

Employees' Attitude towards Psychological Contract in Selected Industries

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ABSTRACT

Psychological contract, defined as genuine but unrecorded opportunities of employees or the personnel regarding the employer plays a crucial role. Psychological Contract (PC) displays the obligations, rewards, prospective rights etc. that an employee believe is due by the employer in exchange for the employment or job and loyalty of employees. The Psychological Contract is a vital feature of place of work relationships and the comparatively wider behavior of human. The study examines feelings and opinions of employees regarding psychological contract. A survey was conducted to collect data from 245 employees of five different industries (Telecom, IT, Education, Retail and Banking). To analyse data, statistical software SPSS-19 was used. The findings revealed that age, experience, industry and salary all contributed to affect psychological contract of the employees. Regarding psychological contract gender was not found to be significant, hence the organization need to take special care in this regard. The paper concludes with a discussion of the implications of employee's PC for educational research and practice.

Keywords: Psychological Contract, Contract breach, Industry, ANOVA

INTRODUCTION

Psychological Contract came in the 1960's in a notable manner by the theorists Chris Argyris and Edgar Schein in the work of organizational and behavioral science. Sandra L. Robinson mentioned that the employees if reported a breach of the psychological contract then it adversely affects their productivity and retention. Contract is a profound and diverse concept and is unlock to a large scope due to broad range of explanations and hypothetical studies. Psychological Contract has been researched by different scholars since many years, what psychological contract contents

actually comprises of, what is the need to analyze the Psychological Contract, it is believed that to evolve the satisfactory relationship in the employment. And there are two different schools of thought related to the appropriate level of contract's engagement.

Rousseau give preferences to the individual's perception regarding organizational obligations, supported by multiple approach and concluded that the perception of mutuality can be ascertain by considering both employee and employer perspective regarding organizational obligations. Employee and employer has generally different perceptions regarding what

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organization offer to them. In the organizational and management theory employee attitude like faith, promise, zeal and contentment rely profoundly on fair and impartial Psychological Contract. While the violation of the psychological contract leads to dissatisfaction or turnover, failure of the psychological contract generally expresses the emotional reactions of disappointment, hostile behavior, and distress as well as dissatisfaction, resentment, bitterness and hatred. Individual's feedback is reliant on the vigor of the supposed contract and seriousness of the disobedience.

Mental contracts are to a great extent dependent on guarantees between the business and representative, with trust being the reason for the social exchange. A rupture in the psychological contract happens if workers look that firm, or specialists, ignored communication on what seemed as guaranteed, or the other way around. A rupture in agreement may happen when the hierarchical changes are not really useful for workers as a result of palliating components, for example, globalization and quick changing markets. The hazard for rupture might be lessened when the association knows and regards the agreements of the workers. The social angle conveys a radical new measurement to the PC—and it doesn't make things less demanding. Individuals from various societies can have altogether different desires with regards to administration style, remunerate frameworks, and hard-working attitude. Likewise, extraordinary societies have assorted sentiments with regards to initiative inclinations. These

subtleties are frequently not talked about while enlisting universal staff—as everybody expect that they have a 'shared opinion' of comprehension. Notwithstanding, reality demonstrates that the inverse is really the case. Worldwide groups can exhibit high disappointment and underperformance without having the capacity to recognize the fundamental explanations behind this. That is the reason it is basic to consider the ramifications of the PC significantly more when working with various societies.

METHODOLOGY

The study was conducted to discover employees' attitude towards the Psychological contract in Selected Industries. Model in Figure 1 was used to conduct the study.

As per the above model the study has been done to explore the Psychological Contract in respect of Employees' obligations towards the employer and employees' perception towards the employer's obligations in context of demographics like gender, age, experience, industry and salary were taken into consideration. Independent factors were the demographic factors and the dependent factor was Psychological Contract. To achieve the objectives of the study employees' survey across the five Industries i.e. Telecom, Banking, IT, Education, Retail of Delhi-NCR region and few of the Haryana region was taken into consideration. For collection of data a Google Doc questionnaire was designed for the employees. The data

