

Analysing the impacts of Universal Basic Income in the changing world of work: Challenges to the psychological contract and a future research agenda

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Abstract

Technological developments within advanced economies are impacting organisations and working lives. With the advent of 'Industry 4.0', Universal Basic Income (UBI) is being cast as a potential 'buffer'—a social safety net—to the restructuring of organisations, jobs, and economies that are already underway. The Covid-19 pandemic is providing an additional impetus as governments instigate similar safety nets as employment falls in the wake of the virus. To date, much of the debate concerning UBI has taken place in disciplines outside the auspices of Human Resource Management with most commentary occurring within the spheres of economics and social policy. This conceptual study is one of the first within the human resource management (HRM) field to address the potential impacts of UBI on orientations to work and the management of employees. To do this, we focus on a central underpinning theory within HRM, the psychological contract and how this might be affected by its introduction. Finally, a research agenda is developed that provides options by which we might explore the implications

Abbreviations: AI, artificial intelligence; ILO, International Labour Organisation; SET, Social Exchange Theory; TUC, Trades Union Congress; UBI, Universal Basic Income.

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of UBI for the practice of HRM when and if such schemes are implemented.

KEYWORDS

HRM, psychological contract, research agenda, technology, Universal Basic Income, work

Practitioner notes**What is currently known?**

- The controversial idea of Universal Basic Income (UBI) has attracted a broad attention as a means of reducing poverty and providing a bulwark against the loss of jobs caused by the increased use of artificial intelligence

What the paper adds?

- UBI has been studied mostly within the spheres of Economics and Social Policy but not within Human Resource Management or Management and Organisation Studies. We contribute by focusing on some key Human Resource Management implications for UBI

Implications for practitioners

- The study considers the potential impacts of UBI on the psychological contract and how motivations to work might (or might not) be impacted by its implementation

1 | INTRODUCTION

The pace of change affecting working lives is known to be quickening (Colvin, 2015). Commentators, both scholarly (Brynjolfsson & McAfee, 2014; McAfee & Brynjolfsson, 2016; Pereira, 2014; Straubhaar, 2017) and practitioner (O'Brien, 2017), contend that social and technological transformations—as seen in developments in artificial intelligence (AI) and other advanced technologies—together with globalisation and changes in national policy, are radically reshaping work (de Vries et al., 2020; Lindsay et al., 2014; Straubhaar, 2017). According to the McKinsey Global Institute (2017), around half of current jobs in the United Kingdom and the United States could be automated in the near future and 57% of jobs in the Organisation for Economic Cooperation and Development are susceptible to mechanisation in the next 20 years (Berger & Frey, 2016; Susskind, 2020). These changes—often termed 'Industry 4.0' (Schwab, 2016)—are arguably exacerbating existing insecurities within employment and intensifying concerns regarding the increasing precariousness of work (Kalleberg, 2009; Kalleberg & Vallas, 2011).

One response to these concerns has been the surfacing of a long-standing idea; that of a Universal Basic Income (UBI) (McAfee & Brynjolfsson, 2016; Standing, 2017): a regular income paid by government at a uniform level to each adult member of society whatever their income or employment status. While the adoption of a fully fledged UBI scheme in a major economy looks unlikely for the foreseeable future, the increasing number of feasibility studies, pilots and the growing interest (academic and otherwise) in the concept suggests that it is timely to draw scholarly attention to the possible implications of UBI for organisations, workers and work. Elevating UBI from being 'just' a hypothetical prospect, several national governments have implemented UBI or quasi-UBI initiatives in

response to the Covid-19 pandemic (even though they may not be explicitly badged as such), making its wider adoption arguably rather more likely than before (Ng, 2020).

This conceptual paper provides three contributions. To the best of our knowledge, it is one of the first to analyse the concept of UBI within the human resource management (HRM) field as debates have occurred elsewhere, usually within the disciplines of social policy and economics. Our second, more specific contribution articulates the potential impacts of UBI regarding orientations to work and the consequences for the employer–employee relationship: an area of singular importance to the local/organisational practice of HRM. To scope this contribution, we use the concept of the psychological contract (Rousseau, 1995), arguing that UBI has consequences for this unwritten agreement and the relationships between those who are party to it (Baruch & Rousseau, 2019). Our final contribution, and one permeating the entirety of the paper, is to bring conversations regarding UBI from the ‘outside’ of organisations to the ‘inside’: instigating and developing conversations in the HRM discipline that explore the organisational implications of UBI and the management of its effects. In so doing, we argue that the sooner UBI is understood at this level, the better prepared our organisations will be for its introduction.

2 | UBI: AN OVERVIEW

Although there is no single accepted definition of UBI, Van Parijs (2003, p. 5) provides an inclusive explanation:

An [unconditional] income paid by a government, at a uniform level and at regular intervals, to each adult member of society. The grant is paid, and its level is fixed, irrespective of whether the person is rich or poor, lives alone or with others, is willing to work or not.

