

UNDERSTANDING ROLE OF PSYCHOLOGICAL CONTRACTING IN EXPLAINING ORGANIZATIONAL CITIZENSHIP BEHAVIOR: AN EMPIRICAL STUDY

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ABSTRACT

Our study revolves around the role of psychological contracting towards developing organizational citizenship behaviour. Some of the traditional organizational citizenship behaviour (OCB) and psychological contract (PC) research fields have recently seen a resurgence of interest. In this study, we look at how these two conceptions relate to one another and address significant gaps in the literature in both fields. To further explore the same, we have conducted literature review around all the constructs of research importance and made empirical research around it. The main objective of this study is to understand the organizational citizenship behaviour (OCB) among the employees with the specific reference to psychological contracting (PC). This study was conducted on the employees of various recognized higher educational institutions/ organizations (HEIs) in Uttarakhand, India to understand the operationalization of organizational citizenship behavior among the employee pool. The result of this study will be helpful in guiding the organizations to enhance the organizational citizenship behaviour among their employees.

Keywords: *Organizational Citizenship Behaviour (OCB), Psychological Contracting (PC), Higher Educational Institutions/ Organizations (HEIs).*

Introduction

It has long been established that organizational assistance leaves employees with positive impressions. Say it, financial or non-financial resource. Support may come in the form of meagre financial assistance or could extend to the point where it fosters an emotional link among the staff and share sense of commitment, theoretically acknowledged as organizational citizenship behaviour (OCB). It effectively alters employees' attitudes and behaviour by encouraging them to accept the organization's aims and values in line with its purpose and vision (Moorman, 1991). Positive attitudes among employees and acceptable working conditions are encouraged through organizational support and mutual trust.

In recent decades, employee dedication has drawn more attention because it practically influences all economic operations, whether they be in manufacturing or services. The ability and intents of a person to transfer their talents, efforts, and abilities into productivity and the achievement of organizational goals add up to employee commitment in an organizational setting. Improved organizational performance therefore implies better levels of staff commitment and shows employee efforts to reach objectives. Contracting (psychological and functional) finally inculcates organizational citizenship behaviour (OCB) along with many other tangible or intangible enablers and factors. The main objective of this study is to understand the organizational citizenship behaviour (OCB) among the

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employees with the specific reference to psychological contracting (PC). This study was conducted on the employees of various recognized higher educational institutions/ organizations (HEIs) in Uttarakhand, India to understand the operationalization of organizational citizenship behavior among the employee pool. The result of this study will be helpful in guiding the organizations to enhance the organizational citizenship behaviour among their employees.

Theoretical Background and Literature Review

Research suggest that the content of the contract relates to the type of relationship the employee seeks from the employer (Raja et al., 2004). Content-based techniques measure transactional and relational aspects including promises and obligations (Kutaula et al., 2019). While referring to the content of the contract, two types of psychological contracts exist between an individual and an organization: transactional and relational (Raja et al., 2004). Transactional contract (TC) refers to short-term materialistic/ economic orientated contracts characterized by limited participation from both parties (Hui et al. 2004). On the contrary, relational contracts (RC) include preconditions for loyalty in exchange for security or growth in the organization, and are not restricted merely to commercial trade (Bal et al., 2013).

The social exchange theory (SET) proposed by Blau (1964) helps in understanding how interpersonal relationships are established and maintained in work settings. Social exchange theory finds numerous applications in understanding workplace relationships. The psychological contract theory is highly influenced by social exchange theory (Kutaula, 2019). The social exchange theory (SET) and psychological contract theory (PCT) share two characteristics: exchange relationships and reciprocity, which lends credence to the idea that PC functions as exchange structures (Coyle-Shapiro & Conway, 2005; Rousseau, 1995). As per the various pieces of literatures, affective, continuance, and organizational commitment to the organization is associated with employee retention, or it can be argued that employees are less willing to leave that organization. Figure 1 depicts the proposed research model as,

