



PSYCHOLOGICAL CONTRACT-A TOOL TO IMPROVE EMPLOYER AND EMPLOYEE RELATION

Neetu Kwatra

Lecturer, Business Studies, Almusanna College of Technology.

Abstract

An increasing corpus of literature focuses on psychological contracts due to the importance of positive relationships between employees and employers which actually impacts productivity and efficiency of the organizations" However, psychological contracts are not legal contracts. In contrast to legal contracts (where obligations are more explicit), it is the employee's perception that a promise has been made, or that an obligation exists on that creates a psychological contract. We have used the mixed method approach and distribution of a questionnaire and interview with employees and employers in college as well as two employers Tati Oman and BahwanCybertech. The research design is descriptive as in our study we try to describe the situation. The research finding is based on using the descriptive statistics with mean and percentage method to satisfy my objectives. Our targeted respondents are 50 employees of Tati and BahwanCybertech working in Al Mussanna college of Technology and two employers (Tati and BahwanCybertech).

The finding indicates that employee is very much flexible in their approach h and they are satisfied with their job performance. Very few employees are denying accepting the transfer and extra work. On the other hand, employer, they clear about job content and responsibility being given to the employees. Employers feel that management policy is fair and applying justice. They focus on the democratic kind of leadership, so the employer is satisfied with job content and management policy. The study identifies that psychological contract is needed to achieve the goals for the organization also to manage the performance of the employees and also as a result of the psychological contract on the employers and employee's relation.

Keywords: *Job content, Flexibility, Management policy, Psychological contract, Productivity, Job performance.*

Introduction

In recent years, too much focus has been given to the relationship between employers and employee at the workplace. As a large number of times, employer and employees spent at work and there is an extraordinary impact of the positive relationship between employer and employee in the organization. It is important to note that, psychological contracts are not legal contracts. In contrast to legal contracts (where obligations are more explicit), it is the employee's perception that a promise has been made or that an obligation exists that creates a psychological contract. In organizational context psychological contracts is defined as "a set of reciprocal obligations or promises related to the employment relationship between an organization and an individual" (Richards et al., 2009, p.819). Employees are spending their time and effort in the organization so they expect something besides the formal contract. Besides this present industry is too much dynamic which results in dynamic approaches to be used for improving employer and employee relationship. The changing nature of the employment relationship has resulted in increased attention to a relatively new research area - psychological contracts. As a consequence of the importance of positive employee relations, there has been an increase in research on psychological contracts in the last decades.

Statement of the Problem

Although much research into the psychological contract has been done in the manufacturing industry. The knowledge about the psychological contract is most appropriate to examine the underlying nature of the employer-employee relationship our study focus on the importance of the psychological contract, especially in the academic sector. Lack of psychological contract between employer and employees will affect the performance of employees. Even in academic sector employer and employee have some perceived expectation besides the labor law and explicit legal contract. This Study contribute focusses how the fulfillment of psychological contract leads to valuable work outcomes.



Objectives of the Study

1. To identify the unwritten reciprocal expectation of employee in the context of job performance and flexibility in Al Mussana College of Technology.
2. To identify the unwritten reciprocal expectation of employer in the context of job content and management policy in Al Mussana College of Technology.
3. To know the gap between perceived expectation and promised obligation.

Questions

1. What is underlying assumption /expectation of employer and employee with regard to flexibility, job content management policy and job performance?
2. What is the gap existing between perceived and promised obligation in the psychological contract between employers and employees?

Scope and significance

Our study will consider identifying the expectation of the employees and employers in Al Musanna College of Technology, especially academic and non-academic staff. The study will be conducted in Al Mussana college of technology including all the departments including ministry and non-ministry staff. Our targeted respondents will be 50 employees of Tati and bahwan in Al Mussana College of technology and two employers. There are several limitations which may we face our study such as; time constraints biased response of respondent except this there are many other antecedents of our study which duly affect the psychological contract which we are not taking into consideration. Psychological contact between employee and employer is very important. It strengthens the relationship between them and motivates staff to work hard which enhances performance and high productivity, which is the basis of the success of work and reach a high place in the field of work.