The payment should be sufficient to provide practical and psychological security, and enough to prevent destitution. However, subsisting solely on UBI would not be comfortable and, as such, this is argued to prevent it from becoming a disincentive to work (Lanchester, 2019). Ideas connected with basic income schemes are not new. A form of UBI is first seen in Thomas More's ‘Utopia’ in 1516 (Sandbu, 2017) with further references to the concept witnessed within the ‘Speenhamland’ experiments, which took place in England during 1795 (Seccareccia, 2015). It is positioned not only as a means of reducing poverty and inequality but also as a social policy response to the impacts of automation and AI on employment (de Vries et al., 2020). In both instances, it is argued to provide a more robust financial safety net against employment insecurity than the current range of benefits provision and is drawing support from across the political spectrum (Freedman, 2016; Vella, 2017). The Covid-19 pandemic is also heightening interest in UBI as governments put into place a raft of economic measures, such as the United Kingdom's Coronavirus Job Retention Scheme (Gov.uk, 2020), to ease the financial pressures brought about by the virus and to provide support for individuals and families during and after the crisis (Bliss, 2020).

For citizens, UBI is argued to provide a social protection floor that guarantees every member of society with (at least) a minimum level of income security, which is essential to the realisation of human dignity (Ortiz et al., 2018, p. 5). It represents a principled reversal of the trend in some developed economies to means test those seeking benefits due to its universality (Standing, 2019) and allows people the breathing space to engage in meaningful, decent work and to care for their families or others in their community (Ortiz et al., 2018). For women, UBI is argued to empower them at the household level due to the reward of unpaid work (Schultz, 2017). It also provides the financial assistance needed for women caught up in abusive relationships because it removes the financial barrier towards leaving (Womack, 2018).

For those in work, UBI allows employees to reject exploitative, oppressive employment and strengthen the bargaining power of workers by providing an exit option (Standing, 2011). As previously stated, it provides a bulwark against ‘Industry 4.0’ and the buffering likely to be caused by the displacement of jobs by changes in technology and allied ways of working (Susskind, 2020). It offers the space to engage in different forms of work that

are not financially rewarded by the market, such as volunteering (Healy et al., 2013). UBI is also argued to increase work incentives by reducing the risk of losing benefits once entering paid employment. For employers and especially those seeking to set up their own business, it assists entrepreneurial risk-taking and self-employment (Ortiz et al., 2018). For its supporters on the political right, it would reduce the administrative costs and complexities of existing social protection schemes (Healy et al., 2013), streamlining and limiting government expenditures and welfare programmes. For those with more 'collectively oriented' politics, UBI is argued to heighten social solidarity: overcoming some of the erosions caused by competition and excessive individualism by sharing the benefits of national, public wealth created over the nation's collective history (Standing, 2019).

2.1 | UBI trials

Although no government has seriously explored the large-scale implementation of UBI (until recently), an increasing number of trials, or quasi-experiments, have been conducted into basic income schemes, including those situated within Holland, Finland, the provinces of Manitoba and Ontario in Canada, Madhya Pradesh in India and in Namibia (Standing, 2017; Van Parijs & Vanderborght, 2017). In response to Covid-19, the Spanish government is deploying UBI for its poorest citizens (Colson, 2020). In the United Kingdom, a Scottish Government-funded UBI feasibility study recommended the roll out of a 3-year pilot. Although devolved governments do not have the powers required to conduct such an endeavour (Citizens' Basic Income Feasibility Study Steering Group, 2020; Goodman, 2020), this has not deterred the Future Generations Commissioner for Wales in trying to secure commitments to UBI for the 2021 Welsh Assembly elections (Gregory, 2020). This suggests that there is a growing 'taste' for UBI within the devolved administrations as the Alliance Party in Northern Ireland has also made UBI party policy. Outside the United Kingdom, the German Institute for Economic Research—using private funding—is carrying out a 3-year, small pilot of 1500 participants exploring the impacts of UBI on well-being and economic factors (Payne, 2020). Finally, two trials are being carried out in California (Holder, 2020; Tiku, 2018) where Silicon Valley entrepreneurs are increasingly voicing an interest in UBI as a bulwark against the changes they argue will follow from technological developments and their impacts on work.

Whilst informative and intriguing, analyses of UBI pilot schemes to date face the challenges posed by incommensurability. Part of this is due to the different rationales for the pilots, the ways by which schemes have been implemented and the existence (or not) of controls for evaluation purposes. It means that researchers must be cautious when extrapolating findings from extant studies and drawing firm conclusions from them regarding their implications for employment and HRM. However, their review concluded that recent studies showed no adverse outcomes on labour market participation overall with consistent effects in studies reporting women's participation and increases for small business owners. They also pointed to the consistent, positive effects of UBI on how long young people stayed in education as well as other positive benefits on a range of health outcomes. In a basic income experiment in Ontario, an analysis of the data gathered in the 1st year found that 88% of recipients reported improvements to their mental health and a reduction in levels of stress (Standing, 2019). These findings were echoed in the Finnish UBI pilot, which saw improvements in mental health and wellbeing as well as a greater confidence in the future and life satisfaction. Whilst there was little improvement in work status, recipients were found to have a more positive perception of their economic welfare and confidence in the future (Charlton, 2019).

2.2 | UBI debates

Scholarly criticism takes aim at the underlying premise of UBI, arguing that such schemes offer the wrong incentives to individuals, and promotes collective poverty (Schneider, 2017). Whilst it has been argued that the introduction of UBI may result in reduced employment due to both income and price effects (Bawden, 1975), Marx

and Peeters (2008) argue that while basic income schemes may well impact rates of labour participation, these changes are unlikely to be extreme. Findings supported by more recent work from Gibson et al. (2018) and previously by Gamel et al. (2006) highlight positive outcomes emerging through UBI via the elimination of 'inactivity traps' in employment markets. Currently, welfare systems are often argued to present a cliff-edge where accepting an element of work, such as increased hours, puts individuals at risk of losing state benefits upon which they depend to support themselves as their income increases. Because UBI is unconditional and universal (Van Parijs, 2003), it is argued that it becomes easier for individuals to accept part-time or temporary work as such inactivity traps are eliminated. Under a UBI arrangement, accepting an element of work does not mean that state benefits are forfeited; thus, it is argued to contribute to increased labour market flexibility (McAfee & Brynjolfsson, 2016).

