-created research instrument comprising issues of Internet and email usage at work (2 items), awareness of policies (2 items), privacy (4 items) and fairness in application (4 items) was developed for the study. Elements of usage, fairness, and privacy scales were five-point Likert type ranging from 'agree' to 'disagree' (Appendix A). Eleven items were positively

worded, and three were not (Items #4, #5, #9). Internet usage was measured using two closed-ended questions, with one using a five-hour range and the other a two-hour range. Closed-ended questions were also utilized to gather basic demographic data such as gender, age, years of current employment, and current position.

A two-tailed t-test was used to determine if there was a significant difference between mean response of males and females. This was done to check for a gender effect. Significance of p-value < 0.05 was used. Interestingly, findings did show a gender effect. Correlation test for significant relationship between responses were also run in this exploratory study. The Pearson Correlation analysis was used and significance was considered when p-value < 0.05.

RESULTS

Gender Effects. Tables 1-3 show the individual question analysis of the two-tailed t-test in relation to gender. There were three significant differences between the responses of females and males. Question #4 was primarily related to fairness and questions #6 and #9 were related to the issue of privacy in the workplace in conjunction with monitoring email and Internet communication. Table 4 shows the summary of data for the gender differences in feelings about the components dealing of fairness and privacy in the psychological contract. There was no hypothesis based around gender perception differences, however intuition would dictate that male and females perception of the issues under consideration within this study would be consistent with other gender research findings of differences in other fields (such as Brush, 1992 and Marlow 2005 in entrepreneurship). Interrupting data from table 4, it can be asserted that males feel much more strongly than females concerning privacy of Internet and email communications at work. With the current sample under study being equally represented between males and females this finding is interesting and may have future research possibilities

Table 1: t-Test: Two-Sample Assuming Unequal Variances

Question 4	Variable 1	Variable 2
Mean	3.0740741	4.241379
Variance	2.7635328	1.261084
Observations	27	29
Hypothesized Mean Difference	0	
df	45	
t Stat	-3.056666	
P(T<=t) one-tail	0.0018789	
t Critical one-tail	1.6794274	
P(T<=t) two-tail	0.0037579	
t Critical two-tail	2.0141034	

Table 2: t-Test: Two-Sample Assuming Unequal Variances

Question 6	Variable 1	Variable 2
Mean	3	4.241379
Variance	3.1538462	1.903941
Observations	27	29
Hypothesized Mean Difference	0	
df	49	
t Stat	-2.90615	
P(T<=t) one-tail	0.0027398	
t Critical one-tail	1.6765509	
P(T<=t) two-tail	0.0054796	
t Critical two-tail	2.0095752	

Table 3: t-Test: Two-Sample Assuming Unequal Variances

Question 9	Variable 1	Variable 2
Mean	3.037037	4.103448
Variance	2.5754986	1.596059
Observations	27	29
Hypothesized Mean Difference	0	
df	49	
t Stat	-2.749566	
P(T<=t) one-tail	0.0041672	
t Critical one-tail	1.6765509	
P(T<=t) two-tail	0.0083343	
t Critical two-tail	2.0095752	

Table 4: Summary of Data for Gender Differences

Mean	Male	Female	P-value
C1	2.966	3.37037	
C2	4.793	4.85185	
C3	3.448	3.4074	
C4	4.241	3.074074	0.00375788
C5	3.828	3.7777	
C6	4.241	3	0.005479629
C7	3.793	3.07407	
C8	1.552	2.08	
C9	4.103	3.037	0.00375788
C10	3.724	3.37037	
C11	2.655	2.9259	
C12	3.103	2.4444	
C13	2.552	3	
C14	1.241	1.40747	

Table 5: Survey Questions

Survey Questions Asked
1) There is currently a policy I am aware of that involves Internet usage at work
2) I use the Internet everyday for work related issues
3) I use the Internet at work everyday for personal related issues
4.) I do not feel that Internet usage at work should be monitored
5.) I do not really think about others viewing my Internet usage
6.) Email communications are private
7.) I have personal items on my computer at work
8.) It is fair all Internet and email communication may be viewed by others
9.) Monitoring Internet usage at work is an invasion of personal privacy
10.) I am unaware of an institutional policy involving Internet usage
11.) Internet monitoring is the institutions' responsibility
12.) Monitoring Internet activity at work is wrong for any reason

Psychological Contracts and Trust. Hypothesis 1 predicting a positive correlative relationship between prior knowledge of the institutional policies and procedures and employees' trusting that the organization has the responsibility of monitoring Internet and email activities did not find support. Results show that the only component that correlated with prior knowledge was a negative relationship that felt that monitoring should not be done at all. This was found in a relationship that presented itself in questions 1 and 4. This lack of correlation interpretation was derived from questions 1, 10 and 11 of the survey (See Table 5 for survey questions).

