

# THE MEDIATING ROLE OF THE PSYCHOLOGICAL CONTRACT FULFILLMENT

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## **Abstract:**

The present paper describes the psychological contract fulfillment from the perspective of the Job Demands-Resources Model (J-DR) (Demerouti, Bakker, Nachreiner & Schaufeli, 2001) and the Social Exchange Theory (Blau, 1964). Through this study we want to integrate the concept of the psychological contract fulfillment in the job resource model and analyze the social exchange process between the results and characteristics of the job, to answer the research question whether the psychological contract fulfillment will mediate the relationship between job demands and work results (Birtch, Chiang, & Van Esch, 2016). Increased demands on the job will cause employees to experience lower levels of psychological contract fulfillment, which will lead to lower job satisfaction and organizational commitment. To achieve the objectives proposed in the present study we used a convenience sample consisting of 194 participants from the private and public medical sector. According to the results, the psychological contract fulfillment proved to mediate the relationship between the results and the characteristics of the job. Moreover, it was found that job resources (job control and support) mediate the negative effects associated with job demands on the psychological contract fulfillment. Thus, as predicted by the theoretical framework (social exchange theory), job characteristics interacted to influence satisfaction and organizational commitment by performing the contract.

## **Keywords:**

psychological contract fulfillment, organizational commitment, job satisfaction

## **Introduction**

Psychological contracts are components of complex social systems, in which they are incorporated, and there are a wide variety of individual, organizational, and social factors that make their mark on the number of psychological contracts an individual may have (Baruch & Rousseau, 2019; Dabos & Rousseau, 2013). Indeed, many employment relationships extend beyond the boundaries of a single employer organization, and, on the other hand, some people work completely outside the boundaries of formal organizations (Heejung, Vissa, & Pich, 2017). The continuous evolution and transformation of labor relations is so exhaustive that organizations break away from bureaucratic structures (Schreyögg & Sydow, 2010), requiring the creation of new organizational forms, entrepreneur at work (Tracey, Phillips, & Jarvis, 2011). Mutual expectations are adjusted so as to achieve a certain balance and the psychological agreement can be concluded. The psychological contract was conceptualized as a construction that describes the obligations of employers and employees, and distinguishes between the content of the psychological contract and "contract delivery", asking employees for information on the fulfillment of promises and commitments by the organization (Isaaksson, 2006). Equity and trust, indicate whether the employment relationship is perceived as fair, correct and to what extent the employer can be trusted

(managers, supervisors); where there is a better match, there will be higher levels of trust and fairness (Guest, 2004).

The psychological contract fulfillment reflects the beliefs, expectations and perceptions of the employees regarding the extent to which the mutual obligations (implicit promises) between the employee and the employer have been fulfilled (Guest, 2004). Fulfillment refers to how well an organization fulfills employees' psychological contracts and is defined as "the extent to which one side considers that the other side has fulfilled its obligations" (Lee, Liu, Rousseau, Hui, & Chen, 2011, p 204). An increased degree of performance will not lead to a low degree of breach of contract; organizations may fulfill certain elements of employees' psychological contracts, but may violate others. In other words, it is possible for an employee to face both the breach and the fulfillment at the same time, and it is also possible for a breach of contract to cause the organization to become involved as a compensatory measure (Shore, Coyle-Shapiro, & Chang, 2018).

The present paper describes the psychological contract fulfillment from the perspective of the Job Demands-Resources Model (J-DR) (Demerouti, Bakker, Nachreiner & Schaufeli, 2001) and the Social Exchange Theory (Blau, 1964). Integration of the concept of psychological contract fulfillment with the theory of social exchange and with the job demands-resources model, brings a perspective on the exchange that underlies the relationship between job characteristics and work results (Birtch, Chiang, & Van Esch, 2016). In an employment relationship when the employee meets the job requirements but does not receive adequate resources, the employee-employer relationship will be perceived as unfair by the employee and will generate an imbalance in the performance of the psychological contract, which will have a negative impact on work results (Rousseau, 1998). The psychological contract fulfillment is little researched in the literature (Birtch et al., 2016), especially in terms of the analysis of how job characteristics interact to influence work outcomes, the researchers' attention being directed more towards the violation of the psychological contract (Zhao, Wayne, Glibkowski, & Bravo, 2007).

