



EXPLORING THE RELATION BETWEEN PSYCHOLOGICAL CONTRACT, MEANINGFUL WORK AND AFFECTIVE COMMITMENT

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Abstract: This research building on the gaps of previous research by exploring the relation between psychological contract, meaningful work and affective commitment. Empirical research on the trio, but it has been highly criticized because the research sometimes become highly unsystematic. We examined 1) the relation between psychological contract and meaningful work 2) the relation between psychological contract and affective commitment 3) the relation between affective commitment and meaningful work.

Index Terms - Psychological contract, Meaningful work, Affective commitment.

I. INTRODUCTION

With the years of research passing by, the conventional method of employee-employer relation has almost ceased to globalization, the developing and unstable work environment and the exhausting workforce (Md. Saad Mohamad, 2016). The ambitious work culture and pressure has led to high turnover rates, restructuring and reorganisations that made the relation in the organisation more arduous, apprehensive and unforeseen (Agarwal, 2013). As it is visible that progress through job behaviours are more purposeful as opposed to job outcomes (Colquitt J A, 2005). "Psychological contract is an exchange relationship between employee and employer" (Schein, 1978). It gives regards to individual conviction, potential opportunity and reciprocal engagement in relationships (Coyle-Shapiro, 2008). Previous theories (eg. Rosso, Dekas and Wrzesniewski, 2010) and empirical theories (eg: Hirschi, 2012) of meaningful work have concentrated on the experience that enrich the psychological experience of meaningful work (Lixin Jiang, 2017). As meaningful work is based on a single process therefore the previous literature fails to delve into the fundamental mechanisms in organisational commitment (John P. Mayer, 1991).

Alternately, analysing the mediators may expand the relation between meaningful work and affective commitment. According to the Cognitive appraisal theory (Lazarus, 1991), it is about reflecting about how an individual job might serve as a cognitive reappraisal of the working situation. Therefore, identifying the mediators intensify the relation between meaningful work and affective commitment.

To fulfil the unwritten promises between employee and employer and at the same to find meaning in the work, and trust of doing a good job. Where employees identify with the values and goals of the job, reflect with one's own job and "enjoy" the work and the environment.

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II. LITERATURE REVIEW

Psychological Contract

Psychological Contract originates from the writings of Arygris and Schein focusing mainly on the employment relationships between employees and employers and the various unwritten possibilities that prevails in the psychological contract and thus this concept has achieved prominence in the recent years (Aggarwal & Bhargava, 2009).

Therefore, we can describe Psychological Contract is an agreement that prevails between the employer and employee. Its main characteristics being between the expectations - the organization has from its employees, the expectation the employees have from their organization and what the organization is capable to offer in return (Dhanpat & Parumasur, 2014). Psychological Contract can also be defined as "the terms of social exchange relationships that exists between individuals and their organization's" (Turnley & Feldman, 2000).

The 'focus' should always be on employment relationship. Though the relationship at work is recognized, but they do not place the relationship between employer – employee at the centre stage, as is in the case with psychological contract. The contract could also be considered as an exchange relationship (Conway & Brine, 2006).

Fulfilment of the contract occurs when the employers have met with the perceived promised obligations and the expectations (Md. Saad Mohamad, 2016)

Breach includes the acknowledgement that one's management was not able to satisfy one or more accountabilities. The understanding between the employer and the employee is breached when the employees' evaluation is based merely on the perception. Researchers conclude that violation is perhaps due to the cognitive aspects', as the organization has perhaps failed in the deliverance of the psychological contract (Morrison & Robinson, 1997).

According to Turnley & Feldman, around 25% of the employees feel insecure and let down when the same organization deprives them of the promises, like health care benefits, power and of course the most important – secure employment. Hence psychological contract violation plays a deterrent role in the retention of the disgruntled employees (Vos, Meganck, & Buyens, 2005).

Affective Commitment

Organizational commitment, in general, is determined as one of the pillars of an individual's recognition and attachment to an organization (John P.Mayer, 1991). It is the confidence in and acknowledgement of the organization's core values and goals, along with the eagerness to exert effort on behalf of the organization with a strong desire to sustain association with the organization (Xanthi-Evangelia Antonakia, 2014). Organization commitment forecasts work outcomes like attrition, OCB. (Agarwal, 2013).

