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EMPLOYEES' PERCEPTIONS OF PSYCHOLOGICAL CONTRACT BREACH AND THEIR TURNOVER INTENTION

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ABSTRACT

This work was done to analyze employees' perceptions of psychological contract breach and their turnover intention in Jeddah, Saudi Arabia. This study was done based on cross-sectional investigation approach. This study was conducted in different organizations in Jeddah. This study comprised of 103 respondents who were selected by simple random and stratified methods. Data collection was done using questionnaire survey method, which was distributed online. The result showed that 45.7% of the employees agreed that they have not received everything that organizations have promised. On the other hand, 41.8% of the employees agreed that despite their hard work and contribution, employers did not fulfill the promises it has made to its employees. In addition, 44.7% of the employees agreed that they were planning to leave the organizations. Furthermore, 49.5 % of the employees agreed that employees in organizations are looking for new jobs. Finally, 44.7% of the employees agreed that they had no plan to be in their organization for a longer period.

INTRODUCTION

A significant developing area for human resource (HR) analysts and experts is the psychological contract [1]. Rebuilding, scaling down and individualization are different auxiliary changes that has been caused by the issue of globalization and these progressions to bring about reexamination of work connections by HR [2]. The assessment of the proportional connections among rights, duties, assurance and commitments was carried out by the development of psychological contract. The state of reciprocity connections between an individual and an association is communicated by the psychological contract in an individual reliance framework [3].

Psychological contract can be characterized into three, which are value-based contract, social contract and adjusted contract [4]. The value-based contract comprised of agreement, which contains terms of trade given in terms of money value. The social contract is the agreement, which comprises the connection among worker and the association [5]. Adjusted psychological contract is combination-based contract which combines performance demand and renegotiation of value-based contracts [5].

The psychological breach is the inability of an organization to fulfill employees expected promises and obligation [6]. At this point, employees are not satisfied with their jobs, which would reduce the organizational commitments of the employees, and the employees may intend to turnover [7]. In addition, the focus points about psychological contract breaches are the evaluation of organizational outcomes such as job satisfaction, organizational commitment and turnover intention [8]. Turnover intention is a major issue faced by organization in recent times where worker plans to leave the association and find employment elsewhere [9]. Furthermore, once a company has workers with the hidden turnover goal, the odds are high that these workers may end up involving themselves in counterproductive exercises [9].

Various studies have been carried out in analyzing the turnover intention among employees. Kim [10] investigated worker turnover intention among employees in travel organization and found that working environment, staff executives and work-related issues were the reason for turnover intention. Oluwafemi et al. [11] examined the turnover intention among representatives in the oil business and found that the span of working years and occupation fulfillment to be a contributing factor that caused turnover intention among representatives. Guan et al. [12] investigated the apparent authoritative profession management and turnover aim among Chinese workers, and found that vocation flexibility directed the connection between hierarchical profession management and turnover expectation of representatives. Memon et al. [13] studied the connection between the individual-association fit and turnover goal of employees, and found that business commitment will intercede the connection between the individual-association fit and turnover goal. Katsikea et al. [14] investigated the components that impact project managers turnover intention' and found that job stressors significantly influenced project managers work fulfillment and it contributed to turnover intention. Tongchaiprasit et al. [15] examined the connections among occupation fulfillment, work pressure and turnover intention among gourmet specialists, and found that job fulfillment and employment stress altogether added to the turnover intention among the culinary specialists. Siu et al. [16] scrutinized the connections among occupation fulfillment, stress manifestations and turnover intention among cops, and found that position fulfillment and stress side effects have completely interceded with turnover aim. Guan et al. [17] analyzed the association between vocation fulfillment and turnover goal among Chinese representatives and found that turnover expectation was progressively pervasive among workers who were not satisfied with their jobs. Labrague et al. [18] analyzed the elements affecting turnover goal among nurses, and found that work environment stress and

occupation fulfillment significantly affected the nurses' choice to leave their association. Lu et al. [19] investigated the impact of representative activity positions on occupation fulfillment and turnover aims, and found that directors have essentially higher work commitment and lower turnover goals than line-level workers.

