

## PSYCHOLOGICAL CONTRACT-A GAME CHANGER FOR ORGANIZATIONAL SUCCESS

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**Abstract:** *Psychologically empowered employees always produce better results than the other employees. Here we are focusing on the positive aspect of psychological contract, which can create wonders in captivating organizations' productivity level.*

**Purpose:** *The article highlights about the positive side of psychological contract and constructive deviance of the organization.*

**Design/Methodology:** *The article is basically written on primary data. A sample size of (n = 129) which consists of male and female doctors of 18 private hospitals, who finally gave their views on this. The number of variables when identified for the collection of data is 19. The researcher used pilot study for 59 respondents where Cronbach Alpha and Factor Analysis tested variables.*

**Findings:** *After analysis, we have found that employee who enjoys psychological contract leads to increase in job satisfaction and new fangled behavior. Productivity, employee motivation, morale and employee engagement takes a step ahead in this context. Moreover employees become more workaholic as a result of which adjusting to new conditions is easier.*

**Research Limitations:** *It only caters to doctors employed in private sectors in and around the capital region of Odisha.*

**Practical Implications:** *The present study will be an eye opener for those organizations, which are not able to attract psychologically empowered employees.*

**Originality:** *Only positive aspect that leads to fulfillment of psychological contract is depicted along with the effect on the organization.*

**Keywords:** *psychological contract, positive deviance, psychologically empowered.*

### INTRODUCTION

Organizational success is measured by the number of psychologically empowered employees. These empowered employees serve as a beacon of light for the increase

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in organizational productivity. Psychologically empowered employees obey the principles of Theory Y. The employees like work, are creative, always seek extra responsibility and indulge in innovative ideas. Psychologically empowered employees see work as natural and the ability to make innovative decisions is widely spread out throughout the organization.

A preferential choice of good actions over the bad ones is always on cards. Good deeds characterize the good action. Good actions are always indicated by a clear cut vision, mindset and mission. The actions which set forth a neat indication that depart from originally mentioned norms and regulations in an honorable manner; where it is beneficial as well as useful for the organization. These acts are termed to be good actions. Good beneficial actions are time bound, realistic, well scripted, and constructive that suits to one and sundry in an organization. Their actions reflect positive attitudes, skill and temperament. Committed employees have performed to their optimum. Attitudes like job involvement, job satisfaction and organizational citizenship behavior become a gallant force to make way for profits of the organization. Time bound, specificity, rationale, lucid is what describes a good action which acts as a reckoning force towards psychologically entrusted employees in an organization.

## OVERVIEW

Psychological contract is purely imaginary which manifests self-belief and perceptions, which are not available in written forms. (CIPD, 2003) Psychological contracts, which abide by employees, will have a better output in terms of output and efficiency. The obvious reasons being fulfillment of organizational commitment to employees. (Arnold, 1996). Psychological and criminal literature manifests itself when the employees themselves do not stick to the organizational rules and regulations where the aura of management gives deviance a status of being inimical to the employer. (Cohen, 1966) It has been categorically divided into positive and negative deviance.

Positive deviance is a concept, which expresses as; going out of the said direction (legal) in order to put your organization in a better state. Positive Deviance is otherwise known as productive deviance, which includes certain behaviors that are unnoticed but yet are very useful for achieving organizational success. (Galperin, 2003) Organizational Citizenship Behavior (OCB), whistle blowing and voice all pertain to positive deviance. Organizational Citizenship Behavior is any unwanted behavior exhibited by an old warhorse but at the same time is required for smooth and efficient functioning of the organization. (Joe, 1999) Toxic leaders or boss sometimes make use of illegal practices of their respective organizations, which quite often are reported to press and government. This act is termed as

whistle blowing. (Near and Miceli, 1985) Voice gives more emphasis to verbal expressions, which are of improving manner rather than defaming the organization. (Van Dyne, 1998)

Psychologically empowered employees create that positive vibe which nullifies all the negative hindrances. Employees gain insights in their work, propel with given tasks and at the same time organizational performance is reached at a zenith level (Wagner *et.al*, 2003). The very word psychologically empowered gathers a number of dimensions. Feel free to do a work, job autonomy, self-determination are some of the parameters which gives rise to increase in productivity. (Morin, Savoie, Gaudreau and Boudrias, 2009). Empowerment occurs when charismatic and transformational leaders lead by example, practice superlative degree of managerial practices. This occurs in an environment of democracy where a leader gives autonomy and freedom to its employees to blossom. (Lawler, 1986). Information sharing, effective coaching, collaboratively taking decisions, leading by example, giving the freedom to employees to perform are the traits of being psychologically empowered. (Arnold, 2000). The meaning and concept of psychologically empowered has gained a lot of momentum. Being psychologically empowered, organization can make employee engagement programs a reality. Empowerment is of more dealing with power where equal and even distribution of power should be there from senior to subordinate (Tulloch, 1993).

