

Psychological Contract and Motivation among Women Employees Salfiya Ummah, M.A.C.

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Abstract

Purpose: There are certain mutual unwritten expectations that exist between an employee and the employer regarding policies and practices in any organization. It is widely understood that women employees have unique problems and challenges in the working environment rather than male employees. This research examined the impact of the psychological contract on motivation of women employees. In particular, the research identified the core elements of psychological contract, which impact on the motivation of women employees. This study was to identify the relationship between psychological contracts on employee motivation with special reference to women employees working in state banks in Sri Lanka since there is dearth of the research has been conduct to identify the impact of psychological contract on employee motivation in Sri Lanka.

Design/Methodology/approach: To achieve this objective, hypothesis was developed and tested. Simple random sampling was applied to select 160 of representative as sample size. A structured questionnaire was used to gather information to test the hypothesis and the Statistical Package for Social Science (SPSS) version 20.0 was used to analyze the data. Descriptive statistical analysis, Cronbach's coefficient alpha, mean value, multiple regression analysis aided in the analysis of the data. To test hypothesis correlation analysis and multiple regression analysis were performed.

Findings: The study found that the employees of people's bank have a significant impact of psychological contracts on women employee motivation. It could be concluded, that there is a significant impact between psychological contracts on women employee motivation in the state banks. Results of the study further indicate that, the psychological contracts affecting in motivation of women employees in the state banks are higher than the average level.

Practical Implications: Managing the human resources in an effective manner is very important to identify whether they are motivated or not for the future success of the organizations. Human Resource Management systems are likely to influence psychological contracts. This is because the appropriate use of human resource policies and practices will create a positive organizational environment that might influence the degree of employer and employee promises execution.

Originality/Value: Since the banking sector comes under the service sector, treating the employees in amicable manner is a most valuable part. In order to motivate employees, the banks should provide a better initiative as level of competition in the banking sector is very high. Therefore, the employees should be motivated by the management to get positive involvement to achieve organizational targets.

Key Words: Psychological contract, Employee motivation Human resource policies

Introduction

Each and every organization has their own long term goals and objectives. Such as maximize their profits, expanding the market share, retaining the market in long time and grow the company wealth. As well as every organization try to accomplish them. Organizations are used more strategies for increase the profit margin. Employee is one of most important factor affecting to the success of the organization. So companies are given the attention for their employees. They always try to motivate their employees and give the

good work place. Most companies give the various kinds of incentives to employees in addition to the basic salary. If employees are motivated they like to worked hard because they always satisfy with their jobs.

The psychological contract refers to mutual unwritten expectations that exist between an employee and his/her employer regarding policies and practices in the organization. Argyris (1960) first referred to the psychological contract only in passing as the relationship between employer and employee. Levinson (1962) is the father of the concept and defined psychological contract as unwritten contract, the sum of the mutual expectations between the organization and employees. Psychological contracts are mental models or schemas that develop through an individual's interactions and experiences. The definition given by Rousseau (1990) highlights employees perception of the existence of mutual obligations deposited with the employer. Explanatory frameworks for understanding employee-organizational linkages are provided by the psychological contract (McFarlane and Tetrick, 1994; Middlemiss, 2011; Parzefall and Coyle-Shapiro, 2011). As more and more employees come under non-unionized workforce, the non-formal aspects of employment through the lens of psychological contracts becomes an important lever to manage employment relationships. (Krishnan, 2011)

It is widely understood that women employees have unique problems and challenges in the working environment rather than male employees. Motivation as internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal. Motivation is an employee's intrinsic enthusiasm about and drive to accomplish activities related to work. Motivation is that internal drive that causes an individual to decide to take action. Every employee has activities, events, people, and goals in his or her life that he or she finds motivating. So, motivation about some aspect of life exists in each person's consciousness and actions.

According Employee motivation at Tommy Bartlett, (Luomanpa, 2012) employee motivation can be described in a following way: Work motivation is a set of energetic forces that originates both within, as well as beyond an individual's being to initiate work-related behavior and to determine its form, direction, intensity, and duration. (Pinder, 1998) Motivation is a concept that includes four different driving forces and the degree to which they are satisfied, directly affects our emotions and by extension, our behavior. These four drives are: the drive to acquire, the drive to bond, the drive to comprehend and the drive to defend. If we can fulfill these drives at work, it keeps us motivated (Nohria, Groysberg and Lee 2008, as cited in (Luomanpa, 2012)

The research leads to identify the impact of the psychological contract on the women employee motivation with special reference to state banks.