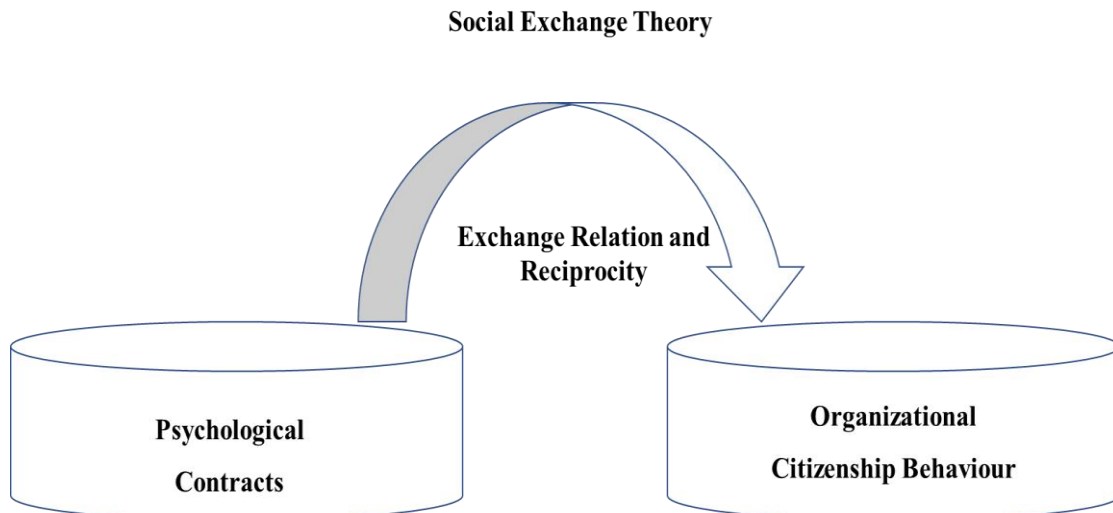


Figure 1: Theoretical Research Model based on Social Exchange Theory

Meyer et al. (1991) investigated the influence of organizational commitment. They argued about the consequences of organizational commitment, behavioural attitude towards the workplace, performance, and willingness to contribute above and beyond the call of duty. Earlier studies found a strong association between employee commitment and employee retention; organizational commitment is negatively associated with the employees' tendency to leave the organization (Mathieu & Zajac, 1990; J. Meyer & Allen, 1997). Allen and Meyer (1990) found that affective commitment has the strongest association with employee retention, while all three dimensions were found to be significant to it.

Various pieces of literatures found a positive association between organizational commitment and employee attendance (Mathieu & Zajac, 1990; Meyer et al., 1993; Somers, 1995; Steers, 1977). In the context of hospital employees, scientists and engineers, Steers (1977) argued that commitment to the organization is moderately associated with the attendance of the employees. Further, in the meta review, Mathieu and Zajac (1990) found a correlation of 0.10 between attendance and commitment.

Research Methodology

To test the proposed model data has been collected from public and private sector higher educational institutions (HEI) in the state of Uttarakhand. Respondents have been the faculty members and decision makers working primarily in knowledge driven culture. This has been done purposefully to explore the firm resource allocation (factors contributing towards organizational citizenship behaviour) influenced by extent and type of psychological contracting.

The testing was conducted in the month of December 2021. Questionnaires were distributed in offline as well as online mode. Looking into the design of the study, equal probability of respondents was ensured using probabilistic sampling technique. Data was purposively collected using the online and offline mode ensuring zero biasness in the data collection process. Out of total 360 distributed responses for testing, 308 filled questionnaires have been received. 6 responses have been discarded because of incomplete responses. It leads to final number of 302 for conducting the pilot study. As requested by the respondents, identity of respondents was no-where disclosed. In order to receive the response, participants were asked to indicate their agreement for the statements on five-point Likert (LRF) type scales with anchors ranging from '1 = strongly disagree' to '5 = strongly agree'. This format has been administered for all the used scales.

Sample Description

Out of total valid responses, profiling of the respondents has been done based on the demographics. The respondent profile by gender, age and management type is as appear in the Table 1.