## **CONCEPT**

Indeed it has been a roller coaster ride for the employees who enjoy a fair and good psychological contract. A twist in the tale happens when the employer towards its employees breaches psychological contract. Empowerment of psychological contract means by coming to terms and conditions set forth by their respective employers, believing in your employees, making employees feel like boss of their own work. Fair treatment, organizational justice, efficient leadership supervision all add up to psychologically entrusted employees.

Being in the effect of a good psychological contract, it sometimes refers to employee engagement where employees are willing always to take extra burden to complete the pending work. Employees start feeling a home away from another home. Happy employees are more inclined towards an organization's upliftment. The status of being happy gallops to attitudes being used. The use of job satisfaction has more relevance to it. When an employee is psychologically empowered, the forces like the intrinsic motivation, job satisfaction and job involvement enhances productivity, efficiency. Job satisfaction is the positive feeling that an employee derives after being psychologically entrusted. Satisfied employees always think positively of the organization. This creates an emotional attachment with the organization. Perceived support is what happy or satisfied employees really get from their supervisors.

## OBJECTIVES

1. To study the behavior of employees, when the employee is psychologically empowered with the organization.
2. To suggest the measures (if required) based on the findings of the study.

## Scope of the Study

The scope of the study is limited to doctors working in the private sector hospitals in and around the capital region of Odisha. For the purpose of confidentiality the names of the hospitals are not being mentioned.

## METHODOLOGY OF THE STUDY

The research methodology plays an important role to draw a meaningful conclusion in the area of the research. The study is based on primary data. The data is collected from the various private hospitals in and around the capital. In this regard 18 private hospitals were visited, 123 male and 98 female doctors were approached. But however 76 male and 53 female doctors finally gave their views. For the collection of data initially 19 variables were identified. The researchers have conducted a pilot study with the help of 59 respondents where, the variables are tested using Cronbach Alpha and Factor analysis. The purpose of using Cronbach alpha value is to see internal consistency among the variables. The normal thumb rule is that, if the alpha value is more than 0.70, then the variables can be accepted in the final research. The result of the alpha value is shown in the table 1.

**Table 1**  
**Cronbach Alpha Value**

<i>Reliability Statistics</i>	
<i>Cronbach's Alpha</i>	<i>N of Items</i>
0.910	19

## Pilot Study

A relatively high alpha value indicates that the variables are internally consistent. But alpha value alone does not give a meaningful result regarding choice of variables; as the suitability of the variables in the study region is also important. For this purpose, factor analysis has been conducted. Factor analysis is a data reduction technique which keeps only those variables that are relevant for the study area and the same has been conducted based on the response provided by the respondents surveyed during pilot study. But, to conduct a factor analysis both KMO and Bartlett's test needs to be conducted. Here also the condition is that if the KMO value is more than 0.70 and Bartlett's test of sphericity is significant, then the factor analysis can be conducted. The result of the same is shown in the table below:

**Table 2**  
**KMO and Bartlett's Test Result**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.824
Bartlett's Test of Sphericity	Approx. Chi-Square	726.700
	Df	171
	Sig.	.000

*Source:* Pilot Study

As both the conditions are satisfied it can be assumed that the factor analysis can be conducted. So, the Principal Component Analysis has been applied and this method helps us to retain 14 variables out of the total 19 variables identified initially.

Sampling technique is another important area which helps to identify proper target respondents. In the present case it has been decided to go for snowball sampling technique.

