



Session 4

The individual and the collective: from contract to community

Human Resource Management

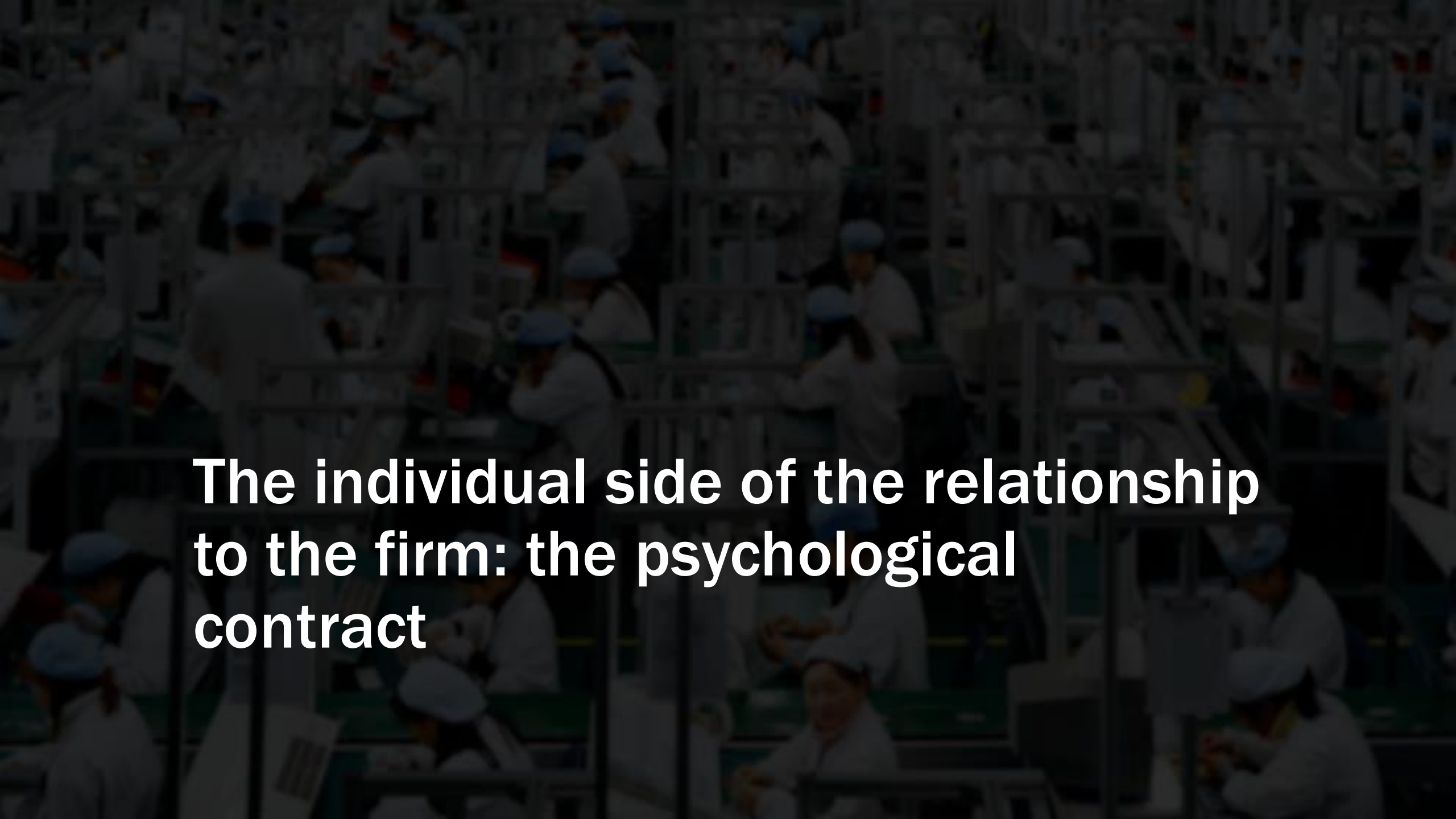


WOOCCLAP

What's in the news?

