The Use of the Concept “Entitlement” in Management Literature: A Historical Review, Synthesis, and Discussion of Compensation Policy Implications

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Individuals’ perceptions of what they are entitled to have long been regarded as an important area of debate. We examine the various uses of entitlement perceptions across fields to develop a typology that identifies two dimensions: employee entitlement perceptions and reciprocity in the employee– employer relationship. We discuss how our typology informs management practice. In particular, we describe the implications of our typology on employee reactions to different pay plans. Directions for future research are suggested.

1. Introduction

Over time, changes in technology, globalization, competition, and demographics have altered the nature of employment relationships (Feldman & Gainey, 1997; Friedman, Christensen, & DeGroot, 1998; Lepak & Snell, 1998; Parker, Wall, & Jackson, 1997; Potterfield, 1999; Rousseau & Wade-Benzoni, 1995; Tsui, Pearce, Porter, & Tripoli, 1997). Some of these employment relationship changes are unintended results of organizational change (e.g., Mohrman & Cohen, 1995; Whitener, 1997), whereas in other cases organizations have taken steps to alter employees’ expectations of what they should expect from their employers (e.g., Kossek, Roberts, Fisher, & Demarr, 1998; Sturman, Boudreau, & Corcoran, 1996). Consequently, management researchers have recognized the need to address employee expectations when examining employee–organization relationships (e.g., Heath, Knez, & Camerer, 1993).

Much of the research regarding employee expectations in their employment relationships uses the term “entitlement” or “entitlement philosophy.” Despite the term entitlement having a notable history and specific definitions in many classic social science fields—including philosophy, political science, and law—there have been no scientific treatments of the concept in organizational sciences. In other words, the concept of “entitlement” has often been employed in management literature, but it has not received treatment as a specific construct (i.e., Kerlinger, 1986). Although the multidisciplinary roots of management are often seen as a distinctive competence for the field (Bartunek, Bobko, &

Venkatraman, 1993; Blackburn, 1990; Porter, 1996), the varied assumptions behind the use of the term entitlement in other fields create different uses of the term within the organizational sciences. The inconsistent use of the term has made the formation of a nomological net around the construct impossible.

Failure to treat entitlement as a scientific construct is a notable gap for organizational science because understanding individuals' perceptions of entitlement is fundamental to understanding employee expectations and, in particular, the nature of exchange between individuals and their employing organizations. For example, employee entitlement perceptions are thought to affect the development of psychological contracts (Robinson & Rousseau, 1994), which subsequently affect work attitudes and behaviors. Use of the term entitlement in organizational science, however, often does not reflect its historical meanings in intellectual prose. Management texts, theory, and research incorporating the term fail to consider many of the precise components of its domain that have led to key distinctions in other fields. Although there are merits to avoiding over-precision and unnecessary scientific treatments, the importance of the term entitlement across disciplines and within organizational science for understanding employee expectations necessitates a more in-depth and precise treatment of the construct. We argue that a cross-disciplinary examination of entitlement will (a) improve our understanding of the role of entitlement perceptions in the workplace, (b) help more fully specify entitlement's role in current management theory, and (c) foster research employing a scientific treatment of the construct.

Furthermore, this article will show how our treatment of the construct generates specific propositions regarding (a) the construct's relationship with conceptually similar constructs, (b) its association with behaviors and attitudes of importance to researchers and practitioners, and (c) how the construct can explain individual preferences for various compensation systems. Ultimately, we develop a typology of entitlement that synthesizes previous uses and reveals the array of assumptions for the construct. Whereas some have argued that employee preferences for various reward systems and the effectiveness of such systems are affected by the fit between compensation plans and employee characteristics (e.g., Cable & Judge, 1994), no theoretical framework yet exists for identifying what factors are associated with this fit. We argue in this article that the effectiveness of a compensation plan depends on employees' entitlement perceptions and the degree of expected reciprocity in the employee–organization relationship.

Entitlement is an important construct for management theory, research, and practice. Given the need to understand entitlement perceptions, it is therefore necessary to precisely define the construct

and demonstrate how the divergent assumptions can be synthesized into a coherent typology. As with other concepts, different treatments of entitlement can add confusion or value to its application in the organizational sciences (e.g., Rousseau, Sitkin, Burt, & Camerer, 1998). In this article, we trace the various uses of entitlement perceptions across fields in order to show how this construct can be used to inform management theory, research, and practice. Our intent is not to introduce an entirely new construct to the field of management; rather, it is to recognize the history behind the concept of entitlement, review its use in management literature, and provide a synthesis of this prior work in order to precisely define the construct. This will allow subsequent work to pursue consistent research using the construct and develop its nomological net.

2. Uses of the Term Entitlement in Other Fields

Although the term entitlement has been explored from different perspectives, it is important to point out that there is some general agreement across fields regarding the concept. Specifically, all fields treat entitlement as related to what individuals perceive they deserve, and thus, entitlement can be seen as ranging from low (i.e., the person perceives he/ she does not deserve a certain distribution) to high (i.e., the person perceives he/she deserves the distribution). Most of the debate regarding entitlement thus focuses on what is entitled (e.g., Carroll, 1994; Franck, 1992; Nozick, 1974; Pierce, 1996). However, various fields' approach to this issue, the determination of what is entitled, inevitably returns to a discussion of why something may be entitled. It is often through each field's definition of entitlement that the assumptions regarding this issue of why can be uncovered; thus, differences in assumptions across fields are revealed.