Table 1: Profiling of Respondents

Demographic		Proportion of sample	
		Number	Percentage
Gender	Male	223	73.84
	Female	79	26.15
Age	<30	0	0
	30-40	141	46.68
	40-50	147	48.67
	50-60	14	04.63
	>60	0	0
Total		302	100

Out of total 302 valid responses, majority of the responses i.e., 223 (73.84 %) belongs to male and remaining 79 (29.15 %) are female. However, the numbers in technical HEI and non-technical HEI varies.

Measures

All constructs in the study have been measured using multiple items. A five-point LRF scale has been used to capture the variables and indicator items. The scale has been adopted from previous studies and consists of total 30 items to operationalize 2 construct level variables with 2 and 5 sub-dimensions for Psychological Contract (PC) and Organizational Citizenship Behaviour (OCB) respectively. All the scales exceed the 0.70 benchmark. They have been operationalized as summarized in the Table 2.

Construct Reliability and Validity

Reliability defines the internal consistency of the scale. If multiple measurements (items) are taken, reliable measures will all be consistent in their values. Reliability is also an indicator of convergent validity. Construct reliability should be 0.7 or higher to indicate adequate convergence.

Table 2: Construct Reliability (Cronbach's α) Scores

S. No.	Constructs	Construct Reliability (Cronbach's α)
1	Organizational Citizenship Behaviour	0.810
2	Employee Commitment	0.858
3	Psychological Contract	0.781

Construct validity is the extent to which a variable or set of variables measures, what it is intended to measure. Face validity, convergent validity and discriminant validity has been assessed using the measurement model approach under confirmatory factor analysis (CFA). For all constructs, convergent validity is assessed by the average variance extracted (AVE) criterion of 0.50. VE should be 0.5 or greater to suggest adequate convergent validity. Discriminant validity is confirmed for all latent constructs since the square root of each construct's AVE is greater than the bivariate correlation with the other constructs in the model as given in Table 3.

Table 3: Measuring Discriminant Validity using Confirmatory Factor Analysis (CFA)

	Transactional Contracts (A)	Sportsmanship (X)	Conscientiousness (V)	Altruism (Z)	Relational Contracts (B)	Courtesy (U)	Civic Virtues (Y)	Employee Commitment (E)
Transactional Contracts (A)	0.797							
Sportsmanship (X)	0.425	0.847						
Conscientiousness (V)	0.396	0.291	0.985					
Altruism (Z)	0.305**	0.235	0.353	0.981				
Relational Contracts (B)	0.419	0.503	0.573	0.339	0.884			
Courtesy (U)	0.4	0.455**	0.342	0.261**	0.434	0.938		
Civic Virtues (Y)	0.416	0.516	0.29**	0.367	0.375**	0.382	0.896	
Employee Commitment (E)	0.559	0.463	0.424	0.449	0.502	0.451	0.494	0.723

** . Correlation is significant at the 0.01 level (2-tailed).

Values in diagonal are $\sqrt{\text{AVE}}$

Results

The main effects model has been explored using structural equation model. Assessment of model fit in SEM is done through various fit indices. The stage-1 model summarizes the results for Hypothesis 1 to 13 in the absence of mediator variables. Figure 2 shows the path coefficients of the Stage -1 model. The fit indices indicate excellent fit for the model. We have tested the model using Normed-fit index (NFI). Recent suggestions state that the cut-off criteria should be $\text{NFI} \geq 0.90$ Multiple R square for the overall model was 0.437. Table 5 and 6 shows the fit indices of tested model.