- 
- <https://www.arte.tv/fr/videos/125547-003-A/faire-le-job-3-4/>

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**The individual side of the relationship
to the firm: the psychological
contract**

1. The individual side of the relationship to the firm: the psychological contract

1.1 The psychological contract as a mental model of the employment relationship

- The employer-employee relationship involves affective and subjective dimensions.
- Definition: the psychological contract concerns the individual's **beliefs** about the terms of a reciprocal exchange agreement between themselves and the firm. (Rousseau 1989, 1995)
 - => interpretive and subjective dimension
- **Modelled** on the employment contract by analogy, but it concerns the informal part of the employment relationship:
 - tacit mutual expectations;
 - obligations one is barely aware of;
 - supposedly shared values or ideals.

1. The individual side of the relationship to the firm: the psychological contract

1.1 Definition

- It is an implicit agreement on the terms of the exchange
- It involves a relationship of trust.
- Three conditions for a psychological contract to exist:
 - An **expectation** = the perception of a **promise** ;
 - compensation for that promise;
 - acceptance of the terms.

1. The individual side of the relationship to the firm: the psychological contract

1.2 When is the psychological contract formed?

- The psychological contract is built as early as recruitment, and even before.
- The individual reads the organization's attributes as clues to the kind of relationship they can hope for. These clues are:
 - recruitment institutional communication,
 - the firm's external communication,
 - the managerial press,
 - what employees themselves say on social media,
 - the staging of the « employee experience ».

1. The individual side of the relationship to the firm: the psychological contract

1.2 When is the psychological contract formed?

Two notions linked to the psychological contract:

- the employer brand: modelled on the product brand (a guarantee of quality) — a signal to candidates about what the firm can offer them;
- the employee experience: modelled on the customer experience — the promise that the employee will be taken care of.

1. The individual side of the relationship to the firm: the psychological contract

1.3 When the psychological contract is broken

Three ways the psychological contract is carried out:

- fulfilment;
- exceeding obligations;
- the breach and the violation.

1. The individual side of the relationship to the firm: the psychological contract

1.3 When the psychological contract is broken

The vicious circle of psychological contract violation:

- the employee feels a promise has not been kept;
- the feeling recurs; neither the manager nor HR addresses their concern;
- they then pay sharper attention to the signals the firm gives, and read them as signs of failure, of disavowal;
- unrepaired breaches lead to an irreversible sense of violation;
- vicious circle: withdrawal → deviance (absenteeism, disengagement, errors) → resignation.

1. The individual side of the relationship to the firm: the psychological contract

1.3 When the psychological contract is broken

Much research to measure it, explain behaviours...

But what is the point of studying the psychological contract from the firm's point of view?

Studying the psychological contract is deemed essential to avoid breaches and disengagement, in order to maintain performance.

1. The individual side of the relationship to the firm: the psychological contract

1.4 the limits of the concept of the psychological contract

- The psychological contract becomes an end in itself. => it does not allow work situations to be analysed.
- It masks the power relationship.
- What is an unwritten promise worth?

1. The individual side of the relationship to the firm: the psychological contract

1.5 The psychological contract is more or less central depending on cultural contexts

The psychological contract is a liberal and individualist view of the employment relationship

- **In the United States:** the notion of the psychological contract is central because labour law is thinner (the State intervenes less in regulation).
 - « Employment at Will » (predominant) vs Employment Contract
 - Employment at Will rests on the principle of each stakeholder's freedom
- **In France:** Labour law.
 - The contract guarantees rights that are the counterpart of the employer's power.
 - respect for dignity and privacy, non-discrimination, information, training, paid leave.

1. The individual side of the relationship to the firm: the psychological contract

1.5 The psychological contract is more or less central depending on cultural contexts

The relationship of subordination

- At the heart of the employment contract.
- In exchange for submitting to the employer's authority to do their work, the worker is paid
- Supiot: labour relations are not seen « as a market that should be left to self-regulate » but as a site of power.
- **Note: platforms** work with independent contractors,
 - so they remove *wage subordination*.
 - But they impose software, hence a *technical* subordination.
 - They thereby remove everything labour law had built as a counterpart.



**The community side of the
relationship to the firm: corporate
culture**

2. The community side: corporate culture

Distinguish

- **organizational culture:** what actually develops among the members of a community;
- **corporate culture:** both an object and a management tool.