For example, from a legal tradition, an entitlement is viewed as something owed by law that cannot be taken away without due process (Black's Law Dictionary, 1990). Legal scholars have conceptualized entitlement as part of a US citizen's legal and economic rights (e.g., da Silva Cornell, 1994). Consequently, individuals' entitlements are seen as a dichotomy: an item of property (or a right, etc.) is either owed to a person or not. If there is a dispute, then the decision is resolved through the legal system.

Examples of the legal discipline's treatment of the concept can be seen in discussions of numerous government programs. For example, the Social Security Act of 1935 initiated a semantic distinction between entitlement, that which is deserved, and welfare, that which is not (Gordon, 1995). However, in the 1970s, welfare entitlement was perceived as a social right of citizenship (Himmelfarb, 1999). Reform measures since then have led to a consideration of welfare entitlement as a discursive

right in which legitimacy of one's citizenship rights is balanced against the rights of others. Thus, this perspective treats the determination of entitlement not as function of the individual (unless the individual acts in such a way to lose an entitlement), but of the laws within society.

Philosophers have treated the construct of entitlement more broadly, referring to what individuals expect in their functioning in life. Nozick's (1974) theory of entitlement says that entitlements constitute certain inalienable rights. Under this perspective, individuals have the fundamental rights of liberty, not to be harmed in life, health, and to control individual property and other previously unheld resources. Nozick argued that entitlement theory was historically based, and distributive justice is established by determining whether the distribution came about by just means: "historical principles of justice hold that past circumstances of people can create differential entitlements or differential deserts to things" (p. 155). Other philosophers have made parallel arguments about individuals' entitlements to basic needs. For example, some see hunger as an entitlement failure because people are viewed as being entitled to food. O'Neill (1994), using Amartya Sen's entitlement approach which centers on the ability of people to command food through legal means such as production, trade, and state provisions, suggested that famine represents an "entitlement failure—failures of persons to enjoy customary or legal claim-rights to food and other prerequisites of nutritional well-being" (p. 645).

Similar views of entitlement are found in a number of other fields. In the political science literature, some view democracy as a global entitlement. Franck (1992) described "the emerging right to democratic governance," in which democracy is being perceived as a global entitlement involving self-determination, free expression, and a participatory government. Thus, "democratic entitlement" is a normative expectation that those who govern do so with the consent of the governed. There is growing international recognition of a democratic entitlement that ranges beyond physical borders to individual citizens; recent UN General Assembly Resolutions affirm this trend by declaring the right of all people to participate in government (Pierce, 1996).

The marketing literature has also taken into consideration the idea that individuals (customers) perceive they are entitled to certain things. This literature has long examined the relationship between customer expectations and outcomes such as customer satisfaction. The dominant conceptual model in the customer satisfaction area is the disconfirmation of expectations model, which suggests that customer satisfaction is a function of customers' comparisons between what they expected and what they received (e.g., Kristensen, Martensen, & Gronholdt, 1999).

The anthropology literature describes how various cultures view themselves as being entitled to special rights. For example, Carroll (1994) discussed how when one group views itself as an endangered indigenous people, its members often claim they are entitled to political power. This belief in entitlement, or claim to special rights, is based on contextual factors (e.g., length of settlement, colonial experiences, the internal social structure of the community), rather than on reciprocity factors.

The common thread underlying these perspectives (e.g., Carroll, 1994; da Silva Cornell, 1994; Franck, 1992; Nozick, 1974; O'Neill, 1994) is that individuals' entitlements are predetermined before examining any characteristics of the individual. These views hold that one is not required to reciprocate in return for a certain entitlement (e.g., food, legal rights, democracy); rather, entitlement is due to the norms of society, or simply because one is human.

In other social science disciplines, though, entitlements are not always held to be universally deserved. Some scholars (e.g., Locke, 1960; Rawls, 1971) envisioned entitlement as resulting from an exchange, focusing on the degree of reciprocity in relationships (i.e., whether individuals are entitled to certain things as an inalienable right or whether individuals are expected to reciprocate in some way). Utilitarianism views the distribution of goods, and therefore one's entitlement, as a function of utility to society (e.g., Galbraith, 1987). Under this perspective, one is only entitled to as much as its distribution benefits the overall good; however, to the extent the distribution benefits society, one is entitled to receive that full amount. In other words, one has to deserve one's level of entitlement. This is similar to the underlying entitlement principles of capitalism, which holds that one is entitled to that which one earns (e.g., Friedman, 1962).

Marxist theories also assume a connection between work and income entitlement. Within this perspective, workers are entitled to a product and the fruits of their labor. Because they have earned it, a distribution is viewed as unjust if it does not give the workers what they are entitled to (Nozick, 1974). Individuals, however, are viewed as being entitled to what they need, not necessarily what they produce. Thus, whereas an individual does not necessarily deserve resources, work entitles individuals to have their needs fulfilled. Other considerations of reciprocity have included Locke's (Fried, 1995) and Adams's (1965) work regarding the relationship between what individuals put in and what they get, in return.

In sum, our cross-disciplinary examination of the entitlement literature has identified two dimensions in the definition and treatment of entitlement. The first dimension has been treated similarly across fields: entitlement refers to what an individual believes he or she "deserves." Our cross-disciplinary review, however, reveals differences regarding the degree of reciprocity inherent in

relationships. Thus, whereas identifying the entitlement perceptions dimension is not new, and is reflected in common uses of the word, the issue of reciprocity has varied across fields and has significant implications for its use. Section 3 of the article uses these assumptions of the other fields discussed above to specifically define two dimensions of entitlement perceptions that can be applied to describing employee–organization relationships: (a) employee entitlement perceptions, and (b) reciprocity in the employee–employer relationship.