Psychological Contracts and Privacy. Hypothesis 2 proposed a positive relationship of correlation between people having personal items on their work computers and using them for personal non-work related issues and feeling that email and Internet usage is private and should not be monitored by the organization. Hypothesis 2 did find partial support. Questions 3, 4, 6, 7, and 9 (See Table 5 for survey questions) were used to interpret correlations of privacy construct to Internet usage. Having personal items on one's work computer did not correlate to any issues of trust, however those that used their work computers for non-work related activity felt that it was an invasion of their privacy to be electronically monitored.

Psychological Contracts and Fairness. Hypothesis 3 predicted a prior knowledge of institutional electronic monitoring of both Internet and employees would perceive email communication as fair. Hypothesis 3 was also not supported. Based on questions 1, 4, and 8 (See Table 5 for survey questions), again employees felt that even if they had prior knowledge of electronic monitoring efforts they still felt that it should not be done.

Psychological Contracts and the Institution's Needs. Hypothesis 4 proposed that a positive relationship would be observed between those that report high personal work-time computer usage and that the organization does not have the responsibility or the right to monitoring email and Internet activity. Questions used for this item were 4, 11, 12, and 14 (See Table 5 for survey questions). Hypothesis 4 found partial support as seen that with an association of personal work time Internet usage reported and not wanting to have their activities monitored. Employees do not feel that the institution has the right or the responsibility to control/monitor usage.

DISCUSSION

The study's main purpose was to further explore the construct of psychological contracts in the context of electronic monitoring and surveillance of Internet usage and email communications at work. It attempted to find correlations between elements of an employee's psychological contracts and perceptions about organizational monitoring activities. Though strong direct support was not found for the hypothesis presented, clear and strong employee feelings were uncovered about the issue addressed.

Trust and open communication rate very high in a study directly attempting to measure what attributes employees valued most in their psychological contracts (Lester & Kickul, 2001; Kidwell & Bennett, 1994; Hawk, 1994). The present research seems to contradict those findings. Unlike previous research (Tabak & Smith, 2005; Hovorka-Mead, et al., 2002; Kidwell & Bennett, 1994; Hawk, 1994) disclosure of policies and procedures did not consistently sway the opinion that the organization should not be monitoring Internet usage and email communications. Those in the study felt that the institution did not have the right or responsibility to engage in these activities. One may explain this contradictory finding by evaluation of the sample population. The sample set was that of a higher educational institution and environment. The scholarly business environment does not replicate that of a functioning organization outside of the field of education. Schedule flexibility, high autonomy, and decentralization of departments may all be factors in the point of views expressed by this sample. Higher educational attainment also attributed to faculty of a higher educational institution may of also affected results.

A strong feeling of dislike of having Internet usage and email communication monitoring is consistent with feeling that privacy is being invaded at some level. Those that admitted to using the Internet every day at work did not feel that is it fair that others may be scrutinizing their activities and strongly feel that their privacy is at issue. The question to ask here is by doing what they know they should not be, using work related equipment and time, and for personal matters how do they justify this in terms of their psychological contracts? It could be argued that the need for employees to handle personal related issues via email or Internet usage is a reflection of society as a whole. As families now rely on dual incomes, shared household management responsibilities, geographic dislocation of extended family members, allowing employees to engage in Internet and email usage to assist in the maintenance of their daily lives may decrease the amount of time that the employee is away from the workplace.

It could also be asserted that employees often incorporate electronic communication to establish and maintain a network of weak ties as discussed Granavetter (1985 & 1990) to carry out both work related and non-work related issues. However, management may not perceive issues that are not apparent as work related to add value to the employee's job performance. Job recruitment and fulfillment based on information gathered from these weak tie networks have been empirically established by Geniveter (1985). These "non-work related" relationships may also be cultivated as they may rebound, bringing future benefit to the organization, which could include indirect access to information and personal, increasing the employees competence at his/her job responsibilities (Hodson, Englander, & Englander: 1999).

CONCLUSIONS AND LIMITATIONS

Some practical applications of understanding psychological contracts include being able to better predict outcomes of enhancing job commitment and satisfaction. Proper expectation setting during the socialization period for newcomers can also result from understanding psychological contracts. By understanding those factors that the organization and its leaders can control, in this case electronic monitoring of Internet communication, more accurate employee identification and better long-term employee fit can result. Improved organization performance as a result of positive employee perceptions and feelings are the goal of psychological contracts.

The findings here show that employees have strong feelings of disliking monitoring, as they perceive privacy violations and unfairness of the practice. Disclosure of policies does little to alleviate the lack of support for monitoring. The responsibility for activity monitoring communication for abuse and/or waste by the organization is not apparent in the sample under study. Significant gender differences in some of the responses provided an opportunity to explore this avenue in the future. Perception gender difference in the context of psychological contracts, to my knowledge, has not been explored.