2. The community side: corporate culture

2.1 Organizational culture

- Schein (1985) starts from the observation that the psychological approach is too focused on the individual.
 - He proposes to approach the organization as a *global system that influences the behaviour of its members*.
- **Definition of organizational culture:**
 - « the pattern of basic shared values that a group has invented, discovered or developed in learning to overcome its problems of external adaptation or internal integration, values that have worked well enough to be considered operational and, as such, taught to newcomers as the right way to perceive, think about and feel similar problems to be solved » (Schein, 1985)

2. The community side: corporate culture

2.1 Organizational culture

The levels of culture according to Schein (1985)

- | Level | Content | Visibility |
|--------------------------|--|-----------------------------------|
| Artefacts | discourse, objects, activities | visible, but often undecipherable |
| Values and norms | the expression of values ;
they shape behaviour and make it predictable for others | close to consciousness |
| Basic assumptions | conception of relations to the environment, the nature of the human being, the nature of human relations | invisible, taken for granted |

2. The community side: corporate culture

2.1 Organizational culture

Three points to remember from Schein :

- the founder/leader plays a major role in building the culture;
- culture is an instrument of internal integration and external adaptation;
- management is tasked with transmitting it — culture becomes a heritage to be passed on, a « one best way » that guarantees performance.

2. The community side: corporate culture

2.1 Corporate culture: object and management tool

- The context of its emergence (early 1980s):
 - decline of American competitiveness in the 1970s;
 - Japan's triumphant return to global competition => practitioners and researchers seek the reasons for Japanese success and opt for a « culturalist » reading.
- American consultants (McKinsey) introduce the notion of corporate culture.
 - A deliberately utilitarian aim: to make culture a management tool in the service of performance.
 - Numerous books that became bestsellers

2. The community side: corporate culture

2.2 Corporate culture: object and management tool

- In Europe, the context is different:
 - after the 1973 oil shock, waves of restructuring and layoffs, work collectives fall apart.
 - => Meaning must be restored and communities rebuilt.
 - => Culture becomes a means of driving change.

2. The community side: corporate culture

2.2 Corporate culture: object and management tool

The stake is twofold:

- to rehabilitate the image of the firm, until then seen as a place of alienation and exploitation;
- to instil in employees the cult of performance by securing everyone's buy-in.

⇒ « We must recreate *connection* between employees » to achieve strong, total commitment to the cult of performance

⇒ Corporate culture must be a culture of consensus = « everyone in the same boat »

2. The community side: corporate culture

2.2 Corporate culture: object and management tool

Smircich: « The firm has a culture. The firm is a culture. »

- has a culture → culture is an organizational variable, an object to manage and control.
 - Thévenet: « Culture interests management if — and only if — it increases its chances of being effective. »
- is a culture → the firm is a full-fledged social group, producing rules and conventions.
 - With this 2nd view, culture can be made into a management tool

2. The community side: corporate culture

2.1 Corporate culture: object and management tool

- Culture is the instrument that makes it possible to
 - shape and homogenize employees' representations and behaviours, the better to enrol and control them
 - while **hiding this dimension of control beneath an ideology of buy-in.**
- Corporate culture — whose culture is it? → Above all that of the leaders, owing to their power and visibility.
- What is it made of? → Universal values that no one can disagree with.

Don't be evil

 22 languages 

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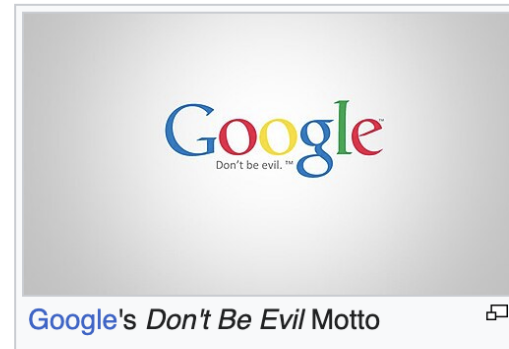
From Wikipedia, the free encyclopedia

For the 2026 nonfiction book, see [Claire Stapleton](#).