Table 5: Various Model Fit Indices in Stage-1

Parameters	Saturated Model	Estimated Model
SRMR	0.065	0.084
d_ ULS	3.805	6.358
d_ G	2.423	2.521
Chi-Square	4473.556	4621.446
NFI	0.943	0.935

Table 6: Model Fit Indices of the Tested Model (on Independently Tested Outcome Variables)

Variables	R Square	R Square Adjusted
Sportsmanship (X)	0.308	0.305
Conscientiousness (V)	0.358	0.355
Altruism (Z)	0.147	0.143
Courtesy (U)	0.246	0.242
Civic Virtue (Y)	0.286	0.280
OCB	0.437	0.412

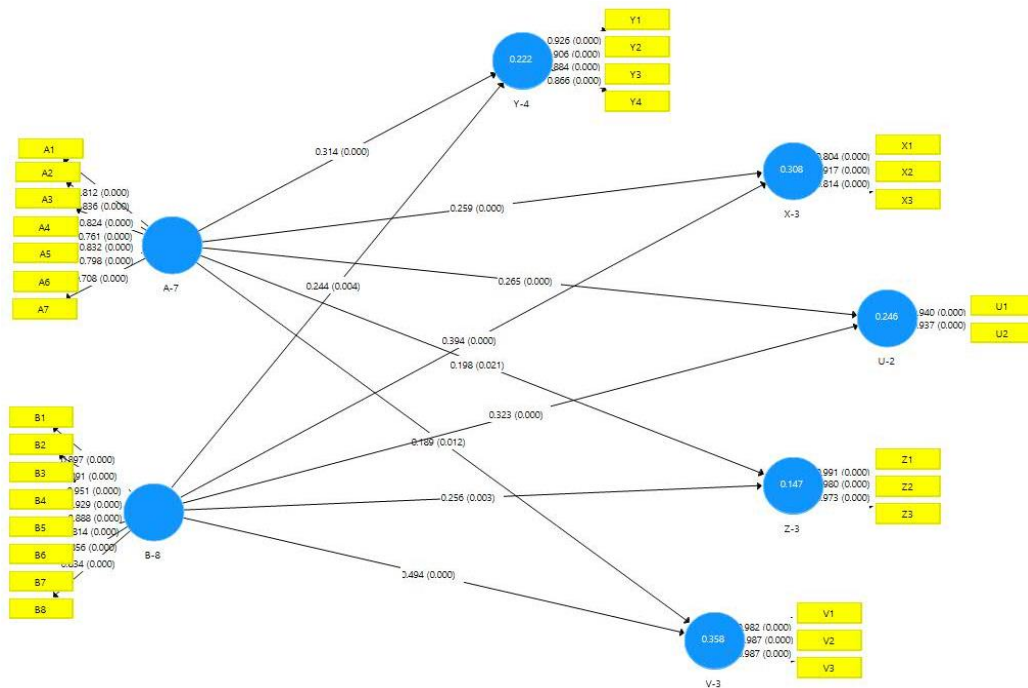


Figure 2: Tested Structural Model in Stage – 1 (SmartPLS Output)

Further, the regression weights (RW) of the default model have also been assessed to identify the strength of the relationship (using β value) and their significance level. The RW are as in the Table 7.

Table 7: Hypothesis Test Results

Hypothesis	Constructs and its Relationship	Beta Coefficients (β)	P Values	Status
H1	Transactional Contract (A) -> Sportsmanship (X)	0.259	0.000	Supported
H2	Transactional Contract (A) -> Civic Virtue (Y)	0.314	0.000	Supported
H3	Transactional Contract (A) -> Altruism (Z)	0.198	0.029	Not Supported
H4	Transactional Contract (A) -> Courtesy (U)	0.265	0.000	Supported
H5	Transactional Contract (A) -> Conscientiousness (V)	0.189	0.014	Not Supported
H6	Transactional Contract -> OCB	0.235	0.000	Supported
H7	Relational Contract (B) -> Sportsmanship (X)	0.394	0.000	Supported
H8	Relational Contract (B) -> Civic Virtue (Y)	0.244	0.007	Not Supported
H9	Relational Contract (B) -> Altruism (Z)	0.256	0.002	Supported
H10	Relational Contract (B) -> Courtesy (U)	0.323	0.000	Supported
H11	Relational Contract (B) -> Conscientiousness (V)	0.494	0.000	Supported
H12	Relational Contract -> OCB	0.302	0.000	Supported
H13	Psychological Contract -> OCB	0.185	0.000	Supported