Problem Statement

The purpose of this study is to examine the impact of psychological contract on employee motivation with special reference of state banks. Therefore, the overall research problem is, What is the impact of psychological contract on women employee motivation?

Research Questions

In this study, the following are the research questions that will be designed to guide the research;

- a) Is there a significant impact of psychological contract on employee motivation?

Objective of the study

The main objective of this study is to identify the impact of psychological contract on women employee motivation. Further, following specific objectives were established in order to accomplish the main objective of the study.

- a) To identify the impact of work life balance on women employee motivation.
- b) To identify the impact of financial rewards on employee motivation.
- c) To identify the impact of organizational commitment on employee motivation.
- d) To identify the impact of training and development on employee motivation.

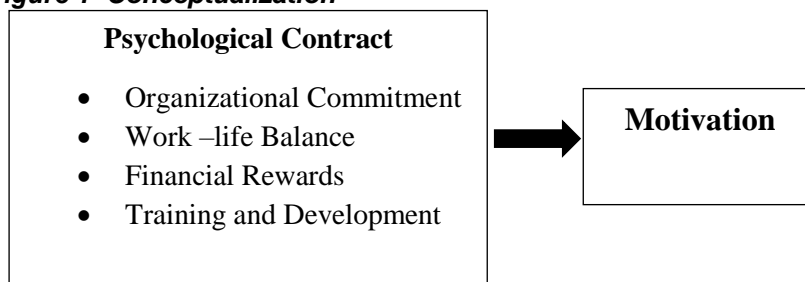
Significance of the study

There has been many research and studies conducted to identify the impact of psychological contract and employee motivation. However, there has been limited, or very fewer studies on issues related to the psychological contract and employee motivation. In every organization, employees are main factor. So managers are tried to retain and satisfy their employees in organization for long time. Then only the company can attain its goals and other objectives. Psychological contract is one of the factors to affect the employee motivation. Therefore, managers should concern about both transactional and relational contracts because that is most suitable way to motivate employees to achieve goals and objectives of the organization.

In banking sector labor force is the most significant factor. If they have proper knowledge about the employees and how they motivate they can motivate their employees in correct way. Finally, this research provides a clear understand about the impact of psychological contract on employee motivation. It will help to managers to take the decision about the women employees.

METHODOLOGY

Figure 1' Conceptualization



Hypotheses

According to the developed conceptual framework in figure-1, hypotheses relevant to each construct are given below.

H1. Organizational commitment significantly impacts on women employee motivation.

H2. Work life balance significantly impact on women employee motivation.

H3. Financial rewards significantly impact on women employee motivation.

H4. Training and development significantly impact on women employee motivation.

Research Design

Sampling is the process of selecting a sufficient number of elements from the population (Sekaran, 2006). Simple Random Sampling has been used as sampling technique. That means each member of the population has an equal chance of being include in the sample. As well as that each member of population likely to be chosen at any stage in the sampling process. Sample size is the number of elements to be included in the study (Malhotra, 2006) cited in (Rumesh & Charles, 2012). Sample is taking 20% of the population, it means 160in

women employees in state banks in Ampara District of Sri Lanka. And sample which consists with three levels of employees such as clerical employees (staff assistant, secretarial and typist), executive officers, and assistant manager.

This study was carrying out based on the primary data which was collected from the questionnaire. This collected data was use for the purpose of testing the developed hypothesis. The secondary data was used to develop conceptual models for the research.. SPSS Version 20 was used for validity and reliability. Factor analysis relationship testing, common method bias and descriptive statistics and regression were applied for the data analysis.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.683	.441	.435	.277

a. Predictors: (Constant), Training and development, Work life balance, Financial rewards, Organizational commitment
(Source: Survey Data,2017)

Questionnaire is a pre formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives (Sekaran, 2013). It is one of the instruments in collecting data. The questionnaire included close ended questions.

The researcher can identify the Impact of psychological contract on employee motivation through closed question. There are 30 questions which 5 questions regarding demographic information and it is coming under part one section. And also other 25 questions regarding the psychological contract dimensions and employee motivation in part two and in part three there is a space to give other information if the participants have to mention specifically related to the subject.

The researcher used five point Likert scales to find the relationship between variables for test the hypothesis, ranging 1-5 for standing relatively to, strongly disagree to strongly agree.

Results and Discussion

The Coefficient of Correlation of Analysis was mainly performed to find the association between the dependent and independent variable.