According to Meyer and Allen (1991), organization commitment can be bifurcated into three main dimensions: affective, continuance and normative (John P.Mayer, 1991)

Affective commitment is the emotional development of the employees with the organization primarily with the help of positive work experience (Hussain, 2012) (Mikael Lövblad, 2010). Whereas continuance commitment is created and strengthened by the pros and cons when the employee wants to quit the job, it can be a risk – salary, security, job titles. Therefore, we can say that continuance commitment is reflected on the perceived cost. In the arena of psychological contract, researchers have found a consistent negative relation with affective commitment (HAO ZHAO, 2007). Employees naturally develop commitment over time, regardless the love for the job. This commitment can be termed as Normative Commitment. Individuals prefer continuing with the organization as they have invested a lot of time and money, creating a feeling of commitment at both ends.

Researchers have argued that psychological contract is closely related to affective commitment (Shapiro, 2000). Psychological contract defines and shapes the employee-employer relationship through employees perceived mutual obligations that seem to influence their beliefs and attitudes (Rousseau, 2004). Fulfilment of the contract leads to emotional attachment, where as a breach leads to decrease in attachment and involvement (Coyle-Shapiro, 2008). When employees perceive breach, they may become emotionally less committed due to the decreased trust in and identification with their organization and may reduce performance or involve in counterproductive behaviors, in order to restore the balance to their exchange relationship (SCOTT W. LESTER, 2007).

Meaningful Work

Meaningful work refers to the work through which employees seek meaning in their life, gain respect and feel valued by contributing to their organizational growth for serving the society (N, 2003). Hackman and Oldham (1980) discussed MFW in their Job Characteristic Model highlighting the meaningfulness in work is a psychological state, which affects job characteristics by encouraging different outcomes at work (motivation, satisfaction, performance absenteeism and turnover). The concept of MFW has been elucidated in the sacred Indian scripture of Karma Yoga, Srimad Bhagav Gita (D, 2016), wherein it is stated that every individual should perform the given task with full sincerity, dedication, expertise, as it will further help to find a purpose in life (S, 2018).

MFW helps in dealing with extreme situations and enhances work quality (Hackman J.R, 1976). Spreitzer(1995) stated that MFW is one of the crucial components of psychological empowerment that highlights the link between managerial effectiveness and one's own beliefs, values and behaviours. Moreover, Bowie(1998) elaborated the six characteristics of MFW given by Kant(1996). These characteristics emphasize that work can become meaningful only if the organization provides autonomy and interdependence, gives wages for physical welfare, supports the moral development of employees, develops their rational capacities encourages the feeling of happiness at the workplace (I, 1996).

Nowadays, employees working in the manufacturing sector feel less motivated owing to meaninglessness in work, and unfair promotion policies (Rangnekar, 2016). For this reason, employees feel that their psychological contract is breached, which causes lack of meaningfulness in work and decreases commitment level (JoshA, 2017). Singh and Rangnerkar(2018) suggested certain strategies to increase meaningfulness in work, which shows the association with psychological contract between employees and employer and contributes toward determining the level of employees satisfaction. These strategies are reinforcing positivity to achieve targets, encourage employee's involvement and participation, praise employees' contribution in task accomplishment and abide by ethical HR practices while dealing with employees.

Psychological Contract and MFW

Psychological contract lies in relation to resources like money, respect, status, affiliation, information and services these resources are exchanged among people in relationship (UF, 1971). Berg and Wiebe(1993) categorized these resources under three obligation which are economic, socio-emotional and developmental; these resources are to be transferred from employer to employee and are named as transactional, relational and balanced/hybrid contract (Rousseau, 2004).

Transactional psychological contracts are based on the promises highlighting narrow short-term, and time bounded employment (Robinson SL, 1994). A formal agreement (written contract) is required to negotiate transactional contract that will emphasize on the transactional oriented approach and imprudent attitude of the employers toward their employee (Lee C, 2011). Transactional contracts support the view that lack of involvement cause insecurity among employees because they do not get much opportunity to show their calibre and talent (DM, 2000). Therefore, employees start carrying out transactional analysis, which compels them to work just for survival in the organisation (Conway N, 2005). The prevalence of transactional contract can largely be seen among workers getting hourly-based remuneration and employees working in the initial probation period or punishment mode.