Lanchester's (2019) positive review of UBI also raises several questions. How, for instance, would UBI interact with and affect the wage-work bargain between employer and employee? Would, for instance, a series of so-called 'dirty jobs', such as refuse collection, become impossible to recruit for at any level of wage that an organisation could reasonably expect to afford? However, there is evidence to show that 'dirty jobs' can be carried out with pride and satisfaction by those who undertake such work (Deery et al., 2019). But we also recognise that UBI divorces (to some extent) the relationship between work and income, which 'represents a profound break with our culture's deeply imbued ideas about the innate and redemptive virtue of paid work' (Lanchester, 2019, p. 6).

Other stakeholders in employment and labour markets, such as the Trades Union Congress (TUC) and International Labour Organisation (ILO), have also raised arguments both for and against UBI. Both the TUC (Harrop & Tait, 2017) and the ILO (Ortiz et al., 2018) highlight positive features of UBI in terms of its ability to be a marked improvement to the social security system, to provide more market freedom and so on, but both organisations raise possible problems. The TUC, for instance, argues that UBI could lead to a stagnation in earnings and that there is the potential for basic income schemes to exacerbate poverty for the very poorest in society (Harrop & Tait, 2017). Separately, Harrop and Tait (2017) also argue that the presence of basic income might make it easier for employers to actively exploit individuals through offering unfavourable employment conditions, although others (see, e.g., Melkevik, 2017) suggest that UBI would enhance individual capacity to reject exploitative or demeaning working situations. Both organisations stress the need for any UBI scheme to address issues of income and gender inequality issues (Ortiz et al., 2018) and call for such initiatives to be financed by redistributive, progressive taxation.

This brings us to the costs of UBI. These are inevitably significant, but they are likely to vary between national contexts with UBI rates aligning differently. To fund such a scheme, the capturing of economic rents (Pereira, 2014), including those derived from the increased use of AI, machine learning and automation by organisations would seem essential. While it is beyond the scope of this present article to outline a full worked-up costing, it is not unreasonable to believe that economies, particularly advanced economies, could afford a UBI, paid for through a combination of government capturing economic rents, adjustments in taxable allowances and a concurrent downward adjustment in welfare spending (Standing, 2019). These debates aside and having set out a critical review of UBI as a concept, we now explore the potential impacts of UBI on work. In so doing, we turn to the theoretical frame utilised by this paper, the psychological contract and use this significant body of theory to explore the putative impacts of UBI for organisations and the practice of HRM by focusing on this aspect of the employment relationship.

3 | THE PSYCHOLOGICAL CONTRACT

The psychological contract is part of the important worker-organisation connection, which underpins motivations to work (Parzefall & Hakanen, 2010), and interfaces prominently with broad areas of HRM literature. For example, links have been drawn between it and concepts, such as employee engagement (e.g., Lv & Xu, 2018), commitment (Bal et al., 2013), job satisfaction (Rayton & Yalabik, 2014), work behaviours (Griep & Vantilborgh, 2018), wellbeing

and in-role performance (Rukolainen et al., 2018). Utilising the psychological contract as a theoretical lens enables us to scrutinise the foundations of the employment relationship, namely the mutual expectations, promises and perceived/attributed obligations that exist between employer and employee (Rousseau, 1995), building our theoretical and practical contributions regarding the potential impacts of UBI on orientations to work and worker engagement.

Although Rousseau's (1995, p. 9, 27) definition of the psychological contract as 'individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organization' remains influential, the precursor to this conceptualisation evolved nearly 4 decades prior. Then, characterised as the 'psychological work contract' (Argyris, 1960, p. 97), it was argued to consist of: (a) individual factors, (b) organisational factors and (c) factors external to the organisation (Schein, 1970). What we may, therefore, argue is that the psychological contract is an intricate relationship between an employee's needs (e.g., pay, job security, autonomy, self-actualisation) and organisational experiences (e.g., organisational or group politics, nature of authority, reward systems, managerial strategies), embedded within a broader environmental landscape (Schein, 1970). The psychological contract is dynamic in nature and is negotiated throughout the employment relationship (Haslberger & Brewster, 2009); constantly recreated as a result of changing employee needs, organisational factors and external forces (Suazo et al., 2009). This is important for our coming analyses because whilst contemporary developments focus on the mutual relationship between the employer and employee, acknowledging the influence of externalities such as government policies/practices will be significant: it is governments not organisations who will introduce any UBI initiative—as with other social security provision. Hence, the importance of considering how such changes, brought about by government action in this case, affect the operation of the psychological contract within the organisation.

The psychological contract constitutes a belief system, which can be more influential than legal contracts in terms of the day-to-day operation of the employment relationship (CIPD, 2020). It signals an employee's understanding of the mutual obligations between the organisation and the employee (Rousseau, 1989, 1990) and is at least a two-way directional relationship. Over time research has developed a series of research themes concerning the ways by which the psychological contract is understood and how it unfolds within an organisational setting, which this study will explicitly draw on in the coming sections to support our theorisations.