Table 1: Correlation

Variable	Correlation with motivation
OC	0.542
WLB	0.517
FR	0.673
TD	0.165

(Source: Survey Data, 2017)

According to the table 2, the Pearson Correlation is positive and 0.683. This suggests that there is a strong positive relationship between psychological contract and employee motivation. The significant value is 0.000 which is less than the maximum level of significant value of 0.01. Therefore, there is a statistical evidence to claim that there is a significant, strong positive relationship between psychological contract and employee motivation.

The regression analysis also was done to find the Impact of Psychological Contract on Women Employee Motivation

As indicated by table 2, R Square is 0.441 of the variance of employee motivation is explained by the independent variables which are organizational commitment, work life balance, financial rewards and the training and development. It has 44.1% impact of psychological contract on employee motivation. The value of R is 0.683 which shows the correlation between independent and dependent variable. And also According to the survey information, find the positive relationship between dependent variable (Employee motivation)

Table 3: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.426	4	1.106	14.450	.000 ^b
Residual	10.030	131	.077		
Total	14.456	135			

a. Dependent Variable: EM Employee motivation

b. Predictors: (Constant), Training and development, Work life balance, Financial rewards, Organizational commitment

(Source: Survey Data,2017)

and independent variable (Psychological contract) and how much influenced to the employee motivation by Psychological contract.(P value < 0.01).

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.003	.349		5.731	.000
Organizational commitment	.311	.071	.363	4.357	.000
Work life balance	.108	.046	.180	2.352	.020
Financial rewards	.189	.054	.272	3.478	.001
Training and development	-.075	.067	-.092	-1.112	.268

Dependent Variable: EM Employee motivation. (Source: Survey Data,2017)

According to the table 4, the beta values are 0.363, 0.180, 0.272, relatively the organizational commitment, work life

balance and financial rewards. So there is a positive relationship between those independent variables and employee motivation. That means if the organizational commitment increased by 1 unit relatively that the employee motivation is increase by 0.363, if the work life balance increased by 1 unit the employee motivation increase by 0.180 and if the financial rewards increased by 1 unit the employee motivation increase by 0.272.

Hypothesis Testing.

Table 5: Hypothesis testing

	Sig.Value 0.05	P – value	Hypothesis Accept/Reject
OC	0.05	0.000	Accepted
WB	0.05	0.020	Accepted
FR	0.05	0.001	Accepted
TD	0.05	0.268	Rejected

According to the findings as in Table 5, Organizational Commitment, Work Life Balance and Financial Rewards have an impact on women employee motivation.

CONCLUSION

As organizations become global in their operations, the study of comparative issues that have an impact on the performance of the organizations is gaining importance (Guchait and Songhai, 2010). Employee intention to leave, turnover and job insecurity are major challenges to human resource departments in the Emirati industry and hence by identifying the factors that can explain the employee's intentions to leave, organizations would be able to address them effectively. The study reveals that the relational component of psychological

contracts plays a significant role in developing strong employer– employee relationships and reducing employee intentions to leave the organization. (Behery et. al.2016).

HRM systems are likely to influence psychological contracts. This is because the appropriate use of HR policies and practices will create a positive organizational environment that will influence the degree of employer and employee promises fulfilment (Davila and Elvira, 2007; Suazo et al., 2009).

Organizational Commitment and Employee Motivation.

Relational psychological contract has a significant influence on employee organizational commitment, employee satisfaction and intention to leave. (Behery, et. al. 2016). Organizations are affected by external environmental uncertainties and turbulence to cope up with these changes, organization to implement changes. When organization changes in response to negative external environmental changes, more violations of psychological contract are likely to occur (Freese et al., 2011).

The relational psychological contract has emerged as a significant predictor of intention to leave, which is mediated by commitment and satisfaction. These relationships suggest that employees' belief that an organization intends to support them through a fair relational psychological contract can make them more committed and loyal to the organization. This in turn can decrease their intention to leave, as supported by earlier empirical studies (De Meuse et al., 2001; Tyagi and Agrawal, 2010). The findings also suggest that organizations can use the relational psychological contract as a communication channel in building strong relationships. The results support the findings of Shwu-Ru and Ching-Yu (2010) that suggest that that the relational psychological contract has an indirect impact on employees' intention to leave.

According to this research it is also proved that there has a significant impact and relationship between organizational commitment and women employee motivation.

Work-life balance and Employee Motivation.