Psychological Contract and Affective Commitment

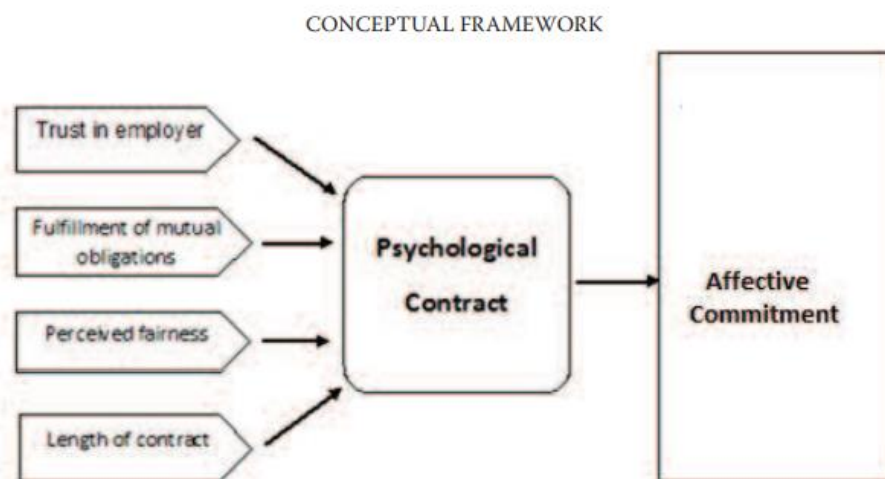


Figure 1

Guest (1998) developed a concept of psychological contract within the disciplinary boundaries of social psychological where the model shows psychological contract to be comprised of trust, fairness and delivery in deal. Organizational commitment is seen as an outcome of psychological contract. Sels, Jansens and Brande (2004) they talk about stagnancy, stability, time management, exchange work management and contract level creates the outcome of affective commitment (Zubair Hassan, 2017).

When individuals have invested where there are no returns, leading to work stress (Halbesleben, 2006). As violation of contract develops a shortfall between investments and outcomes, and as individuals having high expectations (Wanous, 1192), psychological contract breach leads to a turnover, new recruits on the other hand are particularly vulnerable.

Affective Commitment and MFW

Meaningful work includes three spokes – personal meaning in work (the work one is doing has a personal implication, meaning making through work (the work that benefits life), greater good motivation (encouragement to the greater good).

Job Characteristics Model (Hackman, 1976) proposes meaningful work allows individual to understanding a sense of appropriateness, improvement, learning as well as an idea of the ownership of the work (Kahn, 1990). Theoretical finding has resulted in the conclusion that there is a positive relation between meaningful work and affective commitment. Meaningful work arises from the understanding of various purposes, developing a sense of introspection, the work place, and how the individual fits within and commits to the organization (Steger, 2010)

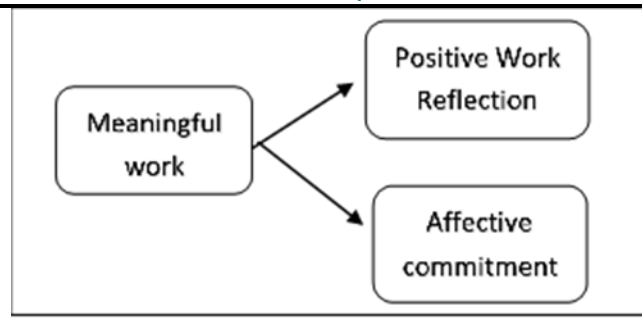


Figure 2

III. Methodology

3.1 Population and Sample

A pilot study was conducted with a sample size of 40.

Data was collected via a questionnaire from various employees in the IT industry during the pandemic to check the relation between psychological contract, meaningful work, affective commitment and their relation with performance, turnover and job satisfaction.

3.3 Theoretical framework

Based on the above stated literature review further research may be conducted in the following areas:

- The relation between psychological contract and affective commitment leading to organizational citizenship behavior.
- The impact of psychological contract breach and affective commitment on turnover.
- The impact of psychological contract and meaningful work on job performance.
- The effect of psychological contract and meaningful work via affective commitment on job satisfaction.

The effect of meaningful work and affective commitment on job outcomes

H1: Affective commitment will mediate the relationship between psychological contract fulfilment and organizational citizenship behaviour.