We propose linkages between three aspects of the psychological contract and UBI. Two of these aspects, employment security and career advancement, are 'contents' of the psychological contract in that they are part of the implicit agreement between employer and employee (Rousseau, 1995), whereas the third, commitment, is an 'outcome' of the contract and defined here as the strength of the bond between the employer and the organisation. It is secured if the reciprocity at the heart of the contract is maintained (Bal et al., 2013) and can undergird the willingness of the employee to work with vigour towards the aims and vision of the employer and engage in organisational citizenship behaviours, which often exceed the terms of the contractual relationship (Bal et al., 2013; Baruch, 1998; Rousseau, 1989; Van Rossenberg et al., 2018). We arrived at these three aspects via a process of extrapolation, questioning where UBI was most likely to impact upon the psychological contract. Current discussion of UBI suggests that its implementation may affect this bond, as it will make it easier for employees to leave a job if they are dissatisfied (Standing, 2019).

A second key aspect within the psychological contract is the security of employment (Baruch & Rousseau, 2019; Latorre et al., 2016; Ye et al., 2012), which we see as the organisation operating in good faith to provide ongoing employment opportunities to employees. However, there is as yet no exploration of how an organisation could respond to an initiative that could make security of employment less important to employees. Furthermore, we know from Baruch and Rousseau (2019) that from the employee perspective, the opportunity to advance careers and develop skills is important within the psychological contract. UBI may perhaps impact organisations through making it easier for employees disgruntled with the employer's failure to support career and skills development to seek employment with a more supportive one. This will be the third aspect that we explicitly draw upon during our coming discussions.

More broadly, it is known that the psychological contract is composed of two typologies. The first consists of two divergent forms of the contract—often described as the transactional versus the relational form (Dabos & Rousseau, 2004, p. 995, 1990), relating to the nature of the relationship between the employer and the employee. Rousseau (1995, pp. 90–95) summarises the relational contract as resembling the traditional partnership between the two parties, which often creates a sense of affective involvement and attachment in the employee towards the employer and a supportive attitude in the employer. This can be seen in the ongoing commitment to invest in the employee's career and personal development, as highlighted in the previous paragraph, and in other actions that go beyond providing remuneration. The transactional form of psychological contract, by contrast, is characterised by obligations that incline toward the economic and are typified by a willingness to work overtime, to provide high levels of performance for contingent pay and to provide notice before quitting. However, the employee is argued to feel little loyalty to the organisation (Dabos & Rousseau, 2004).

The second typology relates to obligation within the employment relationship as far as its balance and level are concerned (Shore & Barksdale, 1998). Robinson et al. (1994) purport that the nature of relational and transactional contracts can be better understood when incorporating the employee's perception of having obligations to provide something to their employer, and if the employing organisation was obliged to provide something to themselves. This focus on obligations goes beyond early definitions of the psychological contract as an unwritten set of 'expectations' (Schein, 1980). What is involved here are obligations that are promissory and reciprocal (although not included in the formal contract of employment). Employees enter into an employment relationship with the understanding that their employer has certain obligations to them, and they to their employer, thus creating reciprocity (Robinson et al., 1994).

Drawing the two typologies together, Blau's (1964) Social Exchange Theory (SET) explains how the output is compared with the input as far as the employee-employer relationship is concerned—and incorporates aspects of social inducements, attachment and emotional investment that go beyond a 'mere' transactional approach and describe mutual exchanges over time between employees and their organisation. Gouldner's (1957) norm of reciprocity illustrates how both parties would expect something from the other in return at some sort of equivalent level of obligation, for example, in value (Bal et al., 2010; Gouldner, 1960). However, as noted by Van Rossenberg et al. (2018), SET theories evolved from an experience of work based on stable employment and a dyadic relationship between the employer and employee where one long-term employer is exchanged for another with this being replicated over working lives.

However, fundamental changes to the nature of the work context and the nature of employment (e.g., the growth of fixed term contracts, temporary agency employment, independent contractors and zero hours contracts) have seen this dyadic relationship increasingly co-exist alongside alternative modes, which involve multiple relations between workers and diverse organisational agents (Alcover et al., 2017; Dawson et al., 2014), each of whom possesses a different degree of power and decision-making authority (Conway & Briner, 2009). As employment in this changed environment has—for many—become more flexible, temporary and precarious (Kalleberg, 2009; Kalleberg & Vallas, 2011), it has also been accompanied by large increases in cross-boundary working (Van Rossenberg et al., 2018) with individuals being subject to an evolving portfolio of employment contracts and relationships, meaning that the psychological contract itself is increasingly being played out in cycles that are progressively influenced by the wider organisational context and a wider range of stakeholders associated with careers and employment (Baruch & Rousseau, 2019; Conway & Briner, 2009). In such fluctuating circumstances, breaches of the psychological contract are now argued to be more likely (Zacher & Rudolph, 2020) as the changing nature of work disconcerts some of the core tenets of the psychological contract and impacts loyalty and commitment to the employer (Maguire, 2002) Indeed, there is now a robust stream of research on this specific issue (e.g., Cassa & Briner, 2011; Dawson et al., 2014; Deng et al., 2018).