3. Defining the Dimensions of Entitlement Perceptions in the Management Literature

3.1. Employee Entitlement Perceptions

Much of the entitlement literature described above points to a common, underlying dimension concerning entitlement perceptions, which reflects the degree to which an individual perceives he/she is entitled. Most management research on individuals' entitlement has thus far treated the entitlement concept as one-dimensional. That is, entitlement perceptions range from low to high. For example, equity sensitivity research describes individual levels of the construct ranging from low (i.e., benevolents) to high (i.e., entitleds) (Huseman, Hatfield, & Miles, 1985; Mueller & Clarke, 1998). Similarly, other research considers entitlement cues in negotiations, referring to the amount of resources expected by an individual to constitute a fair outcome (Polzer, Mannix, & Neale, 1998).

Within this context of quantity, some research has shown that employee entitlement perceptions are associated with outcomes of interest in management research. Employee entitlement perceptions have been associated with the development of psychological contracts (Robinson & Rousseau, 1994), which subsequently are thought to influence work attitudes and behaviors. Each party to the psychological contract has a unique interpretation of the terms of that contract, although the parties may believe they share a common understanding. In addition, most employees believe this contract is stable and they cannot envision situations wherein the contract might change, or even be aware of these situations when they do occur (Robinson & Rousseau, 1994; Rousseau, 1990). Employee entitlement perceptions affect whether the change is perceived as a violation of the psychological contract. This is important because violations of the psychological contract are more intensely felt than unmet expectations or perceptions of inequity (Robinson & Rousseau, 1994).

When management literature has taken a prescriptive approach to the desirability of entitlement, this research has generally assumed that organizations would want to reduce employees' entitlement perceptions. Again, this approach has treated entitlement unidimensionally. For example, Sturman et al. (1996) described an organization using a choice in health-care plans to begin creating a

culture with a decreased level of employee entitlement perceptions. That is, the organization wanted employees not to simply expect benefits, but wanted employees to take a more active role and greater responsibility in their interactions with the organization. Kossek et al. (1998) discussed the testing of career self-management training at an organization, with the intent of the organization to change employees' expectations away from the mindset that the organization will take care of their career development, to employees being active in developing and planning their own careers and skills. Becker and Huselid (1998) warned that a poorly implemented promotion-from-within strategy can reflect an entitlement culture, and thus an organization should implement certain high performance work practices. In these cases, the organizations would want to reduce the entitlement perceptions that individual employees feel they deserve. The use of the term entitlement only reflected the idea of a quantity expected by the individual.

Based on the historical review, and the use of the term entitlement in management literature, we define employee entitlement perceptions as "the compensation expected as a result of an individual participating in an employment relationship." Here, we employ a general definition of compensation, with it meaning "all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship" (Milkovich & Newman, 1999). Note also that we state the individual as participating in the employment relationship. Thus, our definition specifies that an individual's entitlement perceptions are not necessarily a function of an individual's level of performance. Further, whereas it is beyond the scope of the present article to identify the antecedents of entitlement perceptions, it is important to note that we view entitlement perceptions as stemming from both individual and situational factors.

3.2. Reciprocity in the Employee–Employer Relationship

Upon closer examination, the entitlement construct encompasses more than one dimension. In some circumstances, use of the entitlement concept refers to something expected by the individual irrespective of any return. This includes the idea that certain behaviors, even if outside of a specific contract, should simply be performed (Seiders & Berry, 1998), or that entitlement perceptions are a reflection of an individual's personality (Peirce, Smolinski, & Rosen, 1998). On the other hand, research addressing the diminishment of one's entitlement perceptions includes not only a reduction of quantity expected, but also an increase in the level of individual responsibility to obtain desired rewards. For example, the company described in Sturman et al.'s (1996) study did not necessarily want to reduce the amount of benefits an employee received; rather, it wanted to shift the responsibility of obtaining the

rewards to the employees. Similarly, the training program described in Kossek et al.'s (1998) study was not intended to reduce career success; instead, it was supposed to shift the expectation of career development away from the company and place the responsibility on the employee. These examples demonstrate that the conceptualization of entitlement is more complex than a single dimension ranging from low to high. Therefore, we view the construct of entitlement as encompassing a second dimension: reciprocity in the employee–employer relationship.

We define reciprocity in the context of entitlement as “the extent that participation in the employment relationship requires some sort of action or effort to make the requisite compensation an entitlement.” When reciprocity is low, then any expectations of a level of entitlement perceptions are not perceived as dependent on individual action. For example, if an individual perceives benefits as an entitlement, then an individual with a low level of reciprocity would expect the benefits to be provided to the individual, irrespective of job performance, attendance records, etc. Similarly, if an individual perceives cost-of-living adjustments to be an entitlement, then that individual would not be favorably disposed to the likelihood of receiving such an adjustment being linked to individual, group, or organizational performance. On the other hand, individuals with an expectation of reciprocity would accept a relationship between individual outcomes and entitlements. Such an individual may see pay for performance systems as fair and appropriate. Similarly, such an individual may see across-the-board pay increases as unfair. We should note, however, that low reciprocity does not connote low motivation. Rather, it captures the extent to which individuals believe rewards should be contingent on individual attitudes or behaviors.