Our Stage – 1 model has been tested using two predictor variables (as two dimensions for Psychological Contract) and five consequent variables showing dimensions for Organizational Citizenship Behavior (OCB). Result shows that out of all the tested relations, the effect of Transactional Contract (A) on Altruism (Z) and Conscientiousness (V) has been found insignificant at ($p > 0.005$) with values as (Z, $\beta = 0.198$, $P = 0.029$, >0.005) and (V, $\beta = 0.189$, $P = 0.014$, >0.005). Path coefficients values are as shown in figure 2. Table 7 shows the standardized regression weight of the default model.

Hypothesis 1 highlighting the effect of Transactional Contract (A) dimension of Psychological Contract (PC) on Sportsmanship (X) dimension under the Organizational Citizenship Behavior (OCB) suggests significant impact of transactional contracting on sportsmanship with values as $(A \rightarrow X, \beta = 0.259, P = 0.000, <0.005)$. It suggests that higher transactional contracting i.e., mutually accepted, reciprocal and explicit agreement between two and more entities leads to a committed work environment with commitment to fair play, ethical behavior and integrity generating goodwill in the organizational deeds. Hypothesis 2 highlighting the effect of Transactional Contract (A) dimension of Psychological Contract (PC) on Civic Virtue (Y) dimension under the Organizational Citizenship Behavior (OCB) suggests significant impact of transactional contracting on civic virtue with values as $(A \rightarrow Y, \beta = 0.314, P = 0.000, <0.005)$. It suggests that higher transactional contracting i.e., mutually accepted, reciprocal and explicit agreement between two and more entities leads to a committed work environment that harvest the habits important for the success of the society. It talks about dedication of citizens towards common welfare of its individuals.

Hypothesis 3 highlighting the effect of Transactional Contract (A) dimension of Psychological Contract (PC) on Altruism (Z) dimension under the Organizational Citizenship Behavior (OCB) suggests insignificant impact of transactional contracting on Altruism with values as $(A \rightarrow Z, \beta = 0.198, P = 0.029, >0.005)$. It suggests that in an organizational setting higher transactional contracting i.e., mutually accepted, reciprocal and explicit agreement between two and more entities does not lead towards inculcating altruism i.e., caring about the needs and happiness of other people more than you own. Hypothesis 4 highlighting the effect of Transactional Contract (A) dimension of Psychological Contract (PC) on Courtesy (U) dimension under the Organizational Citizenship Behavior (OCB) suggests significant impact of transactional contracting on courtesy with values as $(A \rightarrow U, \beta = 0.265, P = 0.000, <0.005)$. It suggests that higher transactional contracting i.e., mutually accepted, reciprocal and explicit agreement between two and more entities inculcate the committed work environment with employee courtesy.

Hypothesis 5 highlighting the effect of Transactional Contract (A) dimension of Psychological Contract (PC) on Conscientiousness (V) dimension under the Organizational Citizenship Behavior (OCB) suggests significant impact of transactional contracting on conscientiousness with values as $(A \rightarrow V, \beta = 0.189, P = 0.014, >0.005)$. It suggests that higher transactional contracting i.e., mutually accepted, reciprocal and explicit agreement between two and more entities leads to awareness and inking. Hypothesis 6 highlighting the effect of Transactional Contract (A) dimension of Psychological Contract (PC) on the Organizational Citizenship Behavior (OCB) suggests significant impact of transactional contracting on OCB with values as $(A \rightarrow OCB, \beta = 0.235, P = 0.000, <0.005)$. It suggests that higher transactional contracting i.e., mutually accepted, reciprocal and explicit agreement between two and more entities leads to a committed work environment inculcating organizational citizenship behavior.