Literature Review

Al Shaqsi, AflahZaher. (2018) The Thesis focuses on how talented employees' psychological contract was created and changed in the period of their employment. Firms in the oil and gas sector rely seriously on cutting-edge technologies and human capital to optimize oil production. Consequently, employers are keen to attract and retain accomplished employees as a way to support value creation and meet their organizational aims through instant and potential efforts of those talented employees. The psychological contract, on the other hand, reflects the quality of the job relationship between the employees and the company. It has a number of implications on employees' attitudes and behaviour including job satisfaction, turnover, and performance. The Qualitative method has been used to conduct the research Data was thematically analysed by using and modified version of the regular thematic analysis. The findings suggest that the formation of the psychological contract is inspired by Talented Employees' benefit Proposition and Identification System. The findings also suggest that talented employees reciprocate organisations' learning and development endeavours with loyalty and discretionary performance, contract.

Another relevant study conducted by Guo, Chen(2016)The main aim of this study is to examine how employee attributions about the causes of psychological contract breach shape the relationship between psychological contract breach and employee outcomes. Based on existing literature, two models concerning of the role of employee attributions are compared. ¹A moderation model proposes that employee attributions moderate the relationship between psychological contract breach and employees' outcomes. A mediation model asserts that employee attributions play a mediating role in the mechanism of psychological contract breach affecting employee outcomes. Results show that psychological contract breach was significantly related to internal and external employee attributions as well as employee outcomes (i.e., employee well-being, leadership perceptions and supervisor ratings of performance).



Another relevant study conducted by Linde, B. (2015) The idea of this chapter is to look at the role of the mental contract included in the employee-organization intimate relationship (EOR). The impact of the experience of agreement breach and infringement on the wellness of individuals may also be mentioned. Company and employee commitments, as perceived by vehicle can be depending on various claims made to the company, as well as promises made by the employer to the staff. The product range of perceived statements is unlimited and can differ significantly between various varieties of employment, industrial sectors and sectors, major of this book is on work-related wellness and it is value.² This wellness does indeed not only refer to the individual's experience but also refer to the work-related relational wellness. Another relevant study conducted by Abu-Doleh, Jamal Daoud; Hammou, Mohammed Daddi. (2015): The present study examined the effects of psychological contract breach on attitudinal and behavioural job outcomes including job satisfaction, intention to remain with one's organization, perceived organizational support, and organizational citizenship behaviours. In addition, the present study also examined whether the effect of the psychological contract breaking on these job results divers based on the type of psychological contract.³ Another relevant study conducted by Jabeen, Fauzia; Behery, Mohamed (2015) The objects of this study is to survey the effect of the psychological contract, fictional psychological contract and transactional psychological contract on organisational obligation as mediate by transactional leadership in the United Arab Emirates (UAE) condition. The results show that the psychological contracts (transactional and relational) are positively filled to transactional leadership. This study categorizes many consequential relationships, which are between transactional leadership and organisational commitment. In addition, it holds in the transactional leadership has only a partial interpose the role in relation to a fictional psychological contract, transactional psychological contract and, organisational obligation.

Rodwell, John; Ellershaw, Julia; Flower, Rebecca. (2015) The objective of this paper is to show the effect of three components of the psychological contract (i.e. duty, breach, and accomplishment) and the individual feature negative affectivity (NA) onto three key results, namely, job satisfaction, psychological trial, organizational identification.

Research Gap

This study has checked the psychological contract breach from the employees envisage, while psychological contract breach can be explored from both the supervisor's and the employee's perspectives. Literature focuses on most of the manufacturing concern no particular research is being conducted on the academic sector. Although the approach action worker conception is keeping with the dominant employee-centered approach to psychological contracts.

Research Methodology

Type of Research

Our study of the psychological contract between the employees and the employer is based on the descriptive scientific method. In this study, we will collect the information and all the data and details about the problem and the aim of this research, and this research will answer several questions. Also in this research, we will use previous studies and hypotheses also, which in turn will benefit us in this research. We will use the mixed method because we will need to carry out research in a practical way, through the work and distribution of a questionnaire on the number of employees and employers in the college from different departments.