Total 221 questionnaires were distributed and 129 were received in correct form. These questionnaires are included in the final study. Overall, the percentage of response was 58.37%. The distributions of respondents are shown in the table below:

### **Findings of the Study**

- Answering to the question whether psychological contract increases the newfangled behavior, from the male and female doctors strongly agree and agree taken together it comes to 78% and 88% respectively. It shows that majority feel it increases newfangled behavior. (Table 1)
- Most of the respondents feel that there is less chance of disobedience with flawed directives when there is a psychological contract. Responding to the questionnaire 88% and 77% of male and female doctors strongly agreed and agreed to the variable. (Table 2)
- Responding to the question whether there is more scope for psychologically entrusted employees if psychological contract exists, majority strongly agrees to the variable. It shows that 86% and 78% of female and male doctors agreed to the same. (Table 3)
- Joining to the question related to scope for more job satisfaction if psychological contract is present, 81% of male and 78% of female doctors agreed and strongly agreed. This shows that most of the respondents from both the group having similar opinion for this. (Table 4)
- Responding to the question related to productivity, most of the respondents feel that if psychological contract is present, the productivity

will also increase. This also was endorsed by 82% female and 83% male doctors. (Table 5)

- Majority of respondents believe that psychological contract enhances the motivation of the employees. This has been established by the present study. 73% and 78% of male and female doctors agreed to this variable. (Table 6)
- Presence of psychological contract increases the efficiency of the employee. To validate this 78% of female and 75% of male doctors agreed to this. (Table 7)
- Employee's engagement enhances due to psychological contract. Responding to this most of the doctors from both the group agreed to this. 86% of female doctors and 74% male doctors agreed to this version. (Table 8)
- Due to the presence of psychological contract among the employees, the workaholic nature among the employees enhances. This is being established from the present study, 80% and 84% of male and female doctors agreed to this (Table 9)
- The presence of psychological contract helps in more vibrant and positive organization climate. Supporting this 87% of male and 78% of female doctors agreed to this variable. (Table 10)
- Goodwill will be enhanced due to the presence of psychological contract among the employees. This is validated by the present study. Accordingly, 76% of female and 73% of male doctors agreed to this variable. (Table 11)
- Responding to the question related to customer delight, 81% of male and 80% of female doctors agreed to this. (Table 12)
- It is also found that the employees who develop psychological contract with the organization are more flexible to change management. In other words they are ready to adopt the changes. Majority of the doctors are having same perception. However, in case of female doctors is 86% and for male it is 63%. (Table 13)
- Answering to the question related to employee turnover, it is found that majority feels that people having psychological attachment with the organization do not prefer to leave the job. This is also validated by the present study. In this case 83% of female and 82% male doctors agreed to this. (Table 14)

## CONCLUSION

Psychological contract is a mental phenomenon. It depends on the employees mind set , organization culture, employees back ground, relation among employees, attitude of immediate bosses, HR policies and employer attitude towards employees in addition to various other factors. However, if proper environment is created within the organization, then employees will be more psychologically entrusted and attached to the organization. This will make wonders to the organization and paves the way for more productivity.

## ANNEXURE

**Table 1**  
**Do you agree that it increases newfangled behavior?**

Perception	Male Doctors				Female Doctors			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	43	57	57	57	39	73	73	73
Agree	16	21	21	78	8	15	15	88
Agree	4	5	5	83	4	8	8	96
Neutral	9	12	12	95	2	4	4	100
Disagree	4	5	5	100	0	0	0	
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data

**Table 2**  
**Do you agree that there is a less chance of disobedience with flawed directives?**

Perception	Male Doctors				Female Doctors			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	41	54	54	54	35	65	65	65
Agree	26	34	34	88	6	12	12	77
Agree	3	4	4	92	3	6	6	83
Neutral	4	5	5	97	4	8	8	91
Disagree	2	3	3	100	5	9	9	100
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data

**Table 3**  
**Do you agree that there is more scope for psychologically entrusted employees?**

<i>Perception</i>	<i>Male Doctors</i>				<i>Female Doctors</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	46	61	61	61	38	71	71	71
Agree	13	17	17	78	8	15	15	86
Agree	4	5	5	83	2	4	4	90
Neutral	10	13	13	96	3	6	6	96
Disagree	3	4	4	100	2	4	4	100
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data

**Table 4**  
**Do you agree that scope is more for Job Satisfaction?**

<i>Perception</i>	<i>Male Doctors</i>				<i>Female Doctors</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	51	68	68	68	36	69	69	69
Agree	10	13	13	81	5	9	9	78
Agree	3	4	4	85	5	9	9	87
Neutral	8	10	10	95	5	9	9	96
Disagree	4	5	5	100	2	4	4	100
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data