Through this study we want to integrate the concept of the psychological contract fulfillment in the job resource model and analyze the social exchange process between the results and characteristics of the job, to answer the research question whether the psychological contract fulfillment will mediate the relationship between job demands and work results (Birtch et al., 2016).

The relationship between job demands and the psychological contract fulfillment can be understood as: social exchange - in the context of social exchange theory, and as reciprocity in the context of reciprocity theory (Birtch et al., 2016). Reciprocity in the psychological contract occurs when both sides meet the expectations of the other. However, when the effort made by the employees and the contributions made by them do not match the resources, the exchange is unlikely to be considered fair and, consequently, the employees perceive a breach of the psychological contract.

Keyko (Keyko, Cummings, Yonge, & Wong, 2016) proposes a job demands-resources model adapted for medical staff. Thus, they include in the model - job resources (interpersonal, social and organizational relationships, work and task organization); professional resources (a professional work environment, autonomy, role and role identity, personal but also professional development) and personal resources (psychological, relational and skills). As job demands, they propose: task pressure, an adverse work environment, mental and physical demands (day and night shifts, total hours worked per week, rest hours per week, etc.), emotional demands.

Based on the arguments presented above, we formulate hypothesis 1:

H1: Job demands are negatively related to psychological contract fulfillment

The employee-employer relationship is strengthened when employees perceive that the employer meets their needs and expectations at work, which will lead to the psychological contract fulfillment and will be reflected in attitudes, behaviors and work outcomes (Rousseau, 1998). When an employee appreciates that his psychological contract has been fulfilled, he will develop an implicit obligation to respond to the organization through enhanced emotional and socio-emotional behaviors, developing organizational satisfaction and commitment at work. Satisfaction occurs as a result of an employee's evaluation of an employee and shows that the employee is performing his or her duties. The organizational commitment or psychological connection that an employee develops with his organization will be increased when employees perceive that the employer is supportive and fair (Birtch et al., 2016).

We formulate hypothesis 2:

H2a: The psychological contract fulfillment is positively related to organizational commitment.

H2b: The psychological contract fulfillment is positively related to job satisfaction.

In this study, we hypothesized that the psychological contract fulfillment will mediate the relationship between job demands and job results.

H3a: The psychological contract fulfillment will mediate the relationship between job demands and job satisfaction.

H3b: The psychological contract fulfillment will mediate the relationship between job demands and organizational commitment.

## **Method**

### ***Procedure and participants***

In this study we turned to medical professionals for several reasons. Firstly, compared to other sectors, the medical sector is one of the most significant groups in the health workforce. Ensuring commitment to meeting the demands of the workplace is vital not only for patient care, but also for the health sector as a whole. Secondly, the activity is not only physically demanding, but involves socio-emotional requirements, emphasizing the importance of a better understanding of socio-psychological aspects at work (Popa, Arafat, Purcărea, Lală, Popa-Velea, Bobirnac, & Davilla, 2010). As the health sector as a whole is facing unprecedented changes and reforms, we consider it appropriate to understand the interaction between job characteristics, the fulfillment of the psychological contract and the job outcomes for health professionals.

If we address the medical labor market in 2017, in Romania were registered 2.98 doctors per 1000 inhabitants and 7.23 nurses per 1000 inhabitants. The low number of doctors and nurses in the Romanian health system is determined on the one hand by the migration of the last decade as well as the decrease in public sector wages as an attenuation of the economic crisis (balanced aspect from 2018 by the law no. 153/2017, applicable from 01.01.2018, salary increase). Another characteristic of the medical market in Romania is the majority of women, they represented in 2017, 69.97% of the total number of doctors and 67.13% of the total number of dentists, and for healthcare the share of women was 83.09% of the total staff employed as a nurse.

To achieve the objectives proposed in the present study we used a convenience sample consisting of 194 participants from the private and public medical sector. The data collection approach was done by informing the management, up to the line level, followed by informing the participants about issues related to confidentiality in accordance with the legislation. Completing the questionnaires took place over 7 days, at the headquarters of the organization, under supervision. We sent for application a number of 300 pencil-paper questionnaires, 234 were returned, and for the final analysis 195 questionnaires were selected based on the degree of completion. The written information form on participation in the study and its purpose was also included at the beginning of the questionnaire.