Various work has reported that psychological breach is related to job satisfaction and turnover intention [20-22]. However, to the author's best knowledge, minimal work has been done in evaluated the perception of employees towards psychological contract breach and their turnover intention, in the context of Saudi Arabia. Thus, this work has evaluated psychological contract breach perception among the employees in Jeddah, Kingdom of Saudi Arabia.

METHODOLOGY

The study used a cross-sectional investigation design and endeavors to illustrate the employees' perceptions of psychological contract and their turnover intentions. The study was carried out in different organizations in Jeddah, in Kingdom of Saudi Arabia. The study has employed a quantitative approach and comprised of a total of 103 respondents who were selected by simple random and stratified methods from the study population. Questionnaires was administered to the employees from different companies in Jeddah using online survey. The questionnaire guide had both open and closed-ended question. To ensure consistency of the questionnaire used, the respondents were first explained on the purpose, structure and the approach of answering the questions. The close-ended questions were analyzed using descriptive statistics and the results were presented in graphs forms.

RESULT AND DISCUSSION

Demographic Characteristics

In this work, 53.4% of the respondents were male, while 46.6% were female. Based on Figure 1, in terms of age group, It was found that most of the employees in organizations ranging from 20-30 years, holding the highest percentage of 56.3. For the age group between 30 and 40 was 23.3%, followed by those in the age group between 41 and 50, with a percentage of 18.4%. Lastly, the remaining 2% was shared by those ranging from 51-60, as well as those above 60 years of age. From this, it is observed that most organizations employ young people, ranging from 20-40 years. This range carried the highest % of all working population. It was also discovered that most organizations have the very little number of workers who age above 50 years.

What is your age ?

103 responses

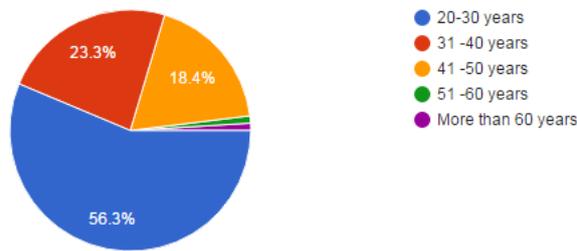


Figure 1. Respondents age group.

Based on Figure 2, in terms of level of education, the highest number of respondents had achieved bachelors in degree, and they possess a 52.4% of all respondents, they were followed by those who had done masters with 25.2%, followed by those who completed professional degree with 8.7% was followed by those who had graduated from high school with 7.8% and finally those with diploma had 5.9%. From this, it is observed that most of the respondents were bachelor’s degrees holders.

What is the highest level of education you have completed?

103 responses

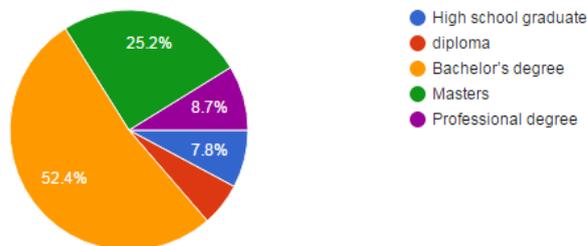


Figure 2. Level of education.

In terms of job title, it was found that accountants, architects, medics, doctors, financial assistance, HR recruitment, legal consultancy, police officer, and teachers were the large group, consisting of one person in every profession and each possessing a 4% of the total population. Secondly, those without job and students possessed each 8% and the researcher acquired information from 2 individuals in every case. Thus, from this, it was discovered that most of the respondents were students as well as people with no jobs. Different employee’s perceptions of psychological contract breach and their intervention.

In terms of length of service, based on Figure 3, it was observed that most of the people working in an organization are already new in their specific jobs. They had an experience of fewer than five years. These hold 49.5% of the total working population. They were followed by those who had worked from 5-10

years with 35%, then from 11-15 years with a proportion of 12.6% and then finally those who had worked for more than 15 years with a proportion of 2.9%. Thus, based on this it was discovered that, in most organizations, most of the workers have an experience of fewer than five years. This was an assurance that most employees were young as we saw earlier. The proportion of individuals who have worked for more than 15 years was very small, meaning that most people resign from their jobs, or transfer other jobs or even retire after working for a while.