The three major limitations of this paper are the self-created survey instrument utilized in this study, the sample population, and cross sectional data usage. The data collection method instrument self-created by the author was not properly pre-tested before the study. Therefore any and all findings must take into consideration the lack of statistical testing on the survey instrument. The sample that was utilized was one of convenience and no random sampling measures were incorporated. Sample bias may exist due to the prior relationship with the respondents and the investigator. Self-reporting data is always suspect under the conditions in which it was collected when asking respondents to admit to a deviant behavior. Cross-sectional data needed to be used in conjunction with the study's deadlines; longitudinal research data is always preferred for generalizability issues.

Future research should explore possible gender differences in the construct of the psychological contracts and what factors each group values. Another avenue would be to re-examine higher educational institutions and compare past results from other industries to it for differences and similarities. The inconsistency with performance, disclosure, and fairness elements of this study to previous research opens up many new questions.

Even with the limitation of this study, it is believed that information gathered from the exploring of trust, privacy, rights and responsibilities in context to the employees' psychological contract could lead to new and exciting avenues of research. Tying technology rewards and responsibilities to attributes of the perceived psychological contract is a first step.

As to whether the institution should monitor activities under the agency point of view, the results of the sample say yes. There was not a positive relationship to those admitting to using the Internet at work and how much time they actually disclosed using. Do they not want monitored for value based issues or do they just not want to be discovered potentially opening the door exposing a potential reason for a slide in organizational performance and effectiveness. A positive association was discovered from the results of the administration representatives in the sample, correlating feelings that the Internet should be monitored. However they fell short of actually feeling that it was a "responsibility". This finding seems counter-intuitive in the legal climate that is prevalent in business today. Is this due to lack of understanding of the ramifications of abuse/waste to the organization or is it just plain apathy? Interesting and a possible question for future research endeavors.

The significant differences in response findings that showed that there was a gender effect was interesting and surprising. Males feel very strongly that their privacy was being invaded and that no forms of Internet and email monitoring activities should be taking place within the institution. The above relationship may be a derivative of the fact that men are reported

to use the Internet for communication more so than women. Generalization of theory and research findings often lump men and women together, perception differences between the genders need to be explored and contrasted in the construct of the psychological contracts and what each group values most and why.

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SURVEY

This survey is to measure feelings and values associated with electronic email communication and monitoring in the workplace. The purpose of the survey is simply educational and results will be used in research paper. All information will be confidential and the name of the institution will not be disclosed. Thank you for participating in this survey, your efforts and time are greatly appreciated. Please ***check*** the answer that you feel most applies to the question.

	Agree	Somewhat Agree	Neither Agree Nor Disagree	Somewhat Disagree	Disagree
1) There is currently a policy I am aware of that involves Internet usage at work	_____	_____	_____	_____	_____
2) I use the Internet everyday for work related issues	_____	_____	_____	_____	_____
3) I use the Internet at work everyday for personal related issues	_____	_____	_____	_____	_____
4.) I do not feel that Internet usage at work should be monitored	_____	_____	_____	_____	_____
5.) I do not really think about others viewing my Internet usage	_____	_____	_____	_____	_____
6.) Email communications are private	_____	_____	_____	_____	_____
7.) I have personal items on my computer at work	_____	_____	_____	_____	_____
8.) It is fair all Internet and email communication may be viewed by others	_____	_____	_____	_____	_____
9.) Monitoring Internet usage at work is an invasion of personal privacy	_____	_____	_____	_____	_____
10.) I am unaware of an institutional policy involving Internet usage	_____	_____	_____	_____	_____
11.) Internet monitoring is the institutions' responsibility	_____	_____	_____	_____	_____
12.) Monitoring Internet activity at work is wrong for any reason	_____	_____	_____	_____	_____

13.) How much of your professional duties during your work week involves using the Internet?

- 1 - 5 hours _____
- 6 - 10 hours _____
- 11 - 15 hours _____
- 16 - 20 hours _____
- 21 - 25 hours _____
- 26 hours or more _____
- Do not use the internet _____

14.) How much time during your work week do you use the Internet for personal reasons?

- 0 hours _____
- 1 - 2 hours _____
- 3 - 4 hours _____
- 5 - 6 hours _____
- 7 - 8 hours _____
- 9 - 10 hours _____
- 11 - 12 hours _____
- 13 - 14 hours _____
- 15 or more hours _____
- Do not use the internet _____

Please CHECK the box that applies to you.

What is your gender? Female _____ Male _____ Prefer Not to Say _____

What is your age? Under 30 _____ 51-60 _____

31- 40 _____ Over 60 _____

41- 50 _____ Prefer Not to Say _____

How many years have you been employed at this current institution?

- Less than 1 year _____
- 1-5 years _____
- 6-10 years _____
- 11 - 15 years _____
- 16 - 20 years _____
- 21 year or more _____

How would you classify your current job?

- Faculty _____
- Administrative _____
- Staff _____
- Other (please specify) _____