Kinnie and Swart (2020) highlight that cross-boundary relationships—be they intraorganisational, inter-organisational or transorganisational—can (and do) exist alongside one another, together with more traditional forms of organising. This presents a substantial challenge to the organisation-employee dyad that has previously

dominated theorising regarding work and employment phenomena; including SET and the psychological contract (Van Rossenberg et al., 2018). Arguably continuing to theorise on the basis of a singular organisation–employee relationship is an oversimplification, which does not reflect the reality experienced by a growing number of employees.

As organisational boundaries move from being relatively impermeable, to permeable, and in many cases increasingly fluid in nature, it is likely that employed and contracted staff will witness differential terms and conditions, as a result of the diverse relationships created by the increases in cross boundary working (Kinnie & Swart, 2020; Van Rossenberg et al., 2018). This applies as much to high-skill professional occupations and self-employed contractors as it does to low-paid/low-skilled workers. For many employees, there might be a degree of opacity as to whom the employer is and this simultaneity is likely to result in tensions, especially at the level of the individual. Furthermore, as individuals are increasingly likely to form relationships with several organisations concurrently, it is likely that these relationships will be comparatively evaluated (Van Rossenberg et al., 2018), with psychological contracts forming according to the relative favourability (or unaffordability) of conditions. Extant research shows that temporary employees in cross-boundary work relationships do not necessarily experience a more negative state in their psychological contracts, but the nature of and scope of the psychological contract appear to be more transactional and limited in scope (Kinnie & Swart, 2020). As these authors note, the implications for employee engagement and the psychological contract may well depend upon the extent to which an organisation's HRM systems extend to cover the non-employed workforce of suppliers and contractors, including gig and self-employed workers—with the same terms and conditions of employment, and even professional support and career development in exchange for their loyalty. How UBI might intersect with these developments and the challenges they pose for the psychological contract will now be explored.

4 | THE IMPLICATIONS OF UBI FOR THE PSYCHOLOGICAL CONTRACT: EMPLOYEE PERSPECTIVES

4.1 | UBI and labour markets

One of the cornerstones of the psychological contract is an individual's commitment to the organisation (Bal et al., 2013; Baruch, 1998; Rousseau, 1989; Solinger et al., 2015). While existing research suggests that UBI will not, in itself, significantly affect rates of labour market participation (Gamel et al., 2006; Marx & Peeters, 2008), it may impact choice and individual decisions; key concerns for HR managers who must strive to properly staff their organisations, whether this be individuals engaged through traditional employment contracts, temporary contracts, gig relationships or a combination of contractual arrangements. Initially, however, we must consider the nature of labour markets themselves. Labour markets are markets and are therefore subject to their vagaries.

We must question the extent to which necessary market transactions, such as selling of one's labour in exchange for a wage to pay for necessities, such as food and housing, can be characterised as being 'voluntary and uncoerced' (Wertheimer, 1987, pp. 4–5). Following Elloy and Flynn (1998) and the extension of their findings by Pratama et al. (2017), we argue that commitment to organisations, particularly at the lower end of the income spectrum and where more precarious forms of employment often exist, may be driven to a greater extent by external factors such as the need to provide for oneself and dependants rather than an intrinsic desire to remain with the organisation for other, less tangible reasons. As noted by Van Rossenberg et al. (2018), when individuals *choose* flexible contracts—in particular, those pursuing boundaryless careers or operating as knowledge workers—and where the psychological contract framework is framed in that context, positive outcomes are more likely. However, in a context where transactional psychological contracts dominate and where UBI is present, we posit that these external factors may provide less of a 'push' encouraging individual commitment to employers because they have an additional source of secured income.

In setting a 'floor' to total income (Seccareccia, 2015), UBI will arguably divorce, to some extent, the link between work and income (although this inevitably depends upon the rate of the basic income and the nature of the work). It will therefore lessen, but not entirely remove, one of the 'push' factors encouraging individuals to join and subsequently remain with an organisation; namely receiving a wage in exchange for work, even if this may in reality only be part of the reason why individuals enter the employment market (Sorauren, 2000). Organisations seeking to encourage employee commitment via the reliance on tangible reward may observe difficulties in employee attraction and retention caused by a weakening in the effectiveness of financial incentives or witness increased demands for flexibilities with regards to employment (e.g., hours or place of work). Our first propositions are therefore as follows.

Proposition 1a: *UBI will reduce employee dependence on wages for household incomes.*

Proposition 1b: *In organisations where transactional psychological contracts dominate, UBI will result in declining commitment and increased turnover.*

4.2 | Acceleration of atypical contracts and job security

A further important aspect of the psychological contract from an employees' perspective is security of employment (Latorre et al., 2016; Ye et al., 2012). We have previously referred to the increasing fragmentation and precariousness of work but if we accept that the scope for automation is rapidly expanding (Berger & Frey, 2016; Susskind, 2020), employers will be faced with choices regarding the structures of their organisations and accompanying HRM strategies/practices. This has arguably been exacerbated by the Covid-19 crisis. Key questions will be whether companies will: (i) reduce the number of jobs because technology reduces the need for workers; (b) retrain staff to use technology within their roles; (c) redesign jobs to better take advantage of human skills that cannot be automated; or (d) generate new jobs in innovative sectors that an appropriately absorbed and managed technology can spur (Acemoglu & Restrepo, 2018).

