



## Perceived organisational support as a mediator of the relationship between psychological contract and organisational citizenship behaviour

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**Abstract.** *Purpose.* This study analyses the effect that fulfilment of psychological contract has on the organisational citizenship behaviour of employee. This effect is probed with regard to the mediation effect of an alternative theory of perceived organisational support. *Study design.* Drawing data from various educational institutions across India the study used survey questionnaire on a population of 350 faculties and 60 deans (supervisor) dyad. Total sample size of the study was 400 from which 100 were supervisors and 300 employees. Out of total sample 220 were male and 180 females. It was using quantitative and qualitative method for data analysis and interpretation. For measurement scales adopted are D. W. Organ's scale (for measuring organisational citizenship behaviour), D. M. Rousseau's PCF scale (for evaluating fulfilment of contract) and R. Eisenberger's scale (for measuring perceived support from organisation). *Findings.* It was found that fulfilment of psychological contract has a significant positive impact on organisational citizenship behaviour and perceived organisational support. Employee commitments to organisational outcomes may be achieved through setting and actualization of psychological contracts. The study also confirmed the mediating effect of perceived organisational support on the relationship between these two variables. *Originality.* The originality of the paper lies in the application of the theoretical framework of organisational support to psychological contract instead of using the social exchange theory as used by most researchers.

**Key words:** psychological contract, organisational citizenship behaviour, perceived organisational support, educational institutions.

### Introduction

Since inception the concept of psychological contract (PC) has acquired centre stage in understanding and research on employee-employer relationship. While Chris Argyris (1960) introduced the term for the first time in the context of 'psychological work contract' between supervisor and employee, later the concept was developed further through contributions from several researchers to reach at the current definition and understanding of the term (e.g. Schein, 1965, 1970; Levinson et al., 1970; Kotter, 1973; Rousseau, 1995). C. Argyris used the term to depict an implicit understanding between employee and foreman that develops in a manner, so workers give high productivity in

exchange for acceptable wage and other benefits (Argyris, 1960). In contrast employees' beliefs, moulded by agreements regarding terms of service is what D. M. Rousseau defines psychological contract. It is accepted through myriad of research following its inception that psychological contract is the employees' beliefs regarding the exchange agreement between employees and their organisations as shaped by the organisation's explicit and implicit promises interpreted by the employees (Rousseau, 1995). This psychological contract affects individual employee's behaviour in two ways. First, a positive effect is established in case of perceived fulfilment of this contract by the employer resulting in heightened individual performance (Turnley et al., 2003), psychological ownership of in-role behaviour (Park et al., 2015), employee loyalty (Cheung et al., 2017), perceived organisational support (Coyle-Shapiro, Conway, 2005) and a good employment relationship (Coyle-Shapiro, Kessler, 2000). The second way is a negative impact in case of breach contract (e.g. Turnley, Feldman, 1999; Zhao et al., 2007; Tran Huy, Takahashi, 2018).

Psychological contract is based on social exchange theory propounded by Peter Blau (Blau, 1964). The theory explains psychological contract fulfilment (PCF) as a consequence of social exchange and relational contracts that are subjective agreements between the employee and the employer (Rousseau, 1995). This paper, however, takes Organisational support (Eisenberger, 1986) as the theoretical framework for explaining psychological contract fulfilment. Organisational support theory is founded on the basic premise that employees' perception of the magnitude of organisation's concern for them and their contributions and the employee welfare measure from the organisation shapes their behaviour at work place. Employees' perceived organisational support (POS) regulates the degree to which they reciprocate this feeling into productivity and other positive outcomes. Founded on the social exchange theory (Blau, 1964) researchers have established a positive effect of perceived organisational support on employee-employer relationship owing to employees' reciprocation of obligation towards the organisation in supporting organisation reach its goal (Eisenberger et al., 2001; Ahmed, Zafar, 2018). Unlike social exchange theory, perceived organisational support theory covers both behavioural responses as well as symbolic perspective of exchange which is the respect given to the employee by the employer shapes the employee behaviour (Restubog et al., 2008).

Organisational citizenship behaviour (OCB) is simply the discretionary actions made by the employee in the organisation, not designated as formal duty or contractual obligations (Podsakoff et al., 2000). Defining as extra role volunteer of employee not backed by reward system or contractual regulations, D. W. Organ lists five types of OCB (conscientiousness, civic virtue, sportsmanship, altruism, and courtesy (Das, Mohanty, 2021; Organ, 1988). Studies on OCB have established a negative relation between psychological contract breach and citizenship behaviour (Coyle-Shapiro, 2002); employees who perceive the psychological contract is breached may react negatively towards the organisation either by reducing their altruism towards other or completely withholding extra role behaviour. Clearly scant research has paid attention to perceived organisational support as the background for heightened citizenship behaviour in the presence of psychological contract fulfilment.