4. Nomological Network for Entitlement Perceptions Construct

Specifying our definitions for entitlement and reciprocity helps depict how such constructs can influence management research. Definition specification, however, is but a first step in such a process; it is also necessary to specify within a theoretical framework the hypothetical linkages of the construct with related constructs developed by prior research. Thus, it is necessary to develop the nomological net which should clarify interconstruct relationships and provide clear directions for future research to test the measure's construct validity (Cronbach & Meehl, 1955; Schwab, 1980).

The two dimensions presented in the typology are measures of individual perceptions, feelings, and attitudes toward work or the employment relationship. Consequently, an investigation into the construct validity of the overall construct should involve examining the relationship of these dimensions with other constructs within the same context. We thus seek to explain which other attitudinal variables

are expected to be related (i.e., exhibit convergence) and unrelated (i.e., exhibit discriminance) to each dimension. Specifically, as our construct has two key elements—employee entitlement perceptions, reflecting the benefits desired, and reciprocity, reflecting the exchange relationship—we identify two theories that appear most fruitful for developing a nomological network around the entitlement construct. Specifically, we examine equity sensitivity (e.g., Huseman et al., 1985) and social exchange theory (e.g., Blau, 1964).

As entitlement perceptions capture what one feels one deserves, equity theory naturally lends itself to the development of a nomological network. Equity theory (Adams, 1963) defines workplace motivation in terms of a perceived equity ratio of the inputs from an individual into a job (e.g., effort) to the outcomes they receive in the exchange (e.g., pay, recognition). Although equity theory research has originally assumed that individuals are equally sensitive to the effects of such equity ratios, Vecchio (1981) challenged this assumption. More recently, research explicitly addressing this issue has suggested that individuals expect different types of ratios, and identified three groups of individuals: benevolents, who prefer (or have a greater tolerance for) a ratio with more inputs than outcomes; equity sensitives, who prefer a balance of inputs to outcomes; and entitleds, who prefer greater outputs to inputs, or at least are more focused on outcomes with less regard for inputs (Huseman, Hatfield, & Miles, 1987; King, Miles, & Day, 1993; Sauley & Bedeian, 2000).

Equity sensitivity is concerned with the outcome orientation from the employment relationship, and the nature of the expected exchange in such relationships. It is thus a construct obviously related to our construct of entitlement. Our treatment of entitlement, though, is notably different from equity theory and work on equity sensitivity because equity theory is concerned with the ratio of inputs to outputs, whereas our review of entitlement shows that issues related to the input/output exchange (i.e., reciprocity) and outputs (i.e., level of entitlement) are conceptually distinct. Nonetheless, as both entitlement and equity sensitivity are concerned with both individual expectations of, in the terms of equity theory, inputs and outputs, it is important to consider the convergent and discriminant relationships of these constructs. As the equity sensitivity construct involves elements of both quantity expected and expected individual behavior, we should expect some convergence with both the level and reciprocity elements of entitlement. Specifically, we expect that there should be convergence between equity sensitivity and both dimensions:

Proposition 1a: Equity sensitivity should exhibit convergent validity with entitlement level.

Proposition 1b: Equity sensitivity should exhibit convergent validity with reciprocity.

It is important to note, however, that as equity sensitivity is based on a ratio incorporating both aspects involved in entitlement, it is likely that such a measure would capture multiple and diverse individual effects. Most notably, because equity sensitivity is a ratio, varying levels of the construct reflect two separate phenomena. This article raises the importance of differentiating between the dimensions of entitlement. Although output orientation from equity theory and equity sensitivity research are comparable to entitlement level, and expected inputs from the same domain are comparable to reciprocity, the two areas are not equivalent. Even more notably, the ratio of these values would certainly diverge from any one of the dimensions viewed separately. Thus, although we expect some convergence as described above, we should also expect the following:

Proposition 2a: Equity sensitivity and entitlement level are separate and distinct constructs.

Proposition 2b: Equity sensitivity and reciprocity are separate and distinct constructs.

The theory of social exchange also lends itself to expectations of convergence and divergence of established constructs with the construct of entitlement. Social exchange theory has been used to explain why individuals form commitments to their supervisors and organizations and perform in ways beyond what is required of them in the formal employment contract (e.g., Settoon, Bennett, & Liden, 1996). Research has hypothesized and empirically supported the idea that individuals form effort–output expectancies, which affects the amount of individual effort devoted to fulfilling organizational goals (Eisenberger, Huntington, Hutchinson, & Sowa, 1986). For the purposes of advancing social exchange research, Eisenberger et al. (1986) explored the construct of exchange ideology. This construct represents individual perceptions of how much effort employees should exhibit given organizational treatment, fair handling, and appreciation of employee effort. This is conceptually similar to the concept of reciprocity. The precepts of social exchange theory would predict that with high levels of reciprocity we would expect similar reciprocity from the organization. Therefore we expect the following:

Proposition 3a: Exchange ideology should exhibit convergent validity with reciprocity.

However, exchange ideology, as with reciprocity, does not necessarily indicate the amount of returns expected. Rather, the amount of returns is a separate construct indicating a separate set of preferences. Therefore, we postulate the following:

Proposition 3b: Exchange ideology should exhibit discriminant validity with level of entitlement.