Organisational decision-making takes account of factors both internal and external to the firm (Fehon & Garrad, 2017). Arguably, the decisions made by employers in relation to the future structuring of employment may, therefore, be influenced by the presence of UBI in the external environment. If employers' reason that employees and workers can meet their basic needs through a UBI, it could be argued that they may gravitate (further) towards atypical modes of work, lowering employment security and further degrading the traditional wage-work bargain (Sorauren, 2000). This is likely to be most evident in companies that adopt a 'hard' approach towards the use of employees where human resource policies and practices are closely aligned to the strategic objectives of the organisation and the management of employees is carried out in as 'rational' a way as for any other factor of production (Truss et al., 1997), rather than viewing employees as a source of competitive advantage requiring investment in order to gain commitment and trust (the 'soft' approach to HRM). As a counterpoint to this argument, it is equally feasible that we may see certain organisations or sectors of the economy seeking competitive advantage in labour markets through offering secure employment in exchange for the loyalty of highly committed and engaged employees. This is likely to occur in sectors where jobs are difficult to automate and where human creativity and innovation is needed (McAfee & Brynjolfsson, 2016). Such sectors may, for instance include the design and PR/advertising sector, and equally education among others. Our propositions are therefore as follows.

Proposition 2a: *In the presence of UBI, organisations may respond to technological developments by continuing to (1) implement staff cutbacks and/or (2) advance the use of atypical employment contracts.*

Proposition 2b: *In hard to recruit knowledge-intensive sectors, organisations might offer enhanced security of employment in exchange for employee commitment.*

4.3 | UBI and engagement with education, training and development

A further aspect of the psychological contract from the employees' perspective concerns career expectations and opportunities to develop skills (Baruch & Rousseau, 2019; Farnese et al., 2018). The presence of UBI could strengthen psychological contracts by enabling greater engagement with learning opportunities, with individuals better placed to navigate boundaryless careers (Arthur & Rousseau, 1996). In this way, employee mobility could be strengthened in a UBI environment (Eamets & Jaakson, 2014), with the mobility created by UBI actively reinforcing and encouraging increases in cross-boundary working (Kinnie & Swart, 2020). Where employees may conspicuously combine periods of learning/training with flexible employment (part-time, temporary or contracting arrangements) the psychological contract may arguably be strengthened, particularly if commitment is aligned to the job, career or profession (Van Rossenberg et al., 2018) rather than the organisation–employee dyad. By facilitating engagement with learning, UBI may conceivably contribute to a set of conditions whereby positive spillover effects from continuing professional development strengthen the psychological contract. With a portion of income guaranteed under UBI, it is reasonable to argue that this could precipitate a noticeable rise in the number of school leavers and mature learners studying through a variety of routes, including traditional further or higher education, private institutions or through technology-enabled formats, such as massive open online courses (Whitaker et al., 2016) or the gathering of micro-credentials (Hale, 2020). Such a rise may be caused by UBI because the element of guaranteed income either removes or tempers one significant blockage to engagement with learning and training in later life; namely, the need to support oneself and one's dependants through earnings derived from work.

The above arguments are, of course, predicated first on significant flexibility within working relationships and employment contracts (De Menezes & Kelliher, 2017) and also on issues, such as geographic mobility (Naveed et al., 2017). While professional institutions such as the Chartered Institute of Personnel and Development (CIPD, 2018) indicate growing flexibility in employment, work intensification (Korunka et al., 2015), particularly within the higher skilled labour market, may continue to prohibit genuine flexibility in employment due to the unbounded, open-ended nature of such roles. It is understood that psychological contracts can be damaged where employees switch to flexible working arrangements, but then feel compelled to continue producing the same level of output as required previously—if not more (Hastings & Meyer, 2020; Kelliher & Anderson, 2010). Therefore, UBI may provide a 'piece in the puzzle' enabling space for engagement with learning and career development, such a transition will require supporting HRM practices in order for organisations to derive benefits and potentially avoid breaches to the psychological contract. This is more complex where nonemployees are concerned. Likewise, the arguments in the previous paragraph are also dependent on the presence of learning opportunities, which individuals can engage with. Some countries and regions, the UK being a valid example (CIPD, 2016), have been criticised for a lack of investment in further/adult education. Where both intra- and extra-organisational supporting architecture is lacking, the presence of a UBI is unlikely to generate the proposed benefits. Our proposition related to these issues, given the need for continuous re-skilling, is thus as follows.

Proposition 3: *UBI will facilitate stronger engagement with forms of learning and development activity, thus strengthening psychological contracts.*

5 | EMPLOYER PERSPECTIVES AND THE OPERATION OF UBI

While there is a substantial research concerning the employee perspective regarding the psychological contract, and an increasing body of work explores the issues connected with breaches, there is a shortage of work incorporating the view of the employer (Cullinane & Dundon, 2006; Dabos & Rousseau, 2004). The scope of employer, and HR professional agency with regard to the psychological contract, is arguably constrained and determined by a wider economic and business context. Firms face multiple challenges in the rapidly changing external environment

such as increased market competition, globalisation, change in governmental regulations, rapid growth as well as new advancements in information systems and technology (Vaiman et al., 2018). To cope with these enduring challenges, firms, and the HR function in particular, have to consider internal responses and the possible adoption of new processes facilitated by advancements in information technology. This has consequences for work and jobs as they are often adjusted as technologies change. In addition, employers may hold multiple and/or different perceptions in relation to various employees (or groups) internally as well as external stakeholders (see Baruch & Rousseau, 2019). Given that UBI sets a floor for minimum incomes (Seccareccia, 2015) within a society, it provides a bulwarking effect between employees and the changes affecting their organisations at the micro-level—be that the implications of the Covid-19 pandemic or the disruptive outcomes of the widespread use of AI and other technologies. We may also posit that in the presence of a UBI, changes in one's employment could have less effect on one's circumstances (particularly financial); hence, UBI may therefore ameliorate what would have previously been profound breaches of the psychological contract. This is important from the perspective of HR managers as decreased performance as a result of a less than optimal, and unfulfilled, psychological contract (McDermott et al., 2013) will inevitably hurt both parties to the relationship.