"**Don't be evil**" was formerly [Google's motto](#), and a phrase used in Google's corporate [code of conduct](#).^{[1][2][3][4]}

One of Google's early uses of the motto was in the prospectus for its 2004 [IPO](#). In 2015, following Google's corporate restructuring as a subsidiary of the conglomerate [Alphabet Inc.](#), Google's code of conduct continued to use its original motto, while Alphabet's code of conduct used the motto "Do the right thing".^{[5][6][7][1][8]} In 2018, Google removed its original motto from the preface of its code of conduct but retained it in the last sentence.^[9]

History [\[edit \]](#)





Goldman Sachs

🕒 This article is more than 7 years old

Goldman Sachs relaxes dress code for 'more casual environment'

Wall Street bank makes firm-wide decision because of 'changing nature of workplaces'



📷 Goldman Sachs had already loosened its dress code for its technology staff, but had maintained formal business attire for the remainder of its 36,000 employees. Photograph: Brendan Mcdermid/Reuters

Julia Kollewe

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2. The community side: corporate culture

2.2 Corporate culture: object and management tool

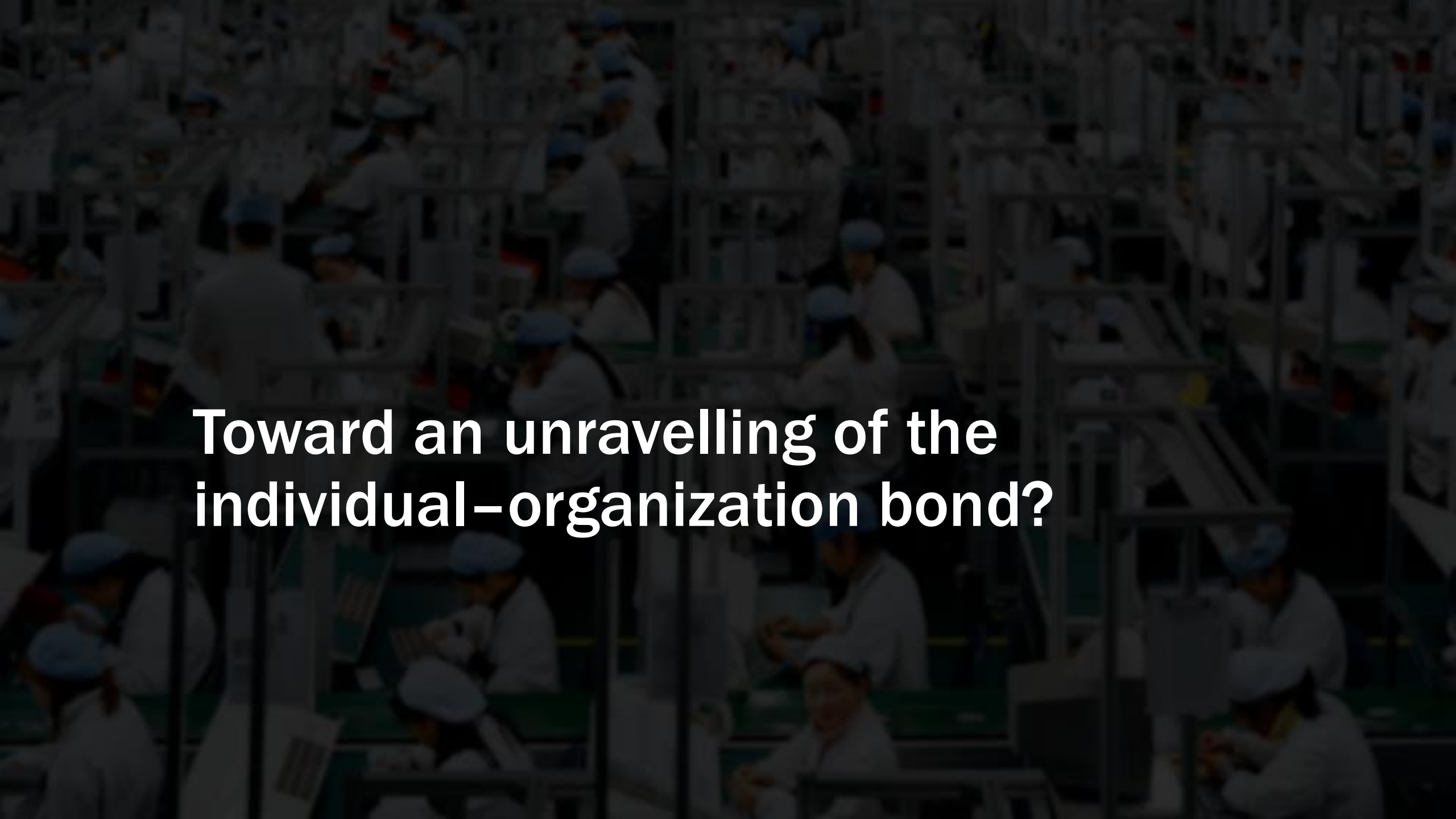
How is corporate culture manufactured?