Length of service in your current organization:

103 responses

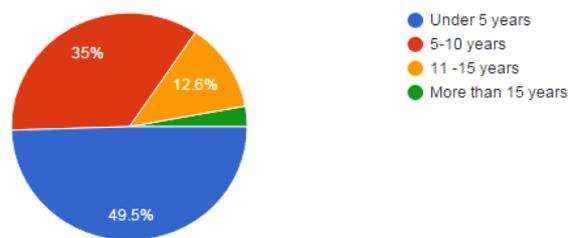


Figure 3. Length of service

Questionnaire Analysis

In this work, the respondents were subjected question related to psychological contract breach, turnover intention and employee's perception on it. Thus, the outcomes question statements are discussed in this section. Based on Figure 4, the employees were asked "if almost all the promises made by my employer during recruitment have not been kept so far". The objective of this question is to analyze whether organizations fulfill everything they promise their employees during recruitment. Thus, based on Figure 4, 12.6% of the respondents who strongly disagree, 22.3% of the respondents who disagreed, 23.3% of the respondents chose neutral. This is compared to 17.5% of the respondents who agree and 24.3% of the respondent who strongly agree with the question statement. Thus, it is deduced that most people agree that many organizations fulfill the promises they made to their employees while recruiting them. In fact, it is only a small proportion which disagreed that organizations fulfill their promises.

Almost all the promises made by my employer during recruitment have not been kept so far

103 responses

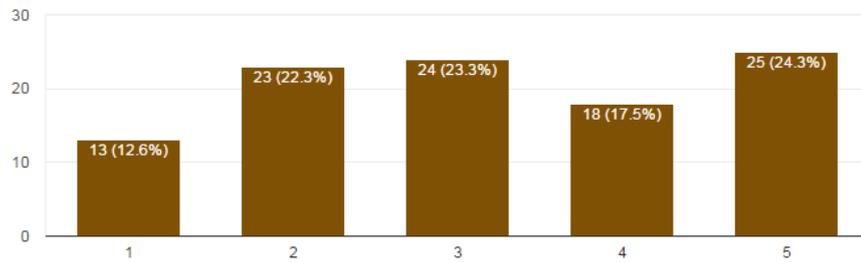


Figure 4. Promises during recruitment

Based on Figure 5, the employees were asked “Do you feel that your employer has come up fulfilling the promises he made to you?”. The objective of this question is to analyze whether the employers have been fulfilling the promises they made to their employees while hiring them. Thus, based on Figure 5, 10.7% of the respondents who strongly disagree, 18.4% of the respondents who disagreed, 18.4% of the respondents chose neutral. This is compared to 20.4% of the respondents who agree and 32% of the respondent who strongly agree with the question statement. Thus, it is deduced that most people agree that many organizations have come through in fulfilling the promises made.

I feel that my employer has not come through in fulfilling the promises made to me when I was hired

103 responses

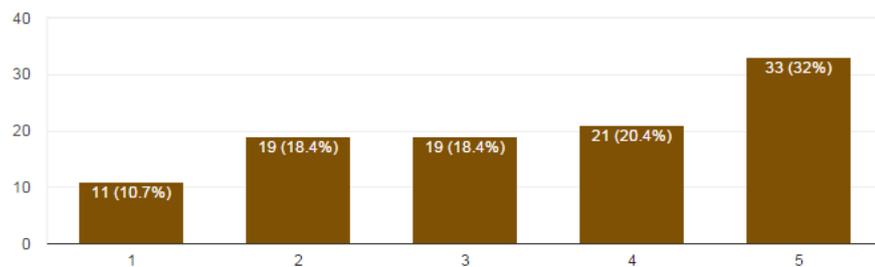


Figure 5. Fulfilling the promises.