**Table 5**  
**There is a chance for more Productivity**

<i>Perception</i>	<i>Male Doctors</i>				<i>Female Doctors</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	53	70	70	70	39	73	73	73
Agree	10	13	13	83	5	9	9	82
Agree	4	5	5	88	2	4	4	86
Neutral	5	7	7	95	3	6	6	92
Disagree	4	5	5	100	4	8	8	100
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data



**Table 6**  
**There will be motivation to employees**

Perception	Male Doctors				Female Doctors			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	42	56	56	56	36	66	66	66
Agree	13	17	17	73	6	12	12	78
Agree	8	10	10	83	3	6	6	84
Neutral	8	10	10	93	4	8	8	92
Disagree	5	7	7	100	4	8	8	100
Strongly Disagree								
<b>Total</b>	<b>76</b>	<b>100</b>	<b>100</b>		<b>53</b>	<b>100</b>	<b>100</b>	

Source: Primary data

**Table 7**  
**More efficiency among the employees**

Perception	Male Doctors				Female Doctors			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	45	59	59	59	33	63	63	63
Agree	12	16	16	75	8	15	15	78
Agree	4	5	5	80	2	4	4	82
Neutral	9	12	12	92	5	9	9	91
Disagree	6	8	8	100	5	9	9	100
Strongly Disagree								
<b>Total</b>	<b>76</b>	<b>100</b>	<b>100</b>		<b>53</b>	<b>100</b>	<b>100</b>	

Source: Primary data

**Table 8**  
**Do you agree that there will be more employee engagement?**

Perception	Male Doctors				Female Doctors			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	47	62	62	62	43	80	80	80
Agree	9	12	12	74	3	6	6	86
Agree	5	7	7	81	2	4	4	90
Neutral	8	10	10	91	2	4	4	94
Disagree	7	9	9	100	3	6	6	100
Strongly Disagree								
<b>Total</b>	<b>76</b>	<b>100</b>	<b>100</b>		<b>53</b>	<b>100</b>	<b>100</b>	

Source: Primary data

**Table 9**  
**Workaholic among employees**

<i>Perception</i>	<i>Male Doctors</i>				<i>Female Doctors</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	53	70	70	70	40	75	75	75
Agree	8	10	10	80	5	9	9	84
Agree	2	3	3	83	1	2	2	86
Neutral	6	8	8	91	4	8	8	94
Disagree	7	9	9	100	3	6	6	100
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data

**Table 10**  
**More vibrant and positive organization climate**

<i>Perception</i>	<i>Male Doctors</i>				<i>Female Doctors</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	63	82	82	82	37	69	69	69
Agree	4	5	5	87	5	9	9	78
Agree	2	3	3	90	3	6	6	84
Neutral	5	7	7	97	4	8	8	92
Disagree	2	3	3	100	4	8	8	100
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data

**Table 11**  
**Goodwill will be enhanced**

<i>Perception</i>	<i>Male Doctors</i>				<i>Female Doctors</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	47	63	63	63	34	63	63	63
Agree	8	10	10	73	7	13	13	76
Agree	4	5	5	78	2	4	4	80
Neutral	11	14	14	92	6	12	12	92
Disagree	6	8	8	100	4	8	8	100
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data

**Table 12**  
**Customer delight**

Perception	Male Doctors				Female Doctors			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	49	66	66	66	38	71	71	71
Agree	12	15	15	81	5	9	9	80
Agree	3	4	4	85	4	8	8	88
Neutral	8	10	10	95	3	6	6	94
Disagree	4	5	5	100	3	6	6	100
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data

**Table 13**  
**Flexible in Change management**

Perception	Male Doctors				Female Doctors			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	38	49	49	49	43	80	80	80
Agree	11	14	14	63	3	6	6	86
Agree	7	9	9	72	1	2	2	88
Neutral	15	21	21	93	4	8	8	96
Disagree	5	7	7	100	2	4	4	100
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data

**Table 14**  
**Less employees' turnover**

Perception	Male Doctors				Female Doctors			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	54	70	70	70	41	77	77	77
Agree	9	12	12	82	3	6	6	83
Agree	5	7	7	89	2	4	4	87
Neutral	5	7	7	96	5	9	9	96
Disagree	3	4	4	100	2	4	4	100
Strongly Disagree								
Total	76	100	100		53	100	100	

Source: Primary data

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