5. Direct Effects for Entitlement Level and Reciprocity

In addition to the relationships of the entitlement perceptions construct with other theoretically related constructs, we also expect that the dimensions will have substantive validity (e.g., Schwab, 1980) for predicting outcomes of interest for both research and practice. Again, we call upon the theoretical foundations of equity theory and social exchange theory with which to draw our propositions.

First considering the effects of individual entitlement level, the previously discussed equity sensitivity literature explores a minimum amount of outputs that an individual expects in order to be motivated for a given level of inputs. Again, this perspective considers both inputs and outputs simultaneously, whereas our conceptualization of entitlement level separates outputs from the issue of employment reciprocity. Yet, all else equal, higher levels of entitlement are more likely to be associated with unmet expectations than low levels of entitlement. Such a discrepancy will thus lead to greater dissatisfaction with the employment relationship, or put generally, lower distributive justice reactions to various outlays of outcomes. Indeed, several studies have found a negative relationship between level of entitlement perceptions and job satisfaction (Huseman et al., 1985; King & Miles, 1994; King et al., 1993) and pay satisfaction (Sweeney, McFarlin, & Inderrieden, 1990). High levels of entitlement perceptions have also been found to be related to low levels of distributive justice and organizational commitment and high levels of turnover intentions (King & Miles, 1994). In addition, high levels of entitlement perceptions are thought to be associated with high absence rates (Huseman et al., 1987). As this article focuses on such exchanges from the perspective of compensation (both monetary and nonmonetary), we would expect the following:

Proposition 4a: Entitlement level is negatively related to pay satisfaction.

Proposition 4b: Entitlement level is negatively related to job satisfaction.

Turning our attention to reciprocity, our definition of reciprocity suggests that it indicates a willingness (a) to be involved in a contingent reward system, and/or (b) perform organizationally beneficial behaviors beyond those specified in the employment contract. Social exchange theory suggests that desires to reciprocate are associated with extra-role behaviors, such as helping a coworker with a task or putting in extra hours (e.g., Settoon et al., 1996). Thus, reciprocity should be associated with a measure of such behavior: organizational citizenship behaviors. Similarly, these individuals should be more satisfied with the processes behind contingent pay systems. Although the specific behaviors and feelings will likely depend on entitlement perceptions and the specific processes involved in the various HR system, we predict the following:

Proposition 5a: Reciprocity is positively related to organizational citizenship behaviors.

Proposition 5b: Reciprocity is positively related to the procedural justice associated with contingent pay policies.

6. Entitlement Perceptions Typology and Compensation Plans

We expect that both entitlement level and reciprocity will have direct effects on outcomes of interest to both researchers and practitioners. However, as we expect that both dimensions are part of an overall construct, the simultaneous effects of the two dimensions should have implications beyond that explained by examining any single dimension in isolation. The two-dimensional framework envisioned in our definition of entitlement perceptions captures the divergent assumptions and discussions in management and other fields that have employed the term entitlement. Using this two-dimensional structure, we can present a framework integrating previous uses of the term. We thus turn to describing this two-dimensional conceptualization of entitlement and discuss its application to explaining how compensation systems interact with individual preferences.

Although entitlement perceptions may impact a wide range of employee–employer exchanges, compensation is a fruitful area within which to focus our discussion. First, because entitlement perceptions involve feelings of what is owed, an examination of rewards is useful. Second, whereas a body of research has concluded that compensation plans should “fit” with employee characteristics (Cable & Judge, 1994; Lawler, 1971; LeBlanc & Mulvey, 1999; Milkovich & Newman, 1999; Wright & Snell, 1998), there has been little theoretical development of any framework to describe what causes such fit. Consequently, we know little about why individuals prefer certain organizational characteristics over others (Judge & Cable, 1997). Understanding entitlement perceptions will also help explain how the interaction between the employee and the employer—in the negotiation process leading to the development of the actual and psychological contract (Robinson & Morrison, 1995) or during socialization after joining an organization (e.g., Feldman, 1976; Louis, 1980)—affects employee attitudes and behaviors within an organization. Examining the implications of entitlement perceptions for compensation policies yields a framework that begins to provide a model to address these issues.

As developed above, we describe how entitlement perceptions can be conceptualized as varying along two dimensions. Specifically, we believe that an individual can have entitlement perceptions that vary across both dimensions independently. Although we characterize such dimensions as continuous (i.e., each ranging from low to high), we can facilitate a discussion of their implications by categorizing individuals as either low or high on each dimensions, thus developing a two-by-two typology. We use

this typology to describe different “entitlement types” and to illustrate the implications of entitlement perceptions for the implementation of compensation plans. These types are shown in Fig. 1, and are described in detail below.

6.1. High entitlement/low reciprocity

We begin our discussion of entitlement types with the case of employees who have high levels of entitlement perceptions and low levels of reciprocity. We refer to these entitlement perceptions as the “traditional relationship,” with the idea that this mentality reflects the model of employment that dominated the American workplace from the 1950s to the 1980s (e.g., Stanton, 1982). These employees expect rewards, but do not think the allocation of these rewards should depend on competitive individual evaluations, as might occur if individual rewards were linked to performance appraisals.