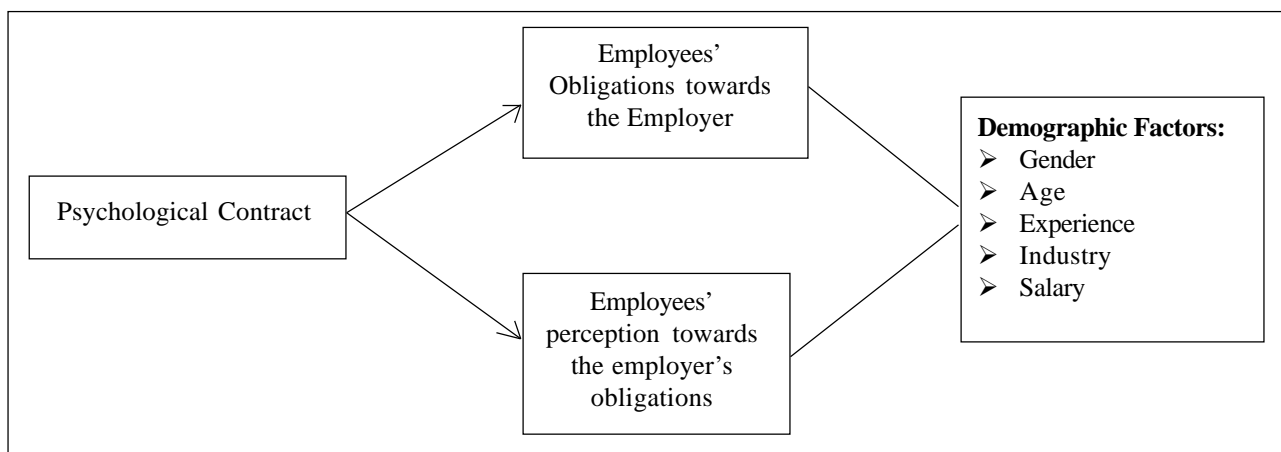


Figure 1: Model related to the study

was collected from primary and secondary sources. Non-probability Sampling Design was taken into consideration, attempts were made for sample to be more representative, proficient and in accordance with the objectives of the study. A sincere effort was made to avoid biasness in the selection of respondents. The face to face interviews were conducted with the Deputy General Manager of Bank and few with Retail personnel's and little general discussion regarding their job profile, organization culture and also related to the psychological contract.

Sampling Unit

The sampling unit was employees of five Industries (Telecom, IT, Education, Retail, Banking); few of them were like in case of banks they were: "State Bank of India, Punjab National Bank, HDFC etc. Retail (Reliance Trend, Louis Philippe, Pantaloons, Revlon, US Polo etc.), Telecom (Tikona digital Networks, Reliance, Airtel); IT (TCS, Infosys, Casio, etc.) and in case of Education it was (Kurukshetra, Delhi University). A total of 245 employees of five different industries were considered.

The reliability of scale was determined by calculating the Cronbach's alpha for each construct considered or required in the study, therefore assessing the magnitude of internal consistency. Cronbach's Alpha comes to be .877, for the 45 statements of the questionnaire used in study".

RESULTS AND DISCUSSION

The Table 1 shows the opinions of employees and employers' obligation for which responses were taken. The results of table depicted that both employers as well as employees were fulfilling their obligations for each other. As it has been portrayed from the table that mean value is positive i.e. all the statements, mean value is less than three and SD is also very less. So, the overall opinion for obligations concerning to employees and employers are favorable.

The Table 2 shows that the significant level of effect of gender on Psychological Contract was observed. Similarly Table 3 demonstrated the effect of

age on psychological contract. It was found that results were significant as value of some of the statements is less than 0.005. As can be observed that for Statements: 4 and 11 the value of significant level is less than 0.05. For employees obligations related to experience was not found to be significant. The Table 3 verified the effect of experience on psychological contract. It was been found that results were not significant as value of some of the statements was greater than 0.005. It was found from the above Table 5 that most of statements were significant regarding effect of industry on employees' psychological contract. So, in overall results were found to be significant. It was found that for employee's obligations regarding effect of salary on psychological contract; results were found to be significant. The most of statements were significant.

It has also been examined from the Table 4 that for employer's obligations regarding effect of age on psychological contract; results were found to be significant. Whereas employer's obligations regarding effect of experience on psychological contract; results were found to be significant.

It has also been observed from the above table for employer's obligations regarding effect of industry on psychological contract; results were found to be more significant. The most of statements were significant. Further for employer's obligations regarding effect of salary on psychological contract; results were found to be more significant.