Depending on the sector in which they operate, 53.3% come from the private sector, while 46.7% from the public sector. Regarding the distribution of respondents according to gender, we have 71.28% (139) of female and 28.72% (56) of male. The ages between 20 and 65 years are represented in the convenience sample with an average age of the sample is just over 37.11 years, and in terms of average level of education it is high, almost 6 on the ISCED scale. All respondents are persons employed directly by the employer for an indefinite period of time.

## Measures

In the present study we used scales from the Psycones Questionnaire to measure: job demands, control and job support; organizational commitment and job satisfaction. The Psycones Questionnaire was adapted to the Romanian population in 2008, by Smaranda Boroş and Petru Lucian Curşeu (Boroş & Curşeu, 2008).

We measured the degree of psychological contract fulfillment through the four items proposed by Rousseau and Tijoriwala (1999) which describe the extent to which both the employee and the employer have fulfilled their obligations.

Gender and age were included as control variables. These variables have been identified as possible confounding variables for psychological contracts and workplace outcomes (Bal, De Cooman, & Mol, 2013; Birtch et al., 2016; Turnley, Bolino, Lester, & Bloodgood, 2003).

The collected data that were put in statistical analyzes to allow the testing of hypotheses was performed using the program SPSS v. 23. Before moving on to the data analysis, we checked whether the variables are normally distributed, by using the Kolmogorov-Smirnov test, from whose analysis we identify normal distributions. The calculation of the tolerance values indicated values of over 1000, and VIF = 1.29; these data assure us that in this model collinearity is not a problem. To test the hypotheses we followed the method of Baron and Kenny (1986, apud. Birtch et al., 2016).

## Results

The means, standard deviations, inter-correlations and alpha coefficients for all the variables studied are reported in table 1.

*Table 1. Descriptive statistics and inter-correlations among variables*

Variabile	$\alpha$	M	SD	1	2	3	4	5	6
1. Psychological contract fulfillment	.86	23.05	4.21	-					

2. Organizational commitment	.89	19.04	3.28	.48**	-							
3. Job demands	.72	14.87	3.23	-.16**	.29**	-						
4. Job resources (control)	.70	19.48	3.97	.19**	.35**	.25**	-					
5. Job resources (support)	.90	25.57	3.66	.57**	.50**	-.09**	.27**	-				
6. Job satisfaction	.74	11.67	2.22	.34**	.52**	-.07**	.26**	.31**	-			

Notes: N = 195, \*\* p <.01; M-media; SD - standard deviation;  $\alpha$  - Alpha Cronbach's coefficient

As can be seen in Table 1, the mediator variable, contract performance correlates significantly positively with organizational commitment ( $r = .48, p <.001$ ), job support ( $r = .58, p <.001$ ) and job satisfaction ( $r = .58, p <.001$ ) and with the job requirements describes a negative correlation ( $r = -.16, p <.001$ ). The relationships between organizational commitment and job satisfaction are positively significant ( $r = .58, p <.001$ ). Table 1 shows the internal consistency of the studied concepts whose level is a good one, being over .70

The controlled variables introduced have a variance of 9.5% of the explanation of the criterion ( $R^2 = .095, p <.01$ ). As can be seen in Table 2, age and gender are not significant predictors of contract performance.

As summarized in Table 2, the job requirements are negatively related to the performance of the contract (Model 2:  $\beta = -.07, p <.01$ ), supporting the H1 hypothesis. The greatest effect in fulfilling the psychological contract is the support of the job ( $\beta = .33, p <.001$ ) followed by the job control ( $\beta = .18, p <.001$ ).

Table 2. Results of hierarchical regression analysis

	Psychological contract fulfillment				Job satisfaction				Organizational commitment			
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<i>Control variables</i>												
Gender	-.15	-.14	-.17	.00	-.06	-.07	.03	.01	.06	.06	.06	.05
Age	-.05	.03	-.06	.00	.20**	.22***	.24***	.26***	.23***	.23***	.23***	.26***
<i>Independent variable</i>												
JD		-.07**	-.03	-.04			-.09*	-.07*			-.08*	-.02*
<i>Moderator</i>												
JRC			.18***	.17***			.26***	.24***			.21***	.16***
JRS			.33***	.35***			.27***	.22***			.27***	.20***
JDxJRCxJRS				-.14**								
<i>Mediator</i>												