Level of Employee Entitlement Perceptions	High	Traditional Relationship Individual Expectations <ul style="list-style-type: none"> Relationship is job-focused Organizational commitment can develop Employer expected to be responsible for training, career, benefits, etc. Desired Compensation Characteristics <ul style="list-style-type: none"> Total compensation is specified No at-risk pay 	Individual Achievers Individual Expectations <ul style="list-style-type: none"> High rewards for high effort and success Desired Compensation Characteristics <ul style="list-style-type: none"> Individual Pay-for-Performance
	Low	Temporary Relationship Individual Expectations <ul style="list-style-type: none"> Relationship is job-focused Contingent employment relationship No employee or employer loyalty/commitment Desired Compensation Characteristics <ul style="list-style-type: none"> No at-risk pay 	Team Members Individual Expectations <ul style="list-style-type: none"> High rewards for high performance and when organization is able Not all compensation is monetary Desired Compensation Characteristics <ul style="list-style-type: none"> Profit sharing or Gain Sharing
		Low	High
		Degree of Reciprocity in the Employee/Employer Relationship	

Fig. 1. Entitlement philosophy typology.

Similarly, these types of employees would not feel that their individual pay should be a function of organizational performance or other factors out of their personal control. Rather, these individuals want employment based on a straightforward contractual relationship. This perception of entitlement

reflects an attitude that as long as certain minimal standards are met (e.g., the person is employed by an organization and has not behaved in a way to forfeit his/her entitlement), the person is entitled to certain rewards or outcomes (LeBlanc & Mulvey, 1999). Traditional employees would thus be most comfortable in a contract where total compensation was specified. Pay should not be at risk, nor should employees be responsible for their own benefit choices. Employees would expect to work the number of hours specified by their contracts. If additional time was required, these employees would expect additional compensation (e.g., overtime, comp time). Employees of this sort would also desire clear specification of pay advancement, such as specified advances associated with increases in seniority. It is also likely that employees of this sort would see their employment, as a whole, as an entitlement, and thus would expect that as long as they did not behave in a way to jeopardize their entitlement, the security associated with their job should remain constant. In sum, for employees with high entitlement perceptions and low levels of reciprocity, we expect the following:

Proposition 6a: “Traditional relationship” employees will prefer noncontingent reward systems.

Proposition 6b: “Traditional relationship” employees will exhibit high preference for job security.

It should be noted that employees of this category would not necessarily have lower levels of motivation or performance. Whereas some have indeed argued that those with high entitlement levels and little desire for contingent rewards represent a threat to organizational productivity and performance (Bardwick, 1991a, 1991b), others have argued that organizations should employ high, noncontingent pay policies and do all in their power to get people’s minds off compensation to ultimately yield improved organizational performance (Kohn, 1998). We wish to be clear that the reader should not confuse low reciprocity with low motivation or a tendency for shirking. Rather, individuals of this type fit into a mold that desires an employment relationship typical of the 1950s to 1980s (e.g., Stanton, 1982). Although there is evidence that such employment relationships are rapidly disappearing (e.g., Bardwick, 1991a, 1991b; Murray & Gerhart, 1998), it should not be surprising to find employees who would still be most comfortable in such an environment. Although organizations may not desire employees of this type, or may want to change the entitlement perceptions of these sort of employees, it is clear what sort of compensation system would best “fit” the norms and desires of this sort of individual.

6.2. Low Entitlement/Low Reciprocity

A low entitlement/low reciprocity relationship is one where there is little commitment from the employee to the organization, and vice versa. The employee–organization relationship is job-focused in

nature (Tsui, Pearce, Porter, & Hite, 1995) and is best reflected by the nature of those willingly entering into contingent or temporary employment relationships, and thus we label this type of entitlement perceptions as the “temporary relationship.”

Those in temporary relationships with their organizations, usually referred to as contingent workers, do not have the job security associated with “traditional” employment relationships (Appelbaum, 1992). The relationship between the organization and the employee is kept separate by nonsupportive treatment (Feldman, Doeringhaus, & Turnley, 1994; Rogers, 1995), isolation from permanent employees (Rogers, 1995), long-term job insecurity (Carre, 1992; Feldman et al., 1994; Nollen, 1996), and routine, nonchallenging work assignments (Nollen, 1996; Rogers, 1995).

Contingent workers typically earn less money and receive fewer benefits than noncontingent workers; however, recent evidence suggests that there is a wide range of compensation packages in this sector (Hipple & Stewart, 1996; Nollen, 1996). For example, wages and benefits for temporary high-tech workers have recently risen due to tight labor markets (Egan, 1996). Thus, although the majority of contingent workers prefer more secure employment, a sizable minority are in contingent jobs by choice (Larson, 1996; Nollen, 1996; Polivka, 1996). Some accept contingent work to gain access to opportunities for longer-term employment, whereas others enter into contingent work because of the flexibility (Lenz, 1996; Polivka, 1996). In essence, contingent workers operate in a market, instead of a familial, relationship with the organization; they are expected to exploit their opportunities, not take care of one another or the organization (Pearce, 1993). Thus, certain individuals may be seeking a relationship like this, and certain organizations may be seeking to find employees to fit into such a relationship.

A low entitlement, low reciprocity work environment does not necessarily entail one where employees will be dissatisfied. It will be an arrangement, however, where commitment is unlikely to develop, either to or from the employer, and employees are unlikely to perform activities beyond those specified in the employment contract. In fact, the growth of individual commitment to an organization of temporary workers may be evidence of a lack of fit between individual desires and an employment relationship, which could ultimately lead to ill-will or poor fairness perceptions when the contingent nature of the relationship is executed. Compensation in this relationship is likely to be simple with respect to dollars (i.e., a set, not-at-risk hourly wage), and the contract is likely to have little or no job security. Organizations are otherwise unlikely to provide any other means of support, such as training, enriched job environments, bonuses for high performance, etc., nor would employees expect such compensation.