CONCLUSION

From the study we can conclude that the employees' attitude towards the psychological contract fulfillment play a crucial role in the different industries whether Telecom, IT, Education, Retail, Banking, Because in all the industries employees performance was positively or negatively influenced and which automatically bring changes or foster success rate of organization. Psychological contract plays a crucial role in unleashing the potential of talented human resource in the organization. The results of the study revealed employees' attitude towards Psychological Contract, the results of industries proved to be very significant and

Table 1: Descriptive Statistics

S.No.	Statements	Mean	SD
1.	Accept new and different performance demands	1.9673	.77285
2.	Fulfill a limited number of responsibilities	2.4449	1.14967
3.	Do only what I am paid to do	2.5224	1.15433
4.	Increase my visibility to potential employers outside the firm	2.1878	.95248
5.	Plan to stay here for a long time.	2.3429	.99836
6.	I have no future obligations to this employer	2.3796	.97866
7.	If I were offered a comparable position with similar pay and benefits at another company, I would stay at "Organization"	2.2612	1.07368
8.	I would recommend "Organization" as a great place to Work	2.1755	.87181
9.	Opportunities to receive promotion	1.9102	.58682
10.	Opportunities to receive promotion	1.9878	.92984
11.	Recognition of my accomplishments	1.9016	.84044
12.	Opportunity to develop new skills	1.8245	.90412
13.	Feedback on performance	1.8694	.78359
14.	Healthcare benefits	2.0776	.91778
15.	Retirement benefits	2.2286	.97342
16.	Fringe benefits that are comparable to employees doing similar work in other organizations	2.1755	1.07019
17.	Be responsive to my personal concerns and well-being	1.9673	.95758
18.	Being treated fairly	1.8490	.80320
19.	Work-life balance	2.3143	1.07276
20.	Fairness in selection, appraisal and Promotion	1.7918	.85023
21.	Concern for my long-term well-being	1.9837	.90067
22.	Flexible work schedules	2.3837	1.22128
23.	Freedom to be creative/discretion on how I perform my job	2.2286	1.15091
24.	Enable me to adjust to new, challenging performance requirements	1.9714	.90264
25.	Job assignments that enhance my external marketability	1.9796	.86578
26.	Support me to attain the highest possible levels of performance	1.9469	.81560
27.	Make decisions with my interests in mind	1.9306	.89585
28.	Help me to respond to ever greater industry standards	1.9673	.89566
29.	Support me in meeting increasingly higher goals	1.9755	.88209

Source: Field Survey

Table 2: T Test for effect of Gender on Psychological Contract

Employee	Levene's Test for Equality of Variances		t-test for Equality of Means				
	F	Sig.	t	df	Sig. (2-tailed)	Mean difference	Std. error difference
Equal variances assumed	.271	.603	-.310	243	.757	-.02066	.06666
Equal variances not assumed			-.316	203.197	.753	-.02066	.06543

Source: Field Survey, *Significant at 5% level (Tabulated value .05)

Table 3: Effect on Employees Psychological Contract

S. No.	Statements	Age		Experience		Industry		Salary	
		F	Sig.	F	Sig.	F	Sig.	F	Sig.
1.	Accept increasingly challenging performance standards	1.620	0.170	1.607	0.159	0.818	0.515	0.313	0.905
2.	Perform only required tasks	0.434	0.784	1.286	0.270	4.800	0.001*	2.289	0.047*
3.	Only perform specific duties I agreed to when hired	1.256	0.288	0.398	0.850	3.205	0.014*	1.088	.368
4.	Seek out developmental opportunities that enhance my value	4.487	0.002*	0.352	0.881	1.115	0.350	1.416	0.219
5.	Respond positively to dynamic performance requirements	0.603	0.660	0.679	0.639	0.798	0.528	0.520	0.761
6.	Actively seek internal opportunities for training and development	1.841	0.122	1.904	0.094	2.387	0.052	2.605	0.026*
7.	Accept new and different performance demands	0.199	0.939	1.216	0.302	0.905	0.462	0.590	0.708
8.	Fulfill a limited number of responsibilities	0.662	0.619	0.343	0.886	6.082	0.000*	1.350	0.244
9.	Do only what I am paid to do	0.994	0.412	0.827	0.532	6.395	0.000*	0.773	0.570
10.	Increase my visibility to potential employers outside the firm	1.561	0.185	0.785	0.561	2.470	0.045*	1.385	0.231
11.	Plan to stay here for a long time.	3.825	0.005*	0.880	0.495	3.298	0.012*	3.988	0.002*
12.	I have no future obligations to this employer	1.459	0.216	0.513	0.767	1.134	0.341	0.596	0.703
13.	If I were offered a comparable position with similar pay and benefits at another company, I would stay at "Organization"	1.155	0.331	1.006	0.415	6.464	0.000*	4.018	0.002*
14.	I would recommend "Organization" as a great place to work	0.713	0.584	1.558	0.173	5.113	0.001*	2.680	0.022*