Hypothesis 7 highlighting the effect of Relational Contract (B) dimension of Psychological Contract (PC) on Sportsmanship (X) dimension under the Organizational Citizenship Behavior (OCB) suggests significant impact of relational contracting on sportsmanship with values as $(B \rightarrow X, \beta = 0.394, P = 0.000, <0.005)$. It suggests that higher relational contracting i.e., mutually accepted, relationship of trust between two and more entities leads to a committed work environment with commitment to fair play, ethical behavior and integrity generating goodwill in the organizational deeds. Hypothesis 8 highlighting the effect of Relational Contract (B) dimension of Psychological Contract (PC) on Civic Virtue (Y) dimension under the Organizational Citizenship Behavior (OCB) suggests insignificant impact of relational contracting on civic virtue with values as $(B \rightarrow Y, \beta = 0.244, P = 0.000, >0.005)$. It suggests that higher relational contracting i.e., mutually accepted, relationship of trust between two and more entities leads to a committed work environment that harvest the habits important for the success of the society. It talks about dedication of citizens towards common welfare of its individuals.

Hypothesis 9 highlighting the effect of Relational Contract (B) dimension of Psychological Contract (PC) on Altruism (Z) dimension under the Organizational Citizenship Behavior (OCB) suggests significant impact of relational contracting on altruism with values as $(B \rightarrow Z, \beta = 0.256, P = 0.000, <0.005)$. It suggests that higher relational contracting i.e., mutually accepted, relationship of trust between two and more entities lead towards inculcating altruism i.e., caring about the needs and happiness of other people more than you own. Hypothesis 10 highlighting the effect of Relational Contract (B) dimension of Psychological Contract (PC) on Courtesy (U) dimension under the Organizational Citizenship Behavior (OCB) suggests significant impact of relational contracting on courtesy with values as $(B \rightarrow U, \beta = 0.323, P = 0.000, <0.005)$. It suggests that higher relational contracting i.e., mutually accepted, relationship of trust between two and more entities inculcate the committed work environment with employee courtesy.

Hypothesis 11 highlighting the effect of Relational Contract (B) dimension of Psychological Contract (PC) on Conscientiousness (V) dimension under the Organizational Citizenship Behavior (OCB) suggests significant impact of relational contracting on courtesy with values as (B → V, $\beta = 0.494$, $P = 0.000$, <0.005). It suggests that higher relational contracting i.e., mutually accepted, relationship of trust between two and more entities leads to awareness and inkling. Hypothesis 12 highlighting the effect of Relational Contract (B) dimension of Psychological Contract (PC) on Organizational Citizenship Behavior (OCB) suggests significant impact of relational contracting on OCB with values as (B → OCB, $\beta = 0.302$, $P = 0.000$, <0.005). It suggests that higher relational contracting i.e., mutually accepted, relationship of trust between two and more entities leads to a committed work environment inculcating organizational citizenship behavior.

Hypothesis 13 highlighting the effect of Psychological Contract (PC) on Organizational Citizenship Behavior (OCB) suggests significant impact of psychological contracting on organizational citizenship behaviour values as (PC → OCB, $\beta = 0.185$, $P = 0.000$, <0.005). It suggests that higher order psychological contracting leads to organizational citizenship behaviour.

Conclusion

The result of this study shows that employee psychological contract (PC) has significant effect on organizational citizenship behaviour (OCB). This result is similar to the earlier studies done on the teachers of higher schools (Brown, 1996). They found in their study that the teachers' commitment and organizational citizenship behaviour are very important factors for their performance in the school. As, schools success depends on those teachers who go beyond their role structure (DeCotiis, T. A., & Summers, T. P., 1987). As per Organ and Ryan (1995), OCB is a very important concept for teacher learning community, as they are responsible for developing a culture of shared values about how teachers and students should behave and work with a shared goals to manage the community efficiently and effectively (Shrestha, 2019). This type of learning community helps in establishing culture that develop collaboration wide-ranging and focused on institutions' development and outcome (Grego-Planer, 2019). Hence, for developing this, it is necessary that organization citizenship behaviour should be developed in the HEI/ NT HEI, so that extra role behaviour along with in-role behaviour should be implemented in the HEI/NT HEI.

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