

Is Psychological Contract a Predictor of Affective Commitment and work Alienation?

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Abstract

A recent development in the labour market and work environment has created a shift and change in the employment relationship from traditional to modern. The nature of the employment relationship has been seen to have an impact on the feelings of commitment for the organization and alienation from work. This study investigates the relationship among psychological contract, affective commitment and work alienation (powerlessness and meaninglessness). From the responses gathered from 110 employees in Delhi-NCR, it was observed that there exists a significant relationship among the three constructs. It was also found that there was a difference in the feelings of commitment and work alienation between public and private sector employees.

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I. Introduction

Psychological contract was first introduced by Argyris (1960). Rousseau has defined psychological contract as “an employee’s beliefs concerning the mutual obligations that exist between himself/herself and the employer”. Psychological contract encompasses an employee’s perception of the mutual obligations that exist in the exchange relationship with his/her employer and these are sustained by the norm of reciprocity. The two major types of psychological contract as given by Rousseau (1995) are transactional and relational. The transactional contract encompasses the short-term economic exchanges, definite economic situations as a primary incentive, restricted personal involvement in the job. The relational contract encompasses fluid relationship and time frame, significant investment by employee and employer, a high level of mutual interdependence and bigger barriers to exit (Rousseau, 1995).

Nature and perception of the psychological contract have been shown to have severe implication for organizations in terms of organizational commitment (McCabe & Sambrook, 2013). The organizational commitment, in the simplest of terms, can be defined as the degree of affection, affiliation, and identification that an employee has with his/her organization. Porter’s (1974) definition of organizational commitment shows that it is the comparative strength of an employee’s identification with and participation in a particular organization. Meyer and Allen (1991) have also defined organizational commitment and from their definition, three broad aspects/ types of commitment, namely, affective, continuance, and normative commitments have evolved. They believe that employees are less likely to quit and leave the organization if they are embedded in their jobs and organizational commitment is one way in which the intent to quit can be reduced.

They have given three main themes that are central to organizational commitment. They are an attachment to the organization (called the affective commitment), perceived repercussions of leaving (called the continuance commitment) and compulsion to remain with the organization (called the normative commitment) (Allen & Meyer, 1990). The affective commitment is an amalgamation of the identification with the organization, the attachment to the organization and the engrossment of the employee in the organization.

Commitment and isolation from work have been studied closely to establish a causal relationship (Mulki et al, 2008). The concept of alienation was first given by Karl Marx (1844) wherein he was of the opinion that alienation is a 'feeling of separation pertaining to the work, experienced by a worker'. Alienation is often studied in terms of aloofness from the work and from the society. Work alienation is defined as the "degree to which an individual psychologically relates with a specific kind of work" (Kanungo, 1982). As stated by Seeman (1959), 'to be self-alienated, means to be something less than one might ideally be'. According to Seeman (1959), there are five major dimensions of alienation: powerlessness, meaninglessness, normlessness, social isolation, and self-estrangement. In this research, dimensions powerlessness and meaninglessness are studied. As per Marx (1844), powerlessness is the defining feature of alienation. It refers to a situation wherein an employee has no control/power in the workplace and in the work scenario. Seeman (1959) viewed meaninglessness as the vagueness and ambiguity in what has to be believed. It occurs when the employee's minimum standard of clarity isn't met. This has been seen to occur mostly when the employee makes least contributions or sees no congruence between his/her work and the overall objective of the organization (Blauner, 1964; Kanungo, 1979).

II. Literature Review

This literature review provides an outline of previous researches and analysis of relationship among psychological contract, affective commitment and work alienation. Employees may bounce back from the first reported breach due to the commitment to the organization and that the extent of the emotional impact is dependent on the breach resolution process (Solinger et al, 2015). Transactional psychological contract is negatively correlated with affective commitment, normative commitment, and organization citizenship behaviour and ethical leadership moderates the relationship between psychological contracts and organizational outcomes. (Philipp, 2013).

Lemire & Rouillard (2005) attempted to understand the effect of psychological contract breach and violation on the commitment towards the organization, neglect, and exit from the organization, and found that breach and violation of psychological contract do have an impact on the organizational commitment of the employee, in both direct and indirect ways. Contract breach leads to reduced psychological well-being, increased intentions to leave the organization, reduced job satisfaction, organizational commitment, and lower employee obligations to the organization. Agarwal & Bhargava (2013) examined the effect of psychological contract breach on work engagement and affective commitment of the employees and it was found that psychological contract breach impacted affective commitment negatively and that this impact was greater for those who had shorter tenure in the organization. Benefits of organizational commitment have favourable implications for the organization in terms of employee well-being, retention, etc. A relational psychological contract breach leads to low job satisfaction and the nurses exhibit affective and normative commitment towards their organization. (McCabe & Sambrook, 2013).

The work of Pate and Malone (2000) is centred on the employment relationship in context to the psychological contract. The study focuses on a violation of the psychological contract that has already been made and its impact on the behaviour of the employee towards the employer. A single negative experience of violation of contract from one employer was generalized to have negative perceptions of other employers, showing that the effects of the violation of contract are long lasting. There exists a strong correlation between the relationship between employee's trust on their employer and experience of psychological contract breach due to their employer.