						.18**	.26***	.30***		19***		
PCF												
R <sup>2</sup>	.03	.03**	.10***	.23**	.05	.09**	.18***	.25***	.06	.20**	.28***	.31***
ΔR <sup>2</sup>	.01	.01**	.08***	.19**	.04	.08**	.17***	.22***	.04	.18**	.27***	.30***
Total F	-	1.84**	3.18***	4.49**	-	2.22**	2.13***	4.21***	-	2.16**	4.93***	6.28***

Note: JD - job demands; JRC- Job resources (control); JRS - Job resources (support); PCF - Psychological contract fulfillment \* P <.05; \*\* p <.01; \*\*\* p <.001; N = 195

To test hypotheses 2 and 3, we followed the method of Baron and Kenny (1986) testing the conditions described by them. The results indicated that the psychological contract fulfillment (Model 6:  $\beta = .18$ ,  $p < .001$ ) becomes a predictor for job satisfaction, supporting H2a confirmation. Fulfilling the contract (Model 10:  $\beta = .30$ ,  $p < .001$ ) proved to be a significant predictor for organizational commitment, supporting H2b.

To test the mediating effect produced by the psychological contract fulfillment, two variables (job satisfaction and organizational commitment) were introduced as dependent variable. Models 7 and 8 describe the results for the first dependent variables, job satisfaction. After the addition of the mediator, the values of the coefficients for the job demands decreased from  $\beta = -.09$ ,  $p < .05$  to  $\beta = -.07$ ,  $p < .05$ , for post control from  $\beta = .29$ ,  $p < .001$  to  $\beta = .24$ ,  $p < .001$  and for post support from  $\beta = .29$ ,  $p < .001$  to  $\beta = .25$ ,  $p < .001$ . The value of the coefficient for job applications was still significant, although low, partially supporting the mediation effect (H3a).

Models 11 and 12 illustrated results similar to the second dependent variable, organizational commitment. After the addition of the mediator, the values of the coefficients for the job demands (from  $\beta = -.08$ ,  $p < .05$  to  $\beta = -.02$ ) decreased significantly when the mediators were added, thus confirming the full mediating effect of the psychological contract fulfillment on the job demands.

Moreover, job control decreased from  $\beta = .26$ ,  $p < .001$  to  $\beta = .16$ ,  $p < .001$  and job support decreased from  $\beta = .27$ ,  $p < .001$  to  $\beta = .20$ ,  $p < .001$ , when mediators were added, partially claiming H3b that the psychological contract fulfillment was a mediator for the control and support of the workplace.

## Discussion

According to the results previously presented, the psychological contract fulfillment proved to mediate the relationship between the results and the characteristics of the job. Moreover, it was found that job resources (job control and support) mediate the negative effects associated with job demands on the psychological contract fulfillment. Thus, as predicted by the theoretical framework (social exchange theory), job characteristics interacted to influence both satisfaction and organizational commitment by performing the contract, results that are consistent with the results obtained by Birtch (Birtch et al., 2016).

According to the theory of social exchange, when employees consider that an employer has fulfilled its obligations in the employment relationship, such as providing adequate resources, feelings of psychological contract fulfillment are generated, which will generate positive results at the place of employment (organizational commitment and satisfaction) (Robinson, 1996; Turnley & Feldman, 2000). Understanding the mediator role

of the psychological contract fulfillment allows us to predict how and why job characteristics interact and lead to certain job outcomes (Coyle-Shapiro & Parzefall, 2008; Robinson, 1996; Turnley & Feldman, 2000).

This study has important implications for medical management. In the hospital context, as medical activity is characterized by both high physical and psychological demands (patient interaction), hospitals should consider providing a wider range of resources, including workplace-oriented interventions (e.g., autonomy workplace) that provides employees with flexibility on how to meet various job requirements (Popa et al., 2010). The effects of the interaction between job characteristics and resources on the performance of psychological contracts, recommends that in order to enhance positive attitudes in the workplace, organizations should explore ways to provide employees with additional services and complex resources.

We need to consider some limitations of the study. We used self-reporting questionnaires which leads to an increase in the risk of social desirability of the answers. A limit would also be the correlational type of the applied study. Although, we obtained information on the possible directions of the relationships between the studied variables, this type of design does not allow to draw clear conclusions regarding the causality that appears between the studied variables.

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