6 | ORGANISATIONAL CONTEXTS SUPPORTING UBI AND THE PSYCHOLOGICAL CONTRACT

Organisations review aspects of their external environment and the changes competitors and others make in response to them (e.g., enhanced flexibility toward economic and social variations, mergers and acquisitions) in order for the company to adjust to rapid changes in their sector (Akhtar et al., 2016). Thompson (2013, 2011) have alluded to the fragility of the bargain at the heart of the employment relationship between employers and employees within the context of contemporary capitalism. He notes that there remains an inherent and substantial tension between the degree of stability needed to reap the benefits of a positive psychological contract, and the insecurity engendered from current forms of corporate governance, such as downsizing. Thus, trying to generate commitment and satisfy unvoiced expectations remains a challenge for HRM and organisations more broadly because of volatility within markets and fragmented organisational structures. The inter-related forces of deregulation, globalisation, emphasis on shareholder value and the systematic rationalisation across organisations all provide substantial challenges to employers in meeting employee expectations. Against this backdrop, we propose the following for the psychological contract.

Proposition 4a: *UBI will support relational psychological contracts in less-fragmented organisational settings where employers have made strenuous efforts to ameliorate the negative impacts of change on employees.*

Proposition 4b: *UBI will strengthen psychological contracts in organisations that operate in less volatile markets.*

6.1 | Mitigating breaches of the psychological contract

Building on the commentary above, if employers fail to deliver their side of the 'bargain', it may not be the fault of management (Cullinane & Dundon, 2006). Psychological contract research produced post the 2008 financial crisis argues that with the global economic downturn of recent years affecting many economies, the theme of mutuality which underpins the psychological contract is now often being recast in terms of a relative distribution of pain rather than an equalising of cooperative gain (Kaufman, 2015). Following Thompson (2013), the powerful tensions inherent in capitalism exacerbate disunity within institutions, corporate governance arrangements, actors and employment regulations, thereby unravelling cohesiveness. Consequently, managers find it much harder to keep

their side not only of explicitly negotiated deals but also the implicit, psychological side of the work–effort exchange. In other words, market imperatives can see promises and deals made in good faith being broken—even in circumstances and work regimes designed for collaborative mutuality (Dobbins & Dundon, 2017). What we may therefore argue is that if UBI sets a floor to minimum income (Van Parjis, 2003), it could engender greater elasticity within the psychological contract. Where UBI facilitates increasing levels of labour market flexibility (McAfee & Brynjolfsson, 2016), the promises and deals between employer and employee with regard to the wage-work bargain would become inherently more flexible themselves, with potentially positive outcomes for the psychological contract. Given this argument:

Proposition 5: *Where UBI is present we will see fewer breaches of the psychological contract caused by extra-organisational factors.*

7 | PRACTICAL IMPLICATIONS

Through the development of our propositions, we suggest that UBI is likely to instigate a range of alterations to the psychological contract with substantial practical and strategic implications for HRM, irrespective of type of industries and markets. With financial incentives arguably becoming less powerful regarding employee motivation, organisations consequently need to rethink how incentives affect employee motivation to work. This therefore poses a challenge to the HR function to redesign jobs in ways that secure the maintenance and strengthening of the psychological contract. As Kinnie and Swart (2020, p. 94) indicate, this is not straight-forward as both the firm and the network play an increasingly central role in the crafting and extension of human capital, which is no longer exclusively firm specific.

Here, the deployment of ‘soft’ HRM approaches and allied HR ‘bundles’, which have a correspondingly positive relationship with the development and maintenance of the psychological contract might resonate (Buchan, 2004). This could include the development of HR policies and practices that meet employee needs for personal fulfilment and growth while simultaneously seeing an extension of key HRM systems across organisational boundaries to influence external human capital directly (Kinnie & Swart, 2020). However, the extent to which such HR practices would vitiate the requirement for enhanced financial rewards to secure co-operation is arguably moot. We also argue that the wider socio-economic climate is important: proposing that UBI could cohere more easily within less volatile employment markets and/or in settings where relational psychological contracts predominate; locations where the various parties to employment make ongoing efforts to ameliorate the negative impacts of change on employees *and* non-employed workers, as indicated through the arguments surrounding Propositions 2a and 2b.

We could separately envision that adopting UBI from a ‘hard’ HR orientation could lead to a polarisation of careers where objective success criteria, such as salary and other terms and conditions of work, are concerned. For example, the impact of automation on work might see employers arguing that the safety net provided by basic income schemes reduces the need for them to offer continued employment for lower skilled workers in order to underpin household income. For those possessing higher skills, UBI might provide employees with greater leverage and power over their employers, which could assist in securing an even higher degree of job security, enhanced terms and conditions of employment coupled with the extension of HRM systems more generally across organisational boundaries to secure the commitment and engagement of key non-employed workers.