Research Design

A research design is descriptive as in our study we try to describe the situation. The population total number of employees in the Al Mussana College of technology is 435. This includes 98 non-academic staff and academic



251. For our study simple random sampling, sample method will be used which is estimated to be about 2 employers and 50 employees. For selecting the sample, we will focus on academic and non-academic staff (ministry and non-ministry) irrespective of all departments. The sample includes the employees of all ages, different designations, and distinct experience from various departments. The sample is representative of the population without any biases. Moreover, to make the study more objective oriented, we will get a brief idea about Omani labor law. In addition, this study will be based on both quantitative research and qualitative research, which we both need to achieve the objectives of this study. A dependent variable is a psychological contract and the independent variable is employee relation.

Research Respondents

The researchers will apply convenience sampling, which is a non-probability sampling technique. That is easy to select subject and easy to access. In addition, it is proximity to the researchers. The sample is taken from the employers and employees of Al-Musanna College of Technology. The employees and employers will be from all departments (BS, ENG, IT and Foundation) of college. In this study, the size of the data will be around 52 respondents (2 employers and 50 employees).

Research Instrument

The preliminary data will be collected by the structured questionnaire method for employees and employers, and a semi-structured interview will be conducted with the employer and employee. Secondary information will be collected from academic websites, books, press articles, and magazines. This research will include two types of research: quantitative research and qualitative research. Where quantitative data include questionnaires that are expressed numerically, with qualitative data is included and used Web sites, books, newspapers, and magazines to understand the topic and the problem.

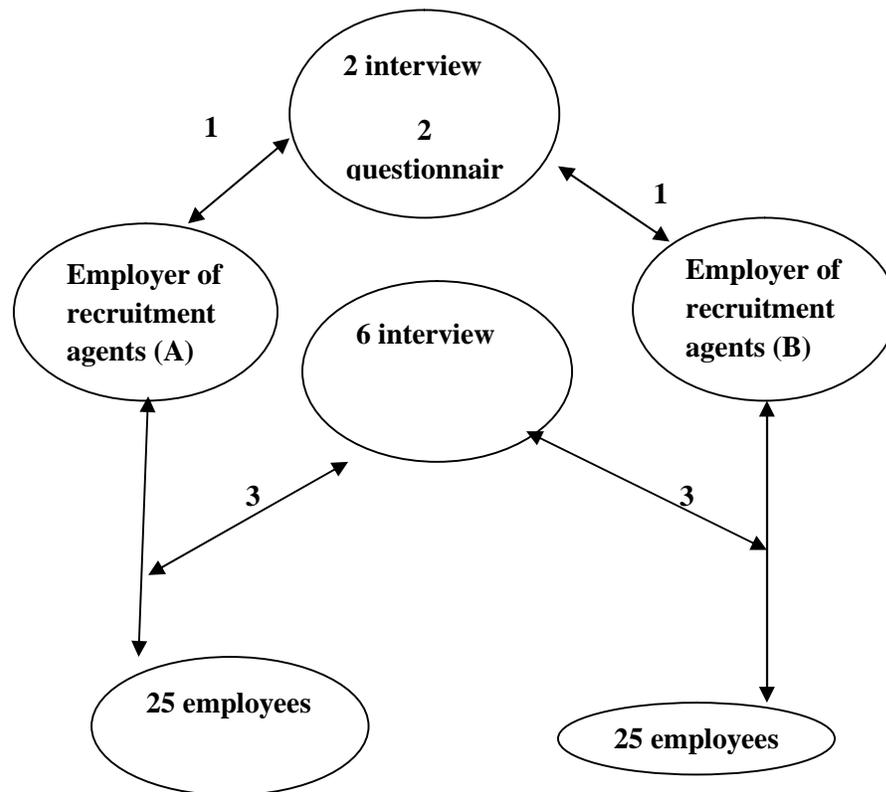
Gathering Data

While the research was maintained in the gathering of information for the testing, honesty was necessary to monitor the ethical status. Moreover, the staff must answer the questionnaire conscientiously. Therefore, it was very important to use the right procedure in collecting information in both primary and secondary sources. Besides this, it is important to maintain the privacy of employees as well as an employer. For primary sources, it includes questionnaire as well as for secondary sources are included academic books, journals, and websites. Data collection is considered as an important stage in gathering all required information form the fundamental in achieving the main objectives of the study. The primary data were collected from:

1) Questionnaires survey – the data collected through questionnaire survey delegated to the selected employer and employees of different department, especially academic and non-academic staff of the Al Mussana College of technology and recruitment agents.