Source: Field Survey, *Significant at 5% level (Tabulated value .05)

Table 4: Effect of Age on Employees Psychological Contract

S. No.	Statements	Age		Experience		Industry		Salary	
		F	Sig.	F	Sig.	F	Sig.	F	Sig.
1.	Opportunities to receive promotion	0.674	0.611	0.594	0.704	5.112	0.001*	1.615	0.157
2.	Opportunities to receive promotion	2.366	0.054	2.171	0.058	11.441	0.000*	5.926	0.000*
3.	Recognition of my accomplishments	0.696	0.595	0.912	0.474	3.917	0.004*	1.562	0.171
4.	Opportunity to develop new skills	1.072	0.371	1.048	0.390	3.529	0.008*	0.806	0.546
5.	Feedback on performance	0.721	0.578	1.310	0.260	3.012	0.019*	0.919	0.469
6.	Healthcare benefits	3.177	0.014*	1.528	0.182	6.815	0.000*	4.333	0.001*
7.	Retirement benefits	6.152	0.000*	1.498	0.191	6.652	0.000*	7.619	0.000*
8.	Fringe benefits that are comparable to employees doing similar work in other organizations	3.222	0.013*	3.522	0.004*	7.252	0.000*	8.945	0.000*
9.	Be responsive to my personal concerns & well-being	1.252	0.290	2.391	0.039*	2.884	0.023*	2.469	0.033*
10.	Being treated fairly	0.472	0.756	0.190	0.966	4.635	0.001*	1.381	0.232
11.	Work-life balance	.604	0.660	2.278	0.048*	3.916	0.004*	1.973	0.083
12.	Fairness in selection, appraisal and Promotion	1.452	0.218	1.141	0.339	1.926	0.107	1.449	0.207
13.	Concern for my long-term well-being	2.645	0.034*	1.480	0.197	4.458	0.002*	3.195	0.008*

Table 4 contd...

S. No.	Statements	Age		Experience		Industry		Salary	
		F	Sig.	F	Sig.	F	Sig.	F	Sig.
14.	Flexible work schedules	1.170	0.325	1.750	0.124	5.345	0.000*	4.591	0.001*
15.	Freedom to be creative/discretion on how I perform my job	1.048	0.383	1.641	0.150	12.616	0.000*	7.286	0.000*
16.	Enable me to adjust to new, challenging performance requirements	1.491	0.205	1.822	0.109	3.556	0.008*	4.489	0.001*
17.	Job assignments that enhance my external marketability	1.769	0.136	1.423	0.216	7.912	0.000*	4.364	0.001*
18.	Support me to attain the highest possible levels of performance	0.644	0.632	0.779	0.566	4.156	0.003*	2.360	0.041*
19.	Make decisions with my interests in mind	1.868	0.117	1.343	0.247	2.442	0.047*	2.759	0.019*
20.	Help me to respond to ever greater industry standards	2.402	0.051	2.548	0.029*	1.804	0.129	2.016	0.077
21.	Support me in meeting increasingly higher goals	1.600	0.175	0.784	0.562	2.595	0.037*	1.873	0.100

Source: Field Survey, *Significant at 5% level (Tabulated value .05)

the industries and depicted that both employee and employer are fulfilling their obligations. So, organization should take special care for proper and frequent recognition to the employees, so that the employees feel that their efforts are met with the valued rewards. Organization should strive to maintain transparency so that Psychological contract can be fulfilled with efficiency which results into commitment and loyalty of employees towards their organization. Culture of arranging Employees' engagement activities should be foster so that the employee's satisfaction and enthusiasm mercury increase positively. Flexi-timing should be taken into consideration (if possible as per the nature of industry and job profile).

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