However, a more complex set of outcomes are more likely, with both ‘poles’ being witnessed even within the same organisation depending on, for example, the nature of the work being carried out and the knowledge and skills required to do it, suggesting that the need for some elasticity regarding HR provision as well as approaches towards the psychological contract will be required. This complexity is magnified for cross-boundary organisations. We would argue that UBI will be unlikely to alter an organisation’s established, long-standing HR philosophies and practices: those organisations that adopt a cost-reduction HR strategy will arguably still continue that approach.

However, the introduction of UBI might force organisations reliant on low-paid, customer-facing employees to alter some of their terms and conditions of employment in order to maintain motivations to work. For others (see Bloodworth, 2018), a cost-reduction approach to HRM could instigate an enhanced use of technology to remove a range of low-waged jobs as UBI could provide the rationale of a safety net to support these 'redundant' workers.

In terms of the previously mentioned anticipated re-structuring of the HR function, we have provided commentary regarding practical implications through the psychological contract lens. We recognise that beyond the purview of the psychological contract, additional needs and types of, re-structuring might transpire. Indeed, UBI is particularly likely to impact the three initial key phases of the psychological contract, that is, pre-employment, recruitment and socialisation as individuals might find themselves less motivated to secure a job due to less or non-incentives to enter the work force. During the aforesaid phases initial expectations between the employee and employer are communicated (pre-employment) and promises in terms of the employee-employer relationship are being made (recruitment and socialisation).

8 | FUTURE RESEARCH DIRECTIONS

We argue that research, of any kind, into HRM and the employee-employer relationship cannot be divorced from its prevailing context. Differences between contexts in terms of the regulations that surround the employment relationship have the potential to alter the respective impacts of UBI. How have, for instance, the external developments in more regulated economies impacted upon the psychological contract? Much of the literature discussing the psychological contract has come from North America, noted for its voluntarist approach to employee relations. How would this compare to the Norwegian or to the German contexts—both of which are noted for a significantly greater degree of Tripartism? When exploring the impact of UBI utilising the psychological contract as a theoretical lens, context would appear to matter (Regini, 2003). The adoption, acceptance and implementation of UBI would be influenced by national cultures, the various industry-specific traditions existing within a given society (see Hofstede, 1980) as well as existing institutional and legal frameworks. For example, countries typologised as highly individualistic might be less amenable to the adoption of UBI due to a stronger emphasis on the individual, their personal achievements and a corresponding unwillingness to dispense a wholesale, collective benefit. Alternatively, highly collectivistic countries—such as East Asia and partly the Nordic region—might be more willing to adopt UBI due to the higher degree of in-group orientation and collective worldviews witnessed in these cultures (Schwartz, 1990). Ideally, further research would sample across a range of contexts to secure contextually rich data. However, practical considerations might mean that data collection would be restricted and that it would be dependent upon the existence of pilots—wherever they occur.

In addition, future empirical research exploring the UBI/psychological contract relationship will require academics to engage with future UBI schemes from the outset, with the availability of such pilots determining, to some extent, the research questions that can be asked. An example of academics engaging with UBI pilots in terms of their shape, their monitoring and their evaluation can be witnessed in the University of Michigan and University of California Irvine's involvement in a basic income pilot with low-income mothers (Tiku, 2018). Michigan and Stanford researchers are also involved with the pilot in Oakland and researchers from Strathclyde, Glasgow and Manchester universities undertook the scoping exercise for the Scottish Government. Another approach could see academics joining existing UBI projects and engaging in retrospective questioning and analysis of the ways respondent psychological contracts have altered (or not) as a result of the UBI. We would argue that this is an area of study that HRM scholars should explore and our contribution hopes to provoke and encourage further debate as well as a more robust research agenda.

Future research could deploy a range of quantitative and qualitative methods: using case study, action research and ethnographic methods in collaboration with governments in order to secure context-specific, fine-grained insights from a multitude of perspectives. Robustness of the research agenda could also be aided by conducting

a series of surveys over time to test how UBI might impact the dynamics of the psychological contract among participants (including those representing organisations as well as bodies representing the views of employers and employees). These could help assess the changes to the psychological contract as a UBI scheme is rolled out and is embedded over time, monitoring any shifts in the relationships between the parties to the employment relationship and the reasons for them such as changes brought about by employers as a response to UBI. Such an approach could probe into these interfaces in depth, by measuring aforesaid relationships at different points in time. The different time points could be linked to significant transitions in the workspace, such as near the time of recruitment, socialisation, after a promotion or job-rotation and so forth. A longitudinal study would represent the ideal study, but currently pilot schemes are operating for much shorter timescales.

This is an initial 'thinking through' of the impacts UBI might have for the relationships between workers and organisations. It also provides a series of hypotheses or research questions by which we can analyse the impacts UBI schemes may have on work and attitudes towards work. Following Weick (1989), our contribution lies in the paper's mapping, conceptual development and informed speculative thought. It is a piece of 'passionate scholarship' (Courpasson, 2013) that addresses ways by which cities and nations are trying to come to terms with the challenges of AI, employment and now, the challenges posed by Covid-19. UBI poses one possible way by which they might be navigated. We have taken the controversial yet intriguing idea of UBI, which traverses the spheres of scholarly research and policy decision-making—and connected it with the permeating global trend of the changing nature of work. Changes in the world of work will offer academics new emerging horizons to grapple with and explore. We invite you to partake in this journey to form the future research agenda.

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CONFLICT OF INTERESTS

The authors declare that there are no conflict of interests.

DATA AVAILABILITY STATEMENT

Data sharing is not applicable to this article as no new data were created or analyzed in this study.

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