In the settings given above this study aims at investigating into the relationship between psychological contract and organisational citizenship behaviour with perceived organisational support as a mediating factor through the theoretical framework of organisational support theory. The originality of this study lies in empirically establishing contract fulfilment with the background of organisational support theory and its impact on organisational citizenship behaviour as mediated through perceived organisational support (Figure 1).

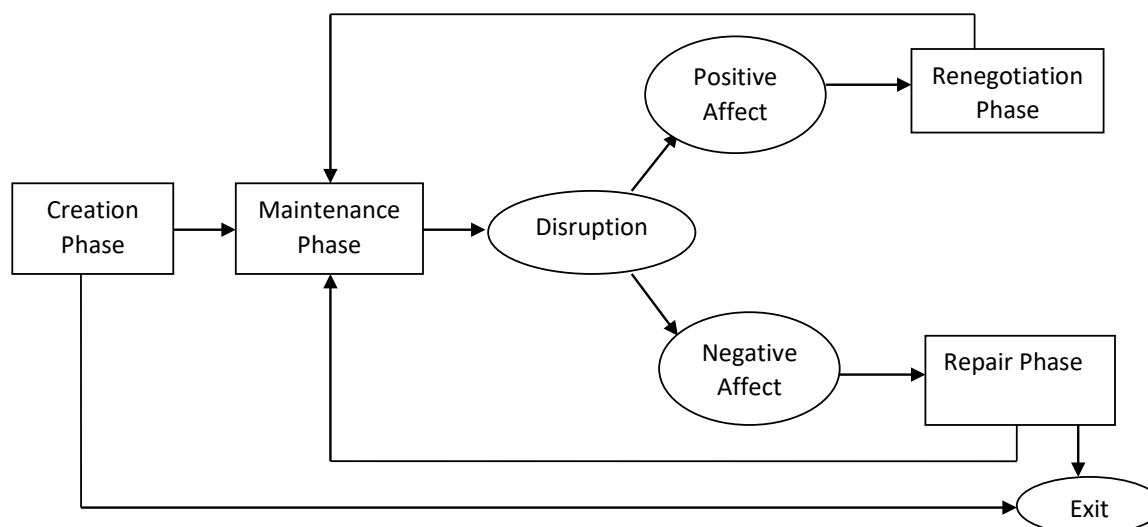


Figure 1. Phases of psychological contract (Source: Rousseau, Hansen, Tomprou, 2016)

## Literature review and hypothesis formation

### Psychological contract fulfilment, organisational support theory and perceived organisational support

This research relies on organisational support theory as the background for perceived organisational support as a mediating factor for association of PC and OCB. Organisational support theory (OST) as propounded by R. Eisenberger with colleagues argues that managers as representatives of the organisations are perceived closely by the employees for their behaviour and evaluated for the support they show to the employees as support of the organisation (Eisenberger, 1986). The theory originally burrows from H. Levinson's idea that employees personify their organisations in their superiors which provides basis for «employer – employee» social exchange (Levinson, 1965). In this «employer – employee» relationship the employer provides «financial – nonfinancial» benefits to the employee in exchange for commitment and increased productivity from employee. A. W. Gouldner in 1960 established that there exists a reciprocity norm between employee and employer; employee perception of organisational support results in reciprocation from employee in the form of help and withdrawal of harmful behaviour (Gouldner, 1960; Eisenberger et al., 2001). In addition to social exchange theory which relies on instrumental rewards provided by organisation to gain commitment from employee (Blau, 1964), OST relies on both instrumental rewards as well as social emotional favours as symbolic support (Aselage, Eisenberger, 2003). This theory helps in understanding psychological contract fulfilment as a factor for positive employee attitude towards organisation. D. M. Rousseau conceptualized PC as employee beliefs moulded by their agreements with organisation on terms of service (Rousseau, 1995). As fulfilment of contract is a part of the shaping of individual beliefs in exchange agreements being respected by organisation therefore fulfilment of contract leads to heightened perception of organisational support. This leads to the first hypothesis:

*H1: Fulfilment of psychological contract has a significant role in influencing employees' perception of organisational support.*

### Psychological contract fulfilment and organisational citizenship behaviour

Researches on psychological contract have predominantly concentrated on breach of contract which is a result of employee's perception of employer's commitment not being delivered (Rousseau, 1995), than fulfilment on contract (Conway, Briner, 2002; Edwards et al., 2003; Dulac et al., 2008;