Based on Figure 6, the employees were asked “Your organization has done a good job in fulfilling its promises”. The objective of this question is to analyze whether the employer is fulfilling most of working population’s promises. Thus, based on Figure 6, 14.6% of the respondents who strongly disagree, 22.3% of the respondents who disagreed, 21.4% of the respondents chose neutral. This is compared to 21.4% of the respondents who agree and 20.4 % of the respondent who strongly agree with the question statement. Thus, it is deduced that highest number of employees agreed with the fact that, employers had done a good job in fulfilling its promises to its employees.

So far my employer has not done good job in fulfilling its promises to me

103 responses

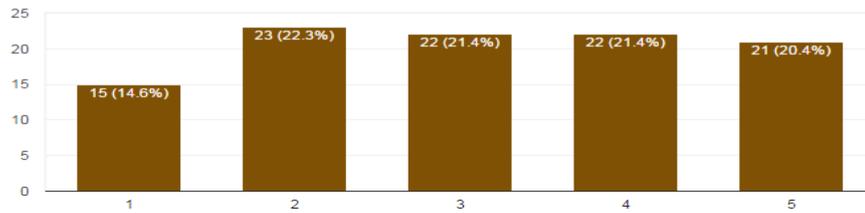


Figure 6. Good job in fulfilling its promises

Based on Figure 7, the employees were asked “I have not received everything promised to me, in exchange for my contributions as employee”. The objective of this question is determining the number of employees who receive the promises made to them by the organizations. Thus, based on Figure 7, 17.5% of the respondents who strongly disagree, 16.5% of the respondents who disagreed, 20.4% of the respondents chose neutral. This is compared to 17.5% of the respondents who agree and 28.2 % of the respondent who strongly agree with the question statement. Thus, the highest number of individuals strongly agreed with the statement that, they have not received everything as the organizations have promised.

I have not received everything promised to me in exchange for my contributions

103 responses

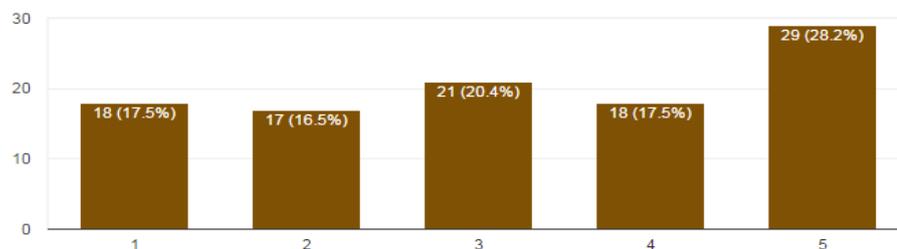


Figure 7. Exchange for employees’ contributions

Based on Figure 8, the employees were asked “Your employer has broken many of its promises even after your contributions towards the organization”. The objective of this question is to measure the rate at which most employers break the promises they made to their employees, even after employees delivering all that is required from them. Thus, based on Figure 8, 17.5% of the respondents who strongly disagree, 25.5% of the respondents who disagreed, 15.5% of the respondents chose neutral. This is compared to 17.5% of the respondents who agree and 24.3 % of the respondent who strongly agree with the question statement. Thus, the highest number of individuals strongly agreed with the statement the employers had not fulfilled the promises it had made to its employees despite their hard work.

My employer has broken many of its promises to me even though I have fulfilled my obligations