The consequences of work alienation have severe implications for the organization in terms of reduced creativity and production, lesser involvement, loss of innovation, reduced relatedness and belongingness to the organization isolation and detachment from co-workers and the organization, disinterest in meeting the organization's goals and objectives (Mohan, 2015; Sulu et al 2010). Powerlessness and the commitment to the organization are contrarily related to each other. Autonomy is often thought to have a positive impact on organizational commitment and likewise, powerlessness leads to reduced organizational commitment (Gilbert & Ivanchevich, 1999). Work alienation often arises due to this feeling and experience of powerlessness. Control over things, active participation in decision making is said to have a mediating effect on work alienation. Work alienation is often experienced by the employees due to the managerial styles that the managers adopt for dealing with their subordinates and employees (DiPietro & Pizam, 2007).

On the basis of the literature review, the following hypotheses were made:

H1- Stronger the psychological contract, stronger will be the affective commitment of the employee (both public and private sector employees).

H2- Stronger the psychological contract, weaker will be the work alienation experienced by the employee (both public and private sector employees).

H3- There will be a significant difference in affective commitment between public and private sector employees.

H4- There will be a significant difference in the experience of work alienation between public and private sector employees.

III. Method

Participants

With the use of purposive sampling, working professionals from various public and private organizations in Delhi- NCR were asked to participate in the research. A minimum tenure of 5 years in the respective organization was taken into consideration. Out of 110 respondents, 55 were from private sector and 55 from public sector. 35 of 110 respondents were females and 75 were males. 26 respondents had tenure of 5-8 years, while 48 respondents had tenure of 8-11 years and 36 respondents had tenure of 11 years and above.

S.No.	Name of the tool	Author and Year	Number of items	Reliability/Validity
1	Psychological Contract Inventory	Rousseau (2000)	72	Coefficient alpha ranges between 0.7-0.8.
2	Organizational Commitment Questionnaire	Allen and Meyer (1997)	8	0.87
3	Alienation Scale	Mottaz (1981)	21	Coefficient alpha ranges between 0.7-0.8

IV. Data analysis

Table 1: Descriptive statistics and Correlation among psychological contract, affective commitment and work alienation.

Variable	Mean	Standard Deviation	Employee Obligations	Employer Obligations	Contract Transitions	Contract Fulfilment	Commitment	Powerlessness	Meaninglessness	Psychological Contract	Work Alienation
Employee Obligations	107.46	15.50	1								
Employer Obligations	105.97	15.95	.67**	1							
Contract Transitions	30.60	10.25	.12	-.27**	1						
Contract Fulfilment	14.74	2.79	.003	.33**	-.57**	1					
Commitment	27.39	6.27	.14	.33**	-.51**	.58**	1				
Powerlessness	18.26	4.53	-.08	-.28**	.40**	-.47**	-.62**	1			
Meaninglessness	16.47	5.03	-.09	-.21*	.45**	-.49**	-.69**	.73**	1		
Psychological Contract	258.78	29.78	.92**	.82**	.21*	.07	.12	-.09	-.05	1	
Work Alienation	34.73	8.90	-.09	-.26**	.46**	-.52**	-.71**	.92**	.98**	-.06	1

** Correlation significant at 0.01 level

*Correlation significant at 0.05 level

As per the table, there exists a positive correlation between employer obligation and commitment (.327) and negative correlation between employer obligations and powerlessness (-.275). Employer obligations and meaninglessness are negatively correlated (-.206). The correlation of employer obligation with work alienation is -.257. The contract transitions is found to be negatively

correlated with affective commitment (-.586) and has a positive correlation with powerlessness (.399) and meaninglessness (.452). Affective commitment is positively correlated with contract fulfilment (.585) and negatively correlated with powerlessness (-.621) and meaninglessness (-.689) with a negative correlation of -.706 with work alienation.

Table 2: Regression analysis

Variable	R	R Square	Adjusted R Square	Std. Error of Estimate
Affective Commitment	.126 ^a	.016	.007	6.25
Work Alienation	.076 ^a	.006	-.003	8.91

Table 3: ANOVA

Variable	Model	Sum of Squares	Degree of Freedom	Mean Square	F	Significance
Affective Commitment	Regression	68.06	1	68.06	1.741	.190
	Residual	4222.12	108	39.09		
	Total	4290.19	109			
Work Alienation	Regression	50.02	1	50.02	.629	.429
	Residual	8585.32	108	79.49		
	Total	8635.35	109			