- **The staging of the organization**
 - space (individual offices or not, open space, break areas, co-working);
 - time (schedules, clocking in or not, ritual meetings, annual reviews, remote work);
 - codes (dress, language, formal/informal address);
- Its narration (success stories, myths and heroes, storytelling, employer brand).
- Its rendering visible
 - Internally to govern conduct
 - Externally to assert the firm's difference or distinction, to seduce and capture new resources.

2. The community side: corporate culture

2.2 Limits of the notion of corporate culture

- **A distorted use of the concept of culture.**
 - culture – in its definition drawn from the social sciences – a construct embedded in the history of relations between social groups — relations that are often unequal.
 - There is no such thing as « the culture », only a plurality of cultures.
 - Management borrows the vocabulary of the study of indigenous peoples (myths, tribes, rites) to reduce culture to a « frozen folklore ».
- **Employees as receivers of corporate culture.**
 - Employees as consumers of messages coming from above.
 - « corporate culture » dissolves social identities.
- **The organization is a multicultural space.**
 - In reality, a diversity of cultures coexists within one and the same firm.



**Toward an unravelling of the
individual–organization bond?**



- <https://www.arte.tv/fr/videos/125547-003-A/faire-le-job-3-4/>

- 11:50 -15:31

3. Toward an unravelling of the individual–organization bond?

3.1. The diversification of employment statuses

- The social contract of the post-war boom is called into question
 - stability, predictability, growth → the employer guarantees job security, the employee gives their loyalty.
 - Called into question in the 1990s: globalization, competition, the primacy of shareholder logic.
- Today:
 - the permanent contract remains the norm, but employment conditions diversify and the lowest wages grow poorer;
 - the multiplication of precarious contracts makes employment status a structuring element of work status — confining low-skilled young people to « odd jobs » with no career prospects;
 - growing porosity between subordinate work and independent work (subcontracting, self-employment);
 - some stack statuses: hybridization of employment.
- **The current shift: from employment to employability.** It is no longer up to the firm to guarantee a job; it is up to the employee to remain employable.