Employees with a “temporary relationship” mentality thus expect little support from the organization, and provide no loyalty. Relationships are well-spelled out and have little security. Pay would likely not be at risk. However, it would also fit that if there were objective, easily measured outcome measures, then pay could be on a purely commission basis. Again, low reciprocity does not mean low motivation. The purely commission plan would fit with employees in a “temporary relationship” if the pay for output relationship is clearly specified. What low reciprocity would indicate is that employees would expect little or no support for performance improvement (i.e., no training, logistical, or administrative support) and the employer would not expect behaviors beyond those leading to the rewarded individual output (e.g., no helping or training of coworkers). In sum, for employees with high entitlement perceptions and low levels of reciprocity, we propose the following:

Proposition 7a: “Temporary relationship” employees will prefer noncontingent reward systems.

Proposition 7b: “Temporary relationship” employees will have little preference for job security.

Proposition 7c: “Temporary relationship” employees will exhibit low commitment to the organization.

6.3. High Entitlement/High Reciprocity

Those with high entitlement perceptions, but viewing such expectations as a consequence of a highly reciprocal relationship, we label as “individual achievers.” We describe those in this category as expecting high rewards, but because of high levels of effort and/or performance. Thus, those in this category would actually have low entitlement perceptions when performance was low, but would expect sizable rewards when performance was similarly sizable.

Those in this category would be most motivated and satisfied under a pay for performance plan that is based on individual outcomes (LeBlanc & Mulvey, 1999). Thus, lump-sum bonuses or merit pay would be most appropriate (Milkovich & Newman, 1999). Employees would also want to compete with each other for pay advances and promotions; thus, tournament theory would be a suitable explanation for the motivation of individuals of this type. Further, a hierarchical pay system would best fit these individuals’ entitlement perceptions (Becker & Huselid, 1992; Bloom, 1999; Bretz & Judge, 1994).

We expect that “individual achievers” would desire a competitive environment where individual performance is highly rewarded. Whereas there are clearly examples of organizations seeking this sort of employee (e.g., Bardwick, 1991a, 1991b), there are also a number of organizations seeking a more cooperative environment (e.g., Bretz & Judge, 1994). Such rewards could be monetary (e.g., bonuses, perks) or nonmonetary (e.g., training, feedback, recognition). Failure to reward such performance, though, would likely cause dissatisfaction and turnover. Similarly, if this sort of mentality was

inappropriately assumed for a group of employees, the lack of fit would likely have negative consequences for the organization. Or even if rewarded, if greater reward (or career opportunities) were available elsewhere, the individual would be likely to take advantage of them. Thus, we would also not expect organizational loyalty (i.e., commitment) from individual achievers.

Proposition 8a: “Individual achiever” employees will prefer individual-based contingent reward systems.

Proposition 8b: “Temporary relationship” employees will exhibit low commitment to the organization.

6.4. Low Entitlement/High Reciprocity

The final category of our typology is one where employees have low levels of entitlement perceptions, but have feelings of high reciprocity. It is not that these do not want rewards; rather, they simply feel that rewards are not owed to them. Instead, these employees expect rewards when, not only they deserve them, but when environmental or organizational circumstances permit it.

We label these sort of employees as “team members.” Even if individuals of this category performed exceptionally, they would not expect rewards if the organization could not afford to pay them. Of course, if an individual was a high performer and the organization did perform well, the individual would expect rewards to be forthcoming. Failure to do so would be seen as a breach of the reciprocal relationship, and thus unfair.

Team members are likely to have high organizational commitment, in part a function of high perceived organizational support. Employees in this category, though, would not necessarily expect this support to be in the form of high pay. In particular, when the organization was unable to provide monetary rewards, support would still be provided (expected) through other forms of organizational support. This might include job security, autonomy, favorable work conditions, or at least the opportunity to contribute in new ways at the organization. Although the specifics of the support may change, or may vary across organizations, the key underlying factor is that “team members” would expect this sort of support, and particularly the perceived loyalty of the organization.

In terms of compensation, these employees would likely be motivated by profit sharing or gain-sharing plans. These plans base compensation on collective efforts, rather than strictly on their own performance (Bretz & Judge, 1994; Gross & Duncan, 1999). Employees would also work effectively under an egalitarian pay structure that would facilitate group-wide or organization-wide thinking (Bloom, 1999). These plans would work well with low entitlement, high reciprocity employees because the employees are committed to the organization and, thus, would be motivated by being part of the success and growth of the organization.

Proposition 9a: “Team player” employees will prefer group-based contingent reward systems.

Proposition 9b: “Team player” employees will exhibit high commitment to the organization.

The professional press seems to suggest that workers of this type are desirable for organizations (e.g., Bardwick, 1991a, 1991b). Simply paying employees with a profit sharing plan, however, does not instill employees with low entitlement and high reciprocity perceptions (e.g., LeBlanc & Mulvey, 1999). As we will discuss in Section 7, paying individuals with given levels of entitlement and reciprocity perceptions in a way that best fits a different category in the typology may result in poor individual–organizational fit.

7. Implications and Directions for Research

The typology presented, which specifies that individuals vary with respect to their entitlement perceptions and degree of reciprocity in the employee/employment relationship, provides a means to describe the type of employment relationship desired by individuals. The previous section examined those compensation systems that best fit with various categorizations of individual employees. Next, we develop a theoretical basis for predicting person–organization fit. That is, we propose that person–organization fit is in part a result of the match between individual entitlement perceptions and the total compensation scheme of the organization. It is important to note that, although we focused our discussion of the typology on pay plans, we expect the fit between employee entitlement perceptions and all types of rewards (e.g., benefits, training, and opportunities for advancement and mentoring, etc.) to be relevant.