Work-life balance involves successfully managing the deal between paid work and other essential activities - such as spending time with family, participating in exercises and leisure, offering unpaid assistance or pursuing additional study. Enhancing balance between work and personal lives results in genuine paybacks both for employers and employees. It assists in putting up sturdy groups of people and dynamic businesses. (Fapohunda,2014).It has been found that personal relationships may suffer because of the demands of balancing career and home life in the international career context (Linehan and Walsh, 2000; Shortland and Cummins, 2007).

Previous studies have pointed out that there are different types of work-family conflicts and negative interference between these life spheres. For example, time pressures arising due to either work or family can cause problems for an individual. Furthermore, strain within either life sphere negatively affects one's work-life experiences. Therefore, long working hours and stressful work, or on the other hand, a personal life situation with onerous family responsibilities may cause conflicts between work and family lives and lessen the performance or role behaviors in the other domain (Greenhaus and Beutell, 1985; Carlson et al., 2002; Kossek et al., 2011). The key and most effective approach in solving a problem is to understand and treat the cause and not the symptoms (Doggett, 2004).

According to this research it is also proved that there has a significant impact and relationship between work life balance and employee motivation.

Financial Rewards and Employee Motivation.

Empirical evidence suggests that effective performance management and reward structures in organizations must attend to the quality of the relationships employees experience while at work which are an integral aspect of the psychological contract. Improved performance is

affected by more than money (Beardwell and Claydon, 2007). Rewards and recognition as a construct has been found to be a strong predictor of employee engagement, though it is a stronger predictor of normative commitment. Normative commitment is developed as a function of cultural and organizational socialization. As per Meyer et al. (2004), employees perceive strong normative commitment if they feel valued by rewarding jobs. Organizations may thus design their rewards systems and recognition schemes in such a way that employees feel valued and hence perceive a moral obligation to stay with their employer and perform par excellence.

The present study has supported the proposition that private bank employees experience engagement on receiving rewards and recognition from their employers, hence demonstrating normative commitment. Findings also substantiate earlier research outcomes that organizational rewards (e.g., financial incentives and promotion opportunities) are strong motivators in context of private sector (Houston 2000; Jurkiewicz et al. 1998). Similarly, a vast majority of researchers emphasize that need for recognition is felt by a substantial portion of the workforce, regardless of status or profession (Saunderson 2004).

According to this research it is also proved that there has a significant impact and relationship between financial rewards and employee motivation.

Training and Development and Employee Motivation.

By improving employees' ability to perform the tasks required by the organization, training allows better use to be made of human resources; by giving employees a feeling of mystery over their work and of recognition by management their job satisfaction is increased (Graham et al, 1998) as cited in (Wangithi,2012). Some of the gains which training brings are greater productivity and quality, less scrap or spoiled work and fewer accidents. More often training is given as a response to some event like a realization that performance is inadequate. (Wangithi,2012).

According to this research it is proved that there has no significant impact and relationship between training and development and women employee motivation.

The problem of the research was that to identify to what extent psychological contracts affecting to motivation of women workers in state banks in Sri Lanka. Based on the theoretical information, conceptual framework is developed to test the impact of psychological contract on employee motivation in the bank. The banking sector which comes under service sector and therefore, they treat their women employees as most valuable part. In order to motivate employees, the banks should provide a better initiative as level of competition in the banking sector is very high. Therefore, the women employees should be motivated by the management to get positive involvement to achieve bank's target. It could be concluded, that there is a significant impact between psychological contracts on women employee motivation in the banking sector. Results of the study further indicate that the psychological contracts affecting in motivation of employees in the state banks are higher than the average level.

Thus, this study was focused to find out the significant impact of psychological contract on women employee motivation in state banks in Sri Lanka.

1. Employees should be provided sufficient financial rewards for their exceptional performance to enhance the psychological contract & employee motivation.
2. The Bank should increase the wages based on their performance to enhance the psychological contract.
3. In order to maintain high psychological contract & employee motivation within the bank should maintain an attractive pay & benefits package.
4. For maintain high psychological contract and motivation the organization has to provide the opportunity for employees to be promoted, developed & grew.

5. The bank should prepare the jobs which the employees can make decisions by themselves, opportunities to show what they can do, a job with responsibilities and a job which the employee can use their skills & capabilities in order to maintain high psychological contract & employee motivation within the organization.
6. Women employees should be provided the flexi working hours, respect their personnel situations and should provide the opportunity to decide vacation on their own.
7. There should have proper training and development programs, procedures and policies as well as they should be taken into action.

This study produced a number of questions that prompt the need for future research. Employees except managerial grades are not considered in this research and therefore, another research could be done by considering all level of employees. Further, it would be useful if a study could be carried out to consider the whole banking sector instead of state banks.

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