H2: Affective commitment will mediate the relationship between PCB(psychological contract breach) and turnover.

H3: Meaningful work will mediate the relationship between psychological contract and performance.

H4: Affective Commitment will mediate the relationship between meaningful work and job satisfaction

Equations

As per the data calculated

$$y=2.41+0.73x1-0.39x2-0.76x3+0.15x4-0.008x5+0.0009x6-0.00002x7$$

X1- Organizational Citizenship Behavior

C2- Turnover

X3- Meaning Work

X4- Psychological work and meaningful work and performance

X5 – Meaningful work and affective commitment and organizational citizenship behavior

X6 – Psychological contract and affective commitment and organizational citizenship behavior

X7 – Psychological contract breach and affective commitment and turnover

IV. RESEARCH METHODOLOGY

3.4 Statistical tools and econometric models

Psychological contract was measure by PCI by (Rousseau, 2002) - contains four sets of psychological contract scales: Employee Obligations, Employer Obligations, Fulfilment, and Contract Transition Indicators. Out which psychological contract fulfilment indicator was used to measure psychological contract.

Psychological contract breach was measured using the 5-item global scale designed by Robinson and Morrison (2000)

Organizational citizenship behavior was measured sing the 5-item helping scale developed by Smith, Organ, and Near (1983). Participants were presented with a list of 25 statements and were asked to indicate the extent to which the behaviors were typical of their own behavior at work. Respondents used a five-point scale ranging from 'strongly agree' to 'strongly disagree'.

The Minnesota Satisfaction Questionnaire (MSQ) developed by Weiss, Dawis, England, and Lofquist (1967) was used to measure job satisfaction levels.

TIS(Turnover Intention Scale) would measure turnover intentions reliably ($\alpha = 0.80$). The TIS could significantly distinguish between leavers and stayers (actual turnover), thereby confirming its criterion-predictive validity. The scale also established statistically significant differences between leavers and stayers. Jacobs [2005] and Martin [2007]

Affective commitment was measured using the 6-item scale developed by Meyer, Allen, and Smith (1993).

3.4.1 Descriptive Statistics

Descriptive Statics has been used to find the maximum, minimum, standard deviation, mean and normally distribution of the data of all the variables of the study. Normal distribution of data shows the sensitivity of the variables towards the periodic changes and speculation. When the data is not normally distributed it means that the data is sensitive towards periodic changes and speculations which create the chances of OCB and the PC(psychological contract) have the chance to provide with meaning work and affective commitment .

IV. RESULTS AND DISCUSSION

4.1 Results of Descriptive Statics of Study Variables

Table 1: Descriptive Statics

	PC	OCB	turnover	MW	AC	pcb
PC	1					
OCB	0.824719	1				
turnover	-0.24358	-0.20707	1			
MW	-0.15179	0.204802	0.036785	1		
AC	-0.07368	-0.07186	0.290976	0.132012	1	
pcb	-0.03096	0.050038	0.055656	0.189888	0.14222	1

Table 1 displayed mean, standard deviation, maximum minimum and jar variables of the study. The descriptive statistics indicated that the mean values of variables (PC, OCB, turnover, MW, AC PCB) were 0.082, -0.007, 0.003, 0.041 and 0.047 respectively. The standard deviations for each variable indicated that data were widely spread around their respective means.

	Coefficients	Standard Error	t Stat	P-value
Intercept	2.416895	0.568517	4.251224	0.000172
(x1)	0.73403	0.06836	10.73771	3.86E-12
(x2)	-0.39425	0.086909	-4.53638	7.6E-05
(x3)	-0.76145	0.12191	-6.24599	5.34E-07
(x4)	0.152336	0.027876	5.464771	5.14E-06
(x5)	-0.00834	0.059538	-0.14	0.889536
(x6)	0.000932	0.000453	2.056206	0.047995
(x7)	-0.00026	0.000579	-0.44261	0.661023

Table 2 shows that at 5 % level of confidence, the null hypothesis of normality cannot be rejected

The descriptive statistics from Table 1 showed that the values were normally distributed about their mean and variance.. To interpret, this study found that an individual investor could not earn higher rate of profit from the KSE. Additionally, individual investors and corporations could not earn higher MFW and OCB from their employers due to the current pandemic conditions

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