103 responses

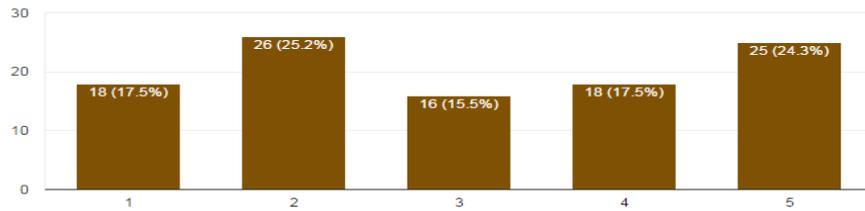


Figure 8. Employer has broken many of its promises

Based on Figure 9, the employees were asked “You have a plan for leaving this organization”. The objective of this question is to determine the number of employees had an idea of leaving their organizations due to various reasons. Thus, based on Figure 9, 21.4% of the respondents who strongly disagree, 12.6% of the respondents who disagreed, 21.4% of the respondents chose neutral. This is compared to 14.6% of the respondents who agree and 30.1% of the respondent who strongly agree with the question statement. Thus, the highest number of workers strongly agreed with the argument that, they were planning to leave the organizations. This showed that they worked with a perspective of leaving the organizations and absolutely, they could not deliver the expected outcome.

I am thinking about leaving this organization

103 responses

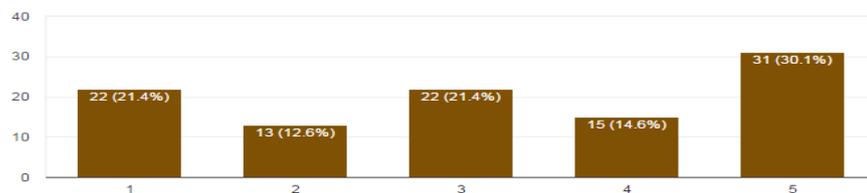


Figure 9. Employee thinking to leave the organization.

Based on Figure 10, the employees were asked “you have a plan of looking for a new job”. The objective of this question is to measuring the number of employees who work with a perspective of looking for other better jobs. Thus, based on Figure 10, 20.4% of the respondents who strongly disagree, 14.6% of the respondents who disagreed, 15.5% of the respondents chose neutral. This is compared to 18.4% of the respondents who agree and 31.1% of the respondent who strongly agree with the question statement. Thus, largest group of employees in organizations are looking for new jobs. This signified that most of the workers were not satisfied with whatever they were doing in their organization. It could also lead to poor performance.

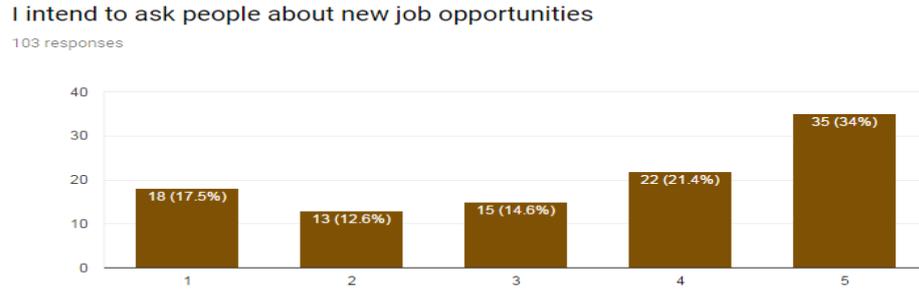


Figure 10. Employee looking for new job.

Based on Figure 11, the employees were asked “You always have an intention of asking people about new job opportunities”. The objective of this question is to determine the number of employees who had intentions of looking for new jobs while already in their working positions. Thus, based on Figure 11, 17.5% of the respondents who strongly disagree, 12.6% of the respondents who disagreed, 14.6% of the respondents chose neutral. This is compared to 21.4% of the respondents who agree and 34% of the respondent who strongly agree with the question statement. Thus, there was a very high percentage that strongly agreed with the statement that they intend to ask for new jobs from other people. This showed that a high number of individuals were not comfortable with their jobs.