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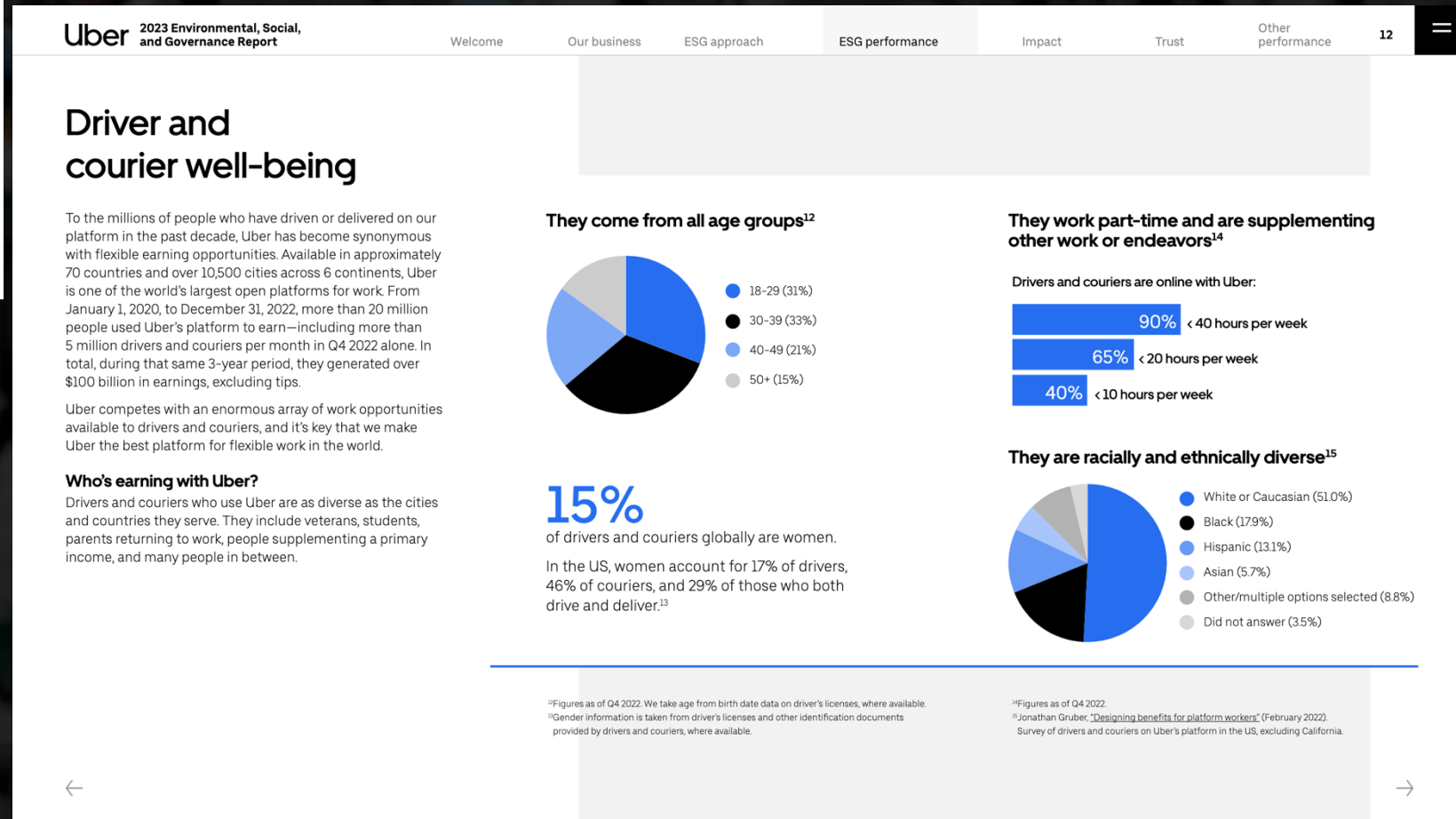
3. Toward an unravelling of the individual–organization bond?

3.2. The rise of work platforms

- What platforms do is informational intermediation between economic actors. =< They are market-firm hybrids.
 - Uber (2012): owns neither a fleet nor salaried drivers. It invites anyone with a car to become a driver, whenever they want;
 - Effect on work => « stopwatch work ».
- Why use independent contractors from the platforms' perspective?
 - to reduce labour costs and avoid wage employment (paid leave, health insurance, unemployment).
 - => no recruitment, no follow-up, no dismissal, no internal counterpart, sometimes no employer counterpart at all,
- What the platform does to the individual-organization bond:
 - The most total depersonalization
 - No work collective
 - Under the guise of being independent, the work has a relationship of economic dependence on the platform.