A questionnaire is being designed on a Likert scale on 5 points (strongly agree to strongly disagree). The first **section A** will review personal information such as age, marital status, number of children, educational rehabilitation. In the second **section B**, it contains questions to know the expectations of the employee and the manager in accordance with our objective.

2.Interview (Section C)– on-the-spot interview with the employer and employees of Al Mussana College of technology and recruitment agents. We will collect Secondary data from literature reviews of books, journal, articles, and seminar, conference, a website that emphasize the cross-cultural management. Review of secondary data will make a platform for drafting a questionnaire.



Treatment of Data

The data are pre-processed using the Microsoft Excel for Microsoft Professional, Windows XP for the data analysis. The analysis of the data from the receivable feedback from the questionnaire quantitative stimulation on using Microsoft Excel for instance, in average index calculation and generation of chart and graph. For analyzing the data, we will use statistical measures by using Excel to show our project in a clear result. There are different tools for analyzing the data. For our research tabulation, frequency distribution, Percentage and Mean methods have been used as statistical tools for data analysis. Graphical representation of data will be done by pie and par chats Percentage analysis is specific tools to make a comparison between two or more series of data.

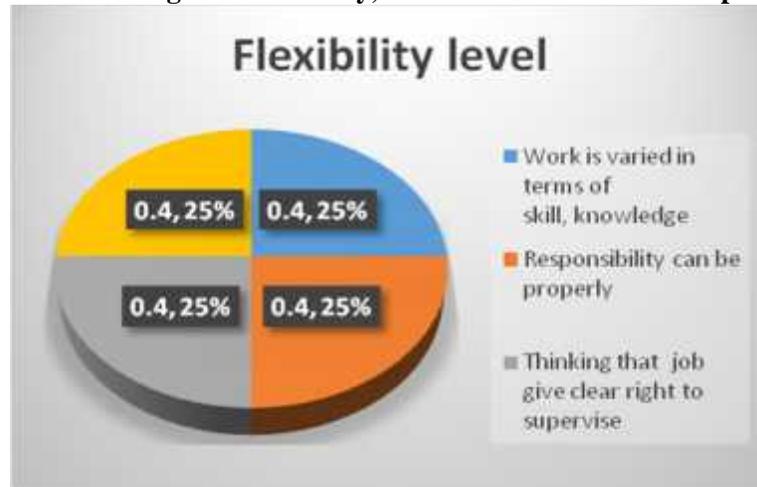
Presentaion, Analysis, And Interpretation of Data Analysis Section-A personal data

In this section, we analyzed the data based on the questionnaire we distributed to the employees and to the employers regarding personal details.

Section –B (1)

his section questions are based on the objectives of our study to know the employee expectation and promises in the context of flexibility and job performance.

For Measuring The Flexibility, We Have Covered Four Aspects



Interpretation: Thus, the percentage of those who agreed and were accustomed to accepting the transfer of work from one place to another is the highest percentage indicating the flexibility of the staff. Most likely agreed to their willingness to perform tasks not required in the workplace. There was considerable flexibility for employees to accept work for overtime and most of them had agreed. Therefore, the proportion of those who answered the approval was the highest in terms of accepting the required geographical transition according to the need and requirements of work.