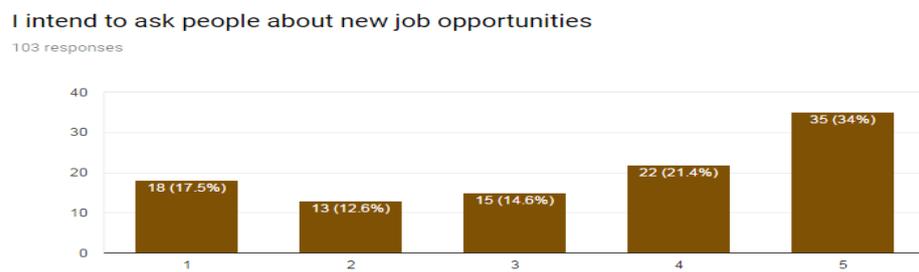


Figure 11. Employee asking others for job opportunities

Based on Figure 12, the employees were asked “You don’t have a plan of being in this organization much longer”. The objective of this question is to determine the number of employees in an organization, who were no longer willing to be in that organization. Thus, based on Figure 12, 21.4% of the respondents who strongly disagree, 14.6% of the respondents who disagreed, 19.4% of the respondents chose neutral. This is compared to 17.5% of the respondents who agree and 27.2% of the respondent who strongly agree with the question statement. Thus, a very high percentage strongly agreed with the statement that they had no plan to be in their organization much longer.

I don't plan to be in this organization much longer.

103 responses

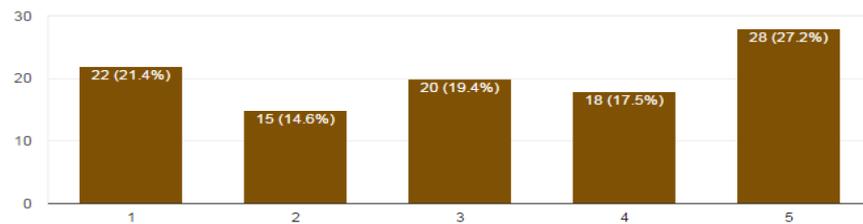


Figure 12. Intention of being in the organization

Overall discussion

In this work, the main aim was to determine employees' perceptions of psychological contract breach and their turnover intentions. As observed from results, most of the employees in Saudi Arabia worked with a perception of leaving their jobs. They also seek for new jobs while still at work. The relationship between the employer and the employee has been under looked. During recruiting employees, both employers and employees made some promises to one another. For instance, employees promise to be committed, always keep time as well as be honest in their work. On the other hand, employers may promise to provide a good working environment, promote workers and pay them friendly. In many cases, employees have been working hard to ensure that their roles/ responsibilities in the working environment are fulfilled. On the other hand, despite employees working hard to meet their daily objectives, employers have not been fulfilling their promise to the employees. This results in a conflict between employers and employees. As a result, most of the employees develop a bad perspective toward their job and get a desire of leaving those jobs. This is the reason why many of them keep looking for new jobs through other people. Lack of negotiations between employees and employers makes employees leave their jobs. This was the reason why most of respondents had worked in the organizations for less than five years. Thus, work done by Saeed et al. [23] has stated that when employees feel less satisfied with their work, the turnover intention is high among the employees. This may be due to the employer failing to fulfill the basic requirement promised to the employee during hiring. On the other hand, Ghosh et al. [24] has reported that once the employee exhibits turnover intention, their work performance and commitment towards the organization will decrease. Furthermore, Zopiatis et al. [25] has reported that decrease in job satisfaction among employee is caused by miscommunication between employer and employee. This will cause the employee to exhibit less job involvement and turnover intention. In addition, Tarigan et al. [26] has confirmed that there is significant relationship between organization commitment, employee's job satisfaction and turnover intention. Thus, in an organization, it is advisable for the employees to have a negotiation with their employers to reduce high turnover rate.

CONCLUSION

This study has evaluated the employees' perceptions of the psychological contract breach and their turnover intentions. Thus, based on the key findings of this work, it is concluded that most employees always have a perception of leaving their job. Furthermore, results showed that most employees have a perception of looking for new jobs. On the other hand, result showed that most employees look for new jobs through other people, while they are still in their working positions. The failure of employers in fulfilling their promises increases the rate on employees' turnovers. The rate of employees' turnover intention reduces the level of productivity of the organizations. Thus, it is deduced that lack of negotiations between the employer and the employees lead to conflict and disagreements, forcing the employee to have turnover intention. Hence, the authors would like to recommend that both employers and employees should have a negotiation whenever differences emerge. This will reduce the level of employee's turnover, thus increasing the output of a firm.

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