Person–organization fit is thought to be related to a number of attitudes and behaviors, such as attraction (e.g., Chatman, 1989; Schneider, 1987), job satisfaction (e.g., Lovelace & Rosen, 1996; O’Reilly, Chatman, & Caldwell, 1991), and turnover (e.g., O’Reilly et al., 1991; Tsui & O’Reilly, 1989). Person–organization fit is thought to be a function of a match between individual norms and organizational characteristics. Yet, research has not yet fully specified the mechanisms of such matching. Some research has argued that organizational policies should fit with individual preferences (e.g., Judge & Cable, 1997). Thus, matching organizational pay practices to the entitlement perceptions of individual employees should yield better person–organization fit. Therefore, we can form a number of propositions regarding the consequences of matching entitlement perceptions to organizational practices.

Proposition 10: Employees will be attracted to jobs where the organizational climate and human resource policies match their entitlement perceptions.

In addition to individual factors, employees will form entitlement perceptions based on expectations from their contract, their social contract, and socialization into an organization. Entitlement perceptions may develop because of specific expectations, such as promises during the recruitment process, past precedent in the organization, etc. Employees' understanding of their types of employment relationships will thus also affect their entitlement perceptions.

Proposition 11: Individuals in an employment relationship where the organizational climate and human resource policies do not match their entitlement perceptions will exhibit greater dissatisfaction and withdrawal behaviors.

Contrary to some research that regards person–organization fit as stable, we do not view an individual's entitlement perceptions as unchangeable. Therefore, we do not see person–organization fit as a static construct. There is evidence that organizations do not regard entitlement perceptions as stable by the fact that they take steps to change individuals' entitlement perceptions (Heath et al., 1993; Kossek et al., 1998; Sturman et al., 1996). The testing of our typology, and the more general issue of investigating the nature of employee entitlement perceptions, would benefit from specific investigations into the longitudinal nature of the construct. Based on our definition of the construct and evidence from research and practice, we postulate the following:

Proposition 12: Individuals' entitlement perceptions may change over time.

Proposition 13: HR policies can be used to change individual's entitlement perceptions.

Employee rewards can be used to facilitate changes in employee entitlement perceptions, but the success of the changes will depend on the benefit to employees, and the extent to which actual attitudes can be affected. For example, the attempt by GM at its Saturn division appeared successful when the profit sharing was high, but when profits declined to the point where individual total pay was below previous base pay levels, the organization faced employee dissatisfaction and an effort to obtain a more traditional employment contract. In part, we would expect that organizational efforts to change entitlement perceptions, or more generally perhaps the entire climate of the organization, may succeed or fail through a number of different approaches. It is beyond the scope of this article to develop theoretical reasons for why various human resource or organizational interventions may have specific effects. It is important, however, to point out that many of these desired changes may emanate from a desire to affect levels of employee entitlement perceptions and/or degree of reciprocity.

The present article offers several directions for future research. First, research is needed to develop a measure of entitlement that captures both dimensions of our typology. This research also

should establish the construct validity of a measure of employee entitlement perceptions. This article does present propositions regarding the nomological network for the construct, but empirical work is needed to develop a measure, test its psychometric properties, and test these propositions. With a valid measure in hand, theory-testing research is needed. Testing the propositions offered in this article would be a useful starting point. If the two-dimensional structure of entitlement is supported, further research should identify factors that cause individual entitlement reactions and how they might be used to change individual levels of entitlement perceptions. For example, the present typology addresses the relationship of employee entitlement perceptions to employee commitment; however, it may be that the relationship is bidirectional (e.g., commitment drives employee entitlement perceptions). Further, are certain employees predisposed to have high entitlement perceptions by nature and/or are certain human resource management policies more likely to elicit high entitlement perceptions? We believe it will ultimately be most fruitful to examine entitlement perceptions and related outcomes longitudinally. Although we have conceptualized employee entitlement perceptions at the individual level, future research should consider employee entitlement perceptions from the group and organization levels as well. For instance, it may be that “entitlement climates” (i.e., shared entitlement perceptions) develop in certain work groups or organizations. An understanding of how human resource management practices can be used to affect entitlement perceptions would benefit organizations determined to change entitlement climates in the new millennium. Such research may also inform how understanding entitlement perceptions can aid in the recruitment, selection, negotiation, and retention of employees.

8. Conclusion

The concept of entitlement has spanned many disciplines. This article stresses the notion that, for management research, entitlement needs to be given the more scientific treatment of a construct. A review of a number of fields shows that different domains have employed varying assumptions when discussing entitlement, and thus it is necessary that organizational research carefully define entitlement and understand its components when discussing its relationship to outcomes of theoretical and practical interest.

Given the trend of changes in the employment contract, greater attention afforded to employees’ level of entitlement perceptions can play a number of roles in future research. First, understanding entitlement perceptions provides a theoretical basis for explaining the development of person–organization fit. Second, it also informs fit research as to why certain types of programs will match with specific employment practices. Finally, understanding the construct of entitlement

perceptions offers a useful starting point for building a theoretical model to explain how it can be changed by organizations to achieve the types of attitudes and behaviors they desire.

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