3. Toward an unravelling of the individual–organization bond?

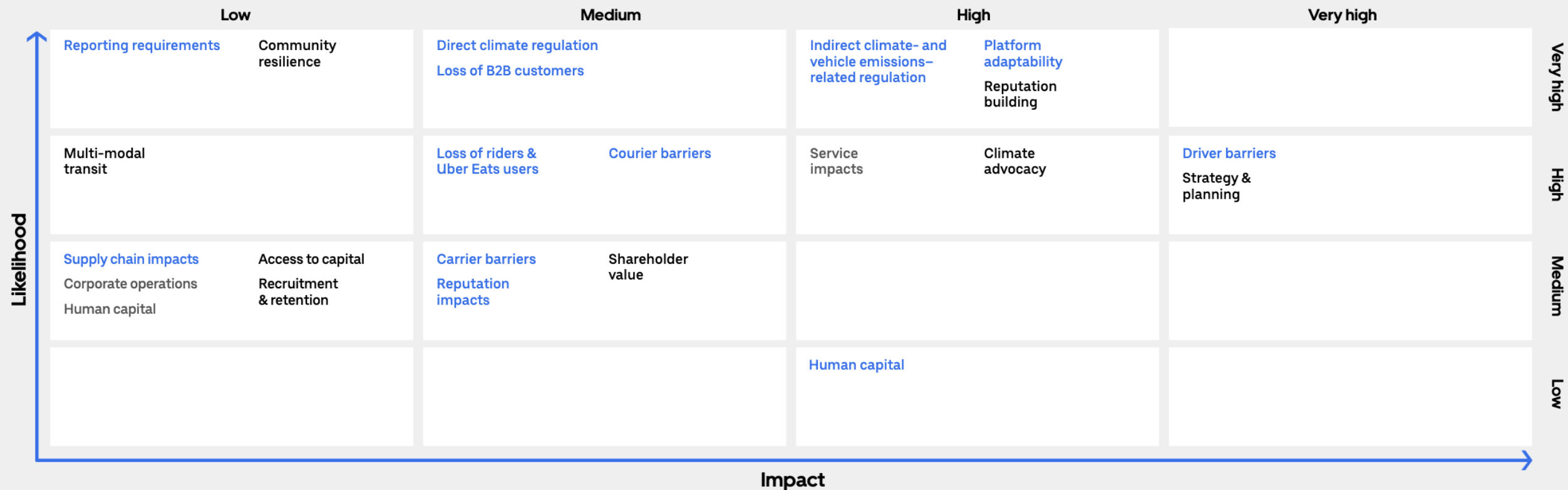
3.3 And yet: the discourse of responsibility: the example of Uber