Robinson, Rousseau, 1994). Breach of contract leads to frustration and initiation of various negative behaviour from employee. In contrast, fulfilment of contract results in many beneficial outcomes from employees (De Vos et al., 2003; Turnley et al., 2003). In this context psychological contract fulfilment and the subsequent results thereof has been largely neglected in the past studies. OCB as a consequence of psychological contract fulfilment has seldom caught researchers' attention. OCB is defined by Organ as the extra role voluntary behaviour of employees which is not part of the formal reward system nor is it documented as part of obligatory action (Organ, 1988; Podsakoff et al., 1990; Das, Mohanty, 2021) studied the concept extensively and have come out with the antecedents and consequences of OCB in the form of dimensions. Organ in his later papers has asserted that OCB is one such positive reciprocation in social exchange (Organ, 1990). Blau's social exchange theory propounds that employee who receive positive and supportive behaviour at work reciprocate the behaviour through positive work and behavioural outcomes (Blau, 1964). Studies have proved that reciprocation of positive employer behaviour at workplace usually take the form of OCB (Organ, 1990; Turnley; 2003; Ma, Qu, 2011). The second hypothesis therefore draws from this research settings.

*H2: Psychological contract fulfilment has significant positive effect on employee OCB.*

### **Perception of organisational support as mediating variable**

Psychological contract fulfilment is perceived by employee as support in terms of transactional as well as socio emotional support from the organisation (Rostubog, et al., 2008). In case of psychological contract fulfilment employees perceive organisation as favouring and supporting them and as reciprocation they display OCB. N. Conway and J. A.-M. Coyle-Shapiro distinguish between these transactional and socio-emotional support (Conway, Coyle-Shapiro, 2012). Studies conducted by J. Aselage and R. Eisenberger confirm that while perceived organisational support is generic and is pervasive over a number of instances on support, psychological contract fulfilment involves specific obligations committed for establishment of employee-employer relationship (Aselage, Eisenberger, 2003). J. A.-M. Coyle-Shapiro established perceived organisational support as a consequence of psychological contract fulfilment (Coyle-Shapiro, 2002) while R. Eisenberger with colleagues established that perceived support further boosts norms of reciprocity (Eisenberger et al., 2001). In line with this the third hypothesis is formulated:

*H3: The effect of contract fulfilment on employee citizenship behaviour will be mediated by perceived organisational support.*

## **Research method**

### **Data collection and sample**

Data were collected from «employee – employer» dyad. Questionnaires were circulated among these dyads across various organisations. Data were collected through convenient sampling method depending on availability. Staffs in the organisation were asked to respond to PCF and POS while one of their colleagues (supervisors) was asked to rate their OCB. One colleague (supervisor) was to be recommended by the employee. From different departments, under one supervisor four to five employees were taken. For these employees the supervisor gave OCB ratings while the employees gave ratings for perceived organisational support and psychological contract fulfilment questionnaire. Total sample size of the study was 400 from which 100 were supervisors and 300 employees. Out of total sample 220 were male and 180 females.

For measurement scales adopted are D. W. Organ's scale (for measuring organisational citizenship behaviour), D. M. Rousseau's PCF scale (for evaluating fulfilment of contract) and R. Eisenberger's scale (for measuring perceived support from organisation).

**D. W. Organ's scale for measuring organisational citizenship behaviour**, developed in 2006, has five items that evaluate employees OCB as viewed by the supervisors or peers. Items were in the manner "This employee does extra work for the organisation than required."

**D. M. Rousseau's scale for evaluating fulfilment of contract**, developed in 1995, has three items that evaluate psychological contract fulfilment as viewed by the employees as respondents.

**R. Eisenberger's scale for measuring perceived support from organisation**, developed in 1986, has five items evaluating perceived organisational support as responded by employees.

The reliability and validity of the adopted scales were checked. The scales were seen to be highly reliable with Cronbach alpha of 0.96 for D. W. Organ's OCB, 0.91 for D. M. Rousseau's PCF scale and 0.95 for R. Eisenberger's scale for POS (Table 1). Convergent and discriminant validity were checked through confirmatory factor analysis. The descriptive statistics are given below (Table 2).

Table 1. Factor loading, reliability and validity

Items under constructs	Standard factor loading (SFL)	$\alpha$	Composite Reliability	Average Variance Extracted
POS1	.89			
POS2	.90			
POS3	.91	.95	.95	.83
POS4	.92			
POS5	.90			
OCB1	.90			
OCB2	.91			
OCB3	.91	.96	.96	.84
OCB4	.89			
OCB5	.92			
PCF1	.88			
PCF2	.89	.91	.91	.81
PCF3	.88			

Confirmatory factor analysis (CFA) showed the convergent and discriminant validity of the variables through standard factor loading. The standard loading factor was seen for the variables to be much above average 0.5 as was the composite reliability and average variance extracted which proves that the convergence and discriminant validity requirement are fulfilled.

## Results

Table 2 shows the descriptive statistics such as mean, standard deviation and correlation of the latent variables. The demographic factors such as age, education and employee experience showed no correlation with the variables.