Table 4: Independent t test values

Variable	Sector	Mean	Standard Deviation	t value	N	Standard Error Mean	Standard Error Difference
Employee Obligation	Private	109.69	14.92	1.51	55	2.01	2.93
	Public	105.23	15.87		55	2.14	
Employer Obligation	Private	106.78	15.47	.53	55	2.08	3.05
	Public	105.16	16.52		55	2.22	
Contract Transitions	Private	31.60	10.29	1.02	55	1.38	1.95
	Public	29.60	10.21		55	1.37	
Contract Fulfilment	Private	14.14	2.72	-2.29*	55	.36	.52
	Public	15.34	2.75		55	.37	
Commitment	Private	26.29	6.03	-1.86	55	.81	1.18
	Public	28.49	6.36		55	.85	
Powerlessness	Private	19.25	5.08	2.33*	55	.68	.84
	Public	17.27	3.69		55	.49	
Meaninglessness	Private	17.30	5.21	1.76	55	.70	.95
	Public	15.63	4.74		55	.63	
Total Psychological Contract	Private	262.21	30.18	1.21	55	4.06	5.66
	Public	255.34	29.24		55	3.94	
Total Work Alienation	Private	36.56	9.96	2.19*	55	1.34	1.66
	Public	32.90	7.33		55	.98	

*- significant at 0.05 level

It can be seen that there exists a significant difference exists a significant difference in the experience of work alienation and contract fulfilment among public and private sector employees.

V. Discussion

The aim of the study was to study the relationship among psychological contract, affective commitment and work alienation. Work alienation was defined in terms of powerlessness and meaninglessness (Mottaz, 1981). The purpose of this quantitative, correlational and comparative

research was to: (a) to investigate the relationship between psychological contract, affective commitment and work alienation. (b) To investigate differences in psychological contract, affective commitment and work alienation between private and public sector employees. (c) To investigate whether psychological contract is a predictor of work alienation.

The results indicate that there exists a statistically significant relationship between affective commitment and employer obligations dimension of psychological contract, meaning that the

perception of how much and to what extent the employer is keeping his/her promises has a direct and positive relation with the affective commitment. Affective commitment also is positively correlated with contract fulfilment dimension. This is also supported by research; experience of contract breach and feelings of contract violation have negative impact on affective commitment on employees (Agrawal & Bhargava, 2013). If employees are satisfied and content with their psychological contracts, their commitment is likely to become stronger and better (Zhou, 2014). Contract transitions describe how damaged the psychological contract is and it is negatively correlated with affective commitment.

Research states that Isolated employees are more powerless to fulfil their wants and desires from their work. Experiences of powerlessness and meaningless can have severe implications for the employee as well as the organization. Autonomy is often thought to have a positive impact on organizational commitment and likewise, powerlessness gives way to reduced organizational commitment (Gilbert & Ivanchevich, 1999). However in the present research powerlessness, meaningfulness and work alienation do not have a strong and significant correlation with psychological contract. Yet, there exists a moderate negative correlation between powerlessness and employer obligation and with contract fulfilment also a positive correlation with contract transitions.

Meaninglessness is negatively correlated with employer obligations and with contract fulfilment and has positive correlation with contract transitions. This is because, the stronger/ positive the perception of the employer fulfilling his/her promises, the stronger would be the contract thereby leading to lesser experience of powerlessness and meaningfulness. Contract transitions are the extent to which the contract is

damaged and explains feelings of mistrust and erosion of the employment relationship. Having a positive correlation with work alienation means that the more damaged the contract and feelings of breach/violation, more meaningfulness and powerlessness is experienced. It can be seen that public sector employees are more committed than private sector employees. However, this may not always be the case since there are various mediating factors that have an impact on the commitment. Recent research on the differences in commitment between the private and public sectors has indicated that there exists no clear difference between the commitment levels in the two sectors because of numerous reasons such as, motivation and management styles. (Hansen and Kjeldsen, 2017). There exists a statistically significant difference in experience of work alienation between private and public sectors. Researches also show similar results. A longitudinal study undertaken over a period of two years examined the levels of social as well as personal isolation in Russian workers, both in public and private sectors and it was inferred that employees in private sector tend to experience more alienation in comparison to their counterparts in the public sector.

VI. Conclusion

The research focused on the relationship among psychological contract, affective commitment and work alienation. The results indicated that a significant relationship exists between commitment and dimensions of psychological contract (employer obligations, contract transitions and contract fulfilment). There is also a significant relationship between powerlessness and meaningfulness and dimensions of psychological contract (employer obligations, contract transitions and contract fulfilment). As expected in the research, public sector employees have more affective commitment to their organization in comparison to private sector employees.

Commitment and work alienation are two closely related phenomenon. A greater level of commitment leads to lesser feelings of powerlessness and meaninglessness. Powerlessness and the commitment to the organization are contrarily related to each other. Autonomy has been repeatedly found to have a positive impact on organizational commitment and likewise, powerlessness leads to reduced organizational commitment (Gilbert & Ivancevich, 1999).

VII. Scope for future research

Future researches may investigate the impact of psychological contract breach on other employee attitudes. Role of leadership in shaping the psychological contract can also be studied. Research may also be conducted to find relation between age group and reactions to contract breach. A bigger sample from different organizations for a better representation of respective sectors may also be taken.

Implications for managers

The implications of the study include the following-

- a) The study has highlighted the differences between private and public sectors in India among psychological contract, affective commitment and work alienation.
- b) Managers/ Policy makers will know how the psychological contract affects affective commitment and feelings of powerlessness and meaninglessness of employees.

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