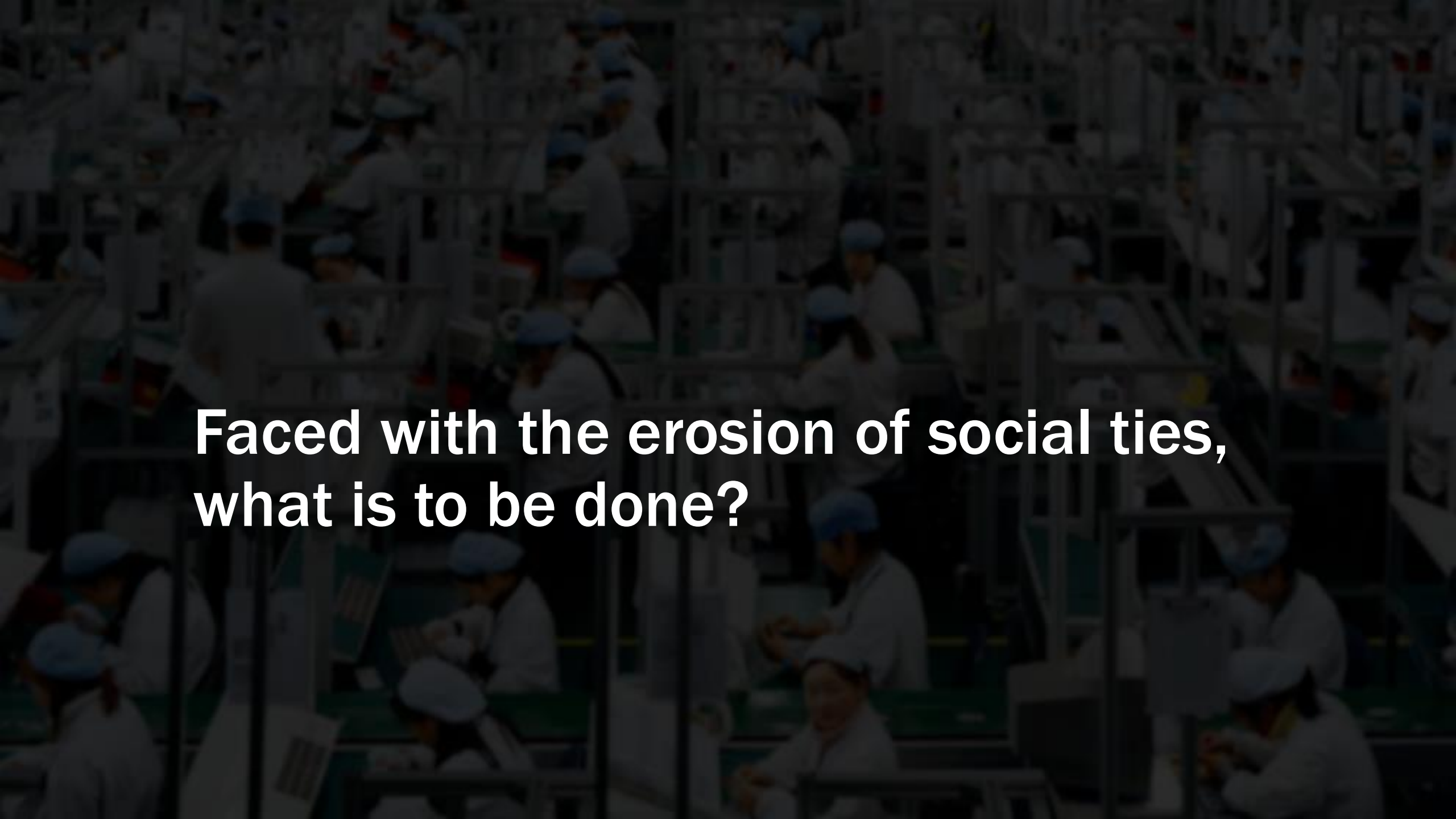


<https://a.storyblok.com/f/143187/x/9551ac5e52/uber-technologies-inc-2023-esg-report.pdf>

Prioritization matrix of risks and opportunities

● Transition risk ● Physical risk ● Opportunity





**Faced with the erosion of social ties,
what is to be done?**

4. Faced with the erosion of social ties, what is to be done?

4.1. Rebuild the community?

What is a community?

- Tönnies (1887) contrasts community and society: « A community is characterized by a kind of fusion into a "we" that still leaves room for individual "I"s. »
- Second trait: the community is territorialized — a unity of place and time that brings its members together and helps socialize them.
- To make community is to:
 - share common activities and common trials to overcome;
 - exchange knowledge and know-how;
 - debate their relevance and agree on the conditions of work done well, on the sharing of responsibilities;
 - value this knowledge and ensure its transmission; take part in a common work.

4. Faced with the erosion of social ties, what is to be done?

4.2. Rebuild the balance of power over working conditions?

Social dialogue as the principle that enables collective bargaining over working conditions

- **Social dialogue:**
 - establishes a collective — workers are represented (by unions), they negotiate together;
 - and it presupposes conflict — unequal parties, divergent interests.
- **Collective bargaining**
 - Definition: a process of negotiation between independent unions and employers. It determines employment conditions, wages, working time. Its result: a collective agreement.
 - Three levels: cross-industry/national (agreements apply to all firms in the country); branch/sector (to all firms in the sector); firm.

4. Faced with the erosion of social ties, what is to be done?

4.2. Rebuild the balance of power over working conditions?

Social dialogue as the principle that enables collective bargaining over working conditions

- Labour law advances through social uprisings:
 - 1936, Matignon agreements (40-hour week, paid leave, workshop delegates);
 - 1945-46, works councils and staff representatives;
 - 1968, after Grenelle, union rights within the firm;
 - 1982, Auroux laws, annual obligation to negotiate. All enjoy legal protection against employer pressure.
- A crisis of social dialogue?
 - Unions remain indispensable counter-powers facing the employer's power (Le Gall).
 - But: fewer than 8% of employees are unionized, against 14% in 1980; the rate has been halved in the private sector; and since 1989, non-union candidates have been the majority in works council elections.
 - Why? One is free to join or not; all employees benefit from agreements, not only members — so there is no individual incentive to join; and the unions are divided?

Summary

- What binds us to the organization's collective?
 - Two instrumental answers from management (presenting the bond in the service of the profit-making project): the psychological contract and corporate culture — but they mask subordination and control beneath buy-in.
- This bond unravels with the logics of individualization, of which the platform is the paroxysm
- Faced with this erosion,
 - How to make community (can we make a « we » with whoever has authority over us?);
 - social dialogue, which works on real rights but which is running out of breath

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