Table2. Descriptive statistics: Mean and standard deviation ( $N = 400$ )

Variables	Mean	Standard deviation
Gender	1.39	.49
Age	2.11	.79
Education	1.59	.81
Experience	1.61	.83
Perceived organisational support	3.40	.91
Psychological contract fulfilment	3.34	.97
Organisational citizenship behaviour	3.51	.80

Table 3. Descriptive statistics: Correlation analysis ( $N = 400$ )

Variables	GEN	AGE	EDU	EXP	POS	PCF	OCB
Gender	1.00						
Age	.06	1.00					
Education	.05	-.02	1.00				
Experience	.08	.02**	.14**	1.00			
Perceived organisational support	.03	.06	-.09	-.14	1.00		
Psychological contract fulfilment	.05	.05*	-.04	-.12	.71**	1.00	
Organisational citizenship behaviour	.02	.08	-.11	-.14	.69**	.75**	1.00

**Note:** GEN — Gender; AGE — Age; EDU — Education; EXP — Experience; POS — Perceived organisational support; PCF — Psychological contract fulfilment; OCB — Organisational citizenship behaviour; \* —  $p < 0.05$ ; \*\* —  $p < 0.01$  level.

The first hypothesis in the study proposed the fulfilment of contract having a significant role in influencing employees' perception of organisational support. The hypothesis has been supported by the results; we find  $\beta = .69$  ( $p < .01$  level) which suggests a strong positive correlation among these two variables. The  $p$ -value being the probability of null hypothesis being true, here the *value* being less than .01 shows the null hypothesis having only one percent chance of being true. This can be interpreted as the test variables having a significant correlation among them. Fulfilment of contract therefore is understood as having strong correlation with employees' perceived organisational support, the *beta* being .69 which is high. Whenever contract fulfilment is boosted there is a corresponding hike in perceived organisational support. Whenever contract fulfilment is boosted there is a corresponding hike in perceived organisational support. The  $R$  score found for PCF and POS is .71. This implies that 71 percent increase or decrease in POS can be explained in terms of PCF.

The second hypothesis proposed psychological contract fulfilment having a significant positive effect on employee OCB. This hypothesis was also proved in the results with  $\beta = .67$  ( $p < 0.01$  level). The standardized beta coefficient shows the strength of influence of each independent variable on the dependent variable. A high beta value indicates a stronger effect. In the case of the effect of contract fulfilment it shows a high *beta-value* of .67 depicting significance of the relationship with employee OCB. It implies that there is a strong impact of psychological contract fulfilment on employees' citizenship behaviour. It implies that there is a strong impact of psychological contract fulfilment on employees' citizenship behaviour. The  $R$  score for correlation coefficient was found to be .75 (at  $p < .01$  level). This depicts a strong positive correlation between OCB and PCF.

The third hypothesis proposed that the relationship between PCF and OCB will be mediated by POS. The results support the hypothesis with  $\beta = .51$  ( $p < 0.01$  level). The coefficient shows a strength of relationship between the variables perceived support and employee OCB. At a  $p$ -value of .01 the strength is .51 showing a significant relationship.

The support of first hypothesis comes from the findings of other studies (Guchait et al., 2015). J. A.-M. Coyle-Shapiro also found a strong result while investigating the correlation of psychological contract and employee citizenship behaviour outcome which is supporting our second hypothesis (Coyle-Shapiro, 2002).

## Discussion and conclusion

The study probed into the effect of employee perception of organisational support as a mediator in the relationship between organisational citizenship behaviour and psychological contract fulfilment. It relies on organisational support theory as the background theoretical framework for perceived organisational support as a mediating factor. The study adopts a quantitative approach for probing into the relationship between these three variables by using measurement scales and

quantifying data collected through these instruments. The results show a strong support for the hypotheses that there is a strong impact of perceived organisational support in mediating the relationship between organisational citizenship behaviour and psychological contract fulfilment. Earlier literature confirms to the strong and positive impact of psychological contract fulfilment on the display of organisational citizenship behaviour among employees (Coyle-Shapiro, 2002; Zhao et al., 2007). Other supporting studies in which the authors give testimony to strong correlation of employee OCB to psychological contract fulfilment (Conway et al., 2012; Hemdi et al., 2013). POS has been reported in earlier literature as a strong mediator between OCB and justice. This study has the authenticity of theoretical framework of organisational support theory and the method adds to its credibility of findings.

The theoretical implications of the study carry immense significance owing to the support of earlier research literature for PCF which is reported as heralding positive results (Lee et al., 2000; Aselage, Eisenberger, 2003; Coyle-Shapiro, 2002; Guchait, 2015; Cheung et al., 2017). Though most of the past research on psychological contract are based on breach of contract than fulfilment, this study has the theoretical support for the argument that PCF has behavioural and attitudinal