For measuring the job performance, we have covered four aspects



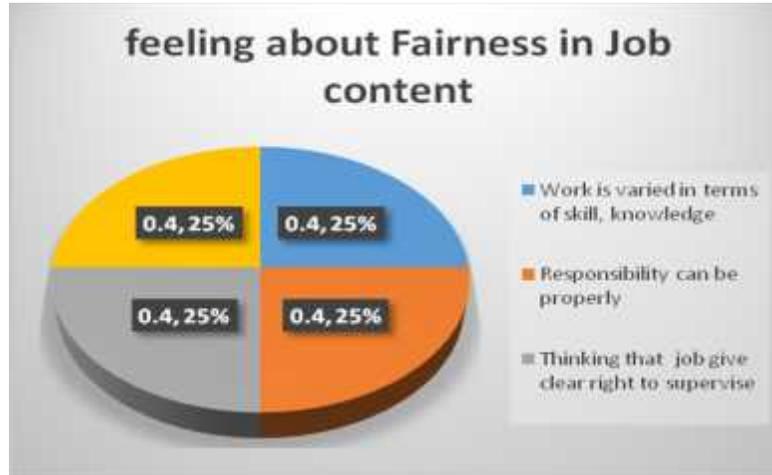
Interpretation

The figure shows the percentage of employees who feel comfortable working with a team. We find here the importance of working with a team and its impact on employees as the percentage of those who strongly agreed to work with a team surpassed all ratios as they expressed their satisfaction in working as a team. Here, the highest percentage of employees strongly agreed with their satisfaction with their job performance. The percentage of employees with respect to whether they work honestly and loyally shows that the percentage of those who strongly agree with the highest percentage There were a number of those who strongly agreed that they were working honestly and devotedly to the institution. The percentage of employees who prefer to work in a professional manner is higher than the percentage of those who agree strongly, through these ratios, we conclude that a large percentage of employees have agreed and strongly prefer to work professionally.

Section – B (2)

This section questions are based on the objective of our study to know the employer’s expectation and promises:

For Measuring The Feeling f Employer About Job Content Flexibility, We Have Covered Four Aspects



Interpretation

The percentage of employers who feel work is varied in terms of skill, knowledge, and requirements is strongly agreed (100%), which was the highest percentage, So, both employers are agreed with work is varied in terms of skill, knowledge, and requirements. The percentage of employers who think responsibility can be properly given to all subordinates was the percentage of those who strongly agreed (100%), We understand from that both employers are strongly agreed with responsibility can be properly given to all subordinates. So, we understand from that one employer were agreed and one employer is strongly agreed with the work can be done with limited disturbance.

For measuring the perception of employer about fairness in management policy, we have covered four aspects





Interpretation

The percentage of employers who feel adequate equipment and resources being given to perform job percentage of those who strongly agreed (100%), We understand from that both employers are strongly agreed with adequate equipment and resources being given to perform a job. Therefore, we understand from that one employer agreed and one employer strongly agreed with enough information is given to the employees.

Section-C-here with the semi-structured interview with employees, we understand their views on how to improve in employee relation

Employees

Some staff suggests some of the following recommendations: To be a relationship based on respect, appreciation, and knowledge of their problems and incentives reward and concluded. Some employees said that the relationship should be based on fair treatment and a good work environment Some employees said through effective communication, focus on goals and improve skills and knowledge. Collecting some employees by working with each other as well as continuous training, as well as developing the language, improving job performance, generous treatment, incentives, adaptation and work diligence. Some employees said that improving employee flexibility is by assigning tasks to target employees and focusing on group work and increasing salary schedule.

Employer

Most employers said they should interact more and have a good relationship with others and honesty and responsibility. Most employers say that skills must be improved communication and language as well as hard work. They said there should be good human resource policies and practices. Most employees and employers said they are management policies and this problem is resolved by clarifying them human resource policies and practices. Employer focus that as such there is very little chance of misunderstanding between employer and employee and a psychological contract is being followed

Finding

Our first objective if there is to identify the unwritten reciprocal expectation of employee in the context of job performance and flexibility in Al Mussana College of Technology , we find a large number of staff who agreed to accept to move from one place to another, , and they had the readiness to perform tasks not required in the workplace as the majority of those who agreed to work extra hours to work The results showed that employees were very satisfied with their job performance and preferred to work professionally . This indicates the flexibility of employees to accept work regardless of the department's requirements and satisfaction with their job performance.

Our second objective is to identify the unwritten reciprocal expectation of employer in the context of job content and management policy in Al Mussana College of Technology, and we concluded that the manager equally distributes the work according to the skills and requirements of the job and all the employers agreed. In addition, we found that responsibility is properly distributed. In addition, we found that the job gives the right of supervision, and all the employers were very much in agreement with in addition, we found that the work can be done with limited disturbances. So in terms of job content and fairness in management policy employees are strongly are and applying equity and fairness in both.

Our third objective is to know the gap between perceived expectation and promised obligation. We did not find any gap with the employers and we found them all agree to everything. In addition, all they are comfortable with work. But for employees, there is a gap in mobility from one place to another to work and the percentage was 16%. Also, there is a gap in the perform of tasks not required of them in the workplace and the percentage was 16%.



Conclusion

At the end of the research we concluded the importance of psychological contract between employees and employers and the extent of its role in achieving and achieving the desired goals and satisfaction of both employees and employers and the extent of the role of moral and material incentives to the employee and how to upgrade the level of psychological contract between them. Career development tools should be used in the organization.

Future research in this distance would interest from checking many effects of interim employees in several company settings, in the condition where this resolution is led by many other factors rather than market stress. Research can be conducted on other content like loyalty, honesty, job competitiveness, salary of employees etc. There is too much scope in the different sector for this research. Furthermore, a complementary study to this doctoral thesis with a larger sample size is potentially rewarding to understand the correlation between the entities discovered. This research study could be utilized in comparative studies investigating the different nature of psychological contracts between employees in different sectors. Furthermore, too much scope exists in the level of the breach in different types of contract and their impact on organization change and culture.

References

1. Al Shaqsi, AflahZaher.University of Surrey (United Kingdom), ProQuest Dissertations Publishing, 2018. 10997494.
2. Guo, H. (2016). The University of Manchester (United Kingdom), ProQuest Dissertations Publishing, 2016. 10174640.
3. Linde, B. (2015). The value of wellness in the workplace: A perspective of employee-organization relationships in the South African market. Ist ed., Springer Briefs
4. Abu-Doleh, J. Hammou, M. (2015). Daddi.Journal of Competitiveness Studies; Indiana Vol. 23, Iss. 1/2, (2015): 34-54.
5. Jabeen, F. Behery, M. Hossam, A. (2015). International Journal of Organizational Analysis; Bingley Vol. 23, Iss. 1:102-122. DOI:10.1108/IJOA-10-2014-0812
6. Kutaula, S. (2014). Cardiff University (United Kingdom), ProQuest Dissertations Publishing, 2014. US 10174649. Available from: <https://search.proquest.com/docview/1827484449?accountid=151366>
7. Chambel and Jose, M. (2014). Does the Fulfillment of Supervisor Psychological Contract Make a Difference? Leadership and Organizational Development Journal, Bradford, Vol.35, Pages. 20-37.
8. Ballou, N, S. San, J. (2013). State University, ProQuest Dissertations Publishing.1547081.
9. George, C. (2009). Psychological Contract: Managing and Developing Professional Groups, McGraw-HillEducation. ProQuest EBook Central, .
10. Armstrong, D., and Michael, H. (2007). Psychological Contract: A Conceptual Framework, A Handbook of Management and Practice, Pages. 147-159.
11. Liao-Troth, M. (1999). The psychological contract of volunteer workers and its consequences, The University of Arizona, (0599227176, 9780599227170), United State
12. Richard, O. C., McMillan-Capehart, A., Bhuian, S. N., & Taylor, E. C. (2009). Antecedents and consequences of psychological contracts: Does organizational culture really matter? Journal of Business Research, 62(8), 818-825
13. Rousseau, D. M. (2009) Psychological Contracts in Organizations: Understanding Written and Unwritten Agreements. 1st ed. Sage; Newbury Park, CA. 3-6.
14. Rodwell, J. Ellershaw, J. (2015). Flower, Rebecca.Personnel Review; Farnborough Vol. 44, Iss. 5: 689-701. DOI:10.1108/PR-12-2013-0224.
15. ISBN ,978-981-287-402-3_2 Chapter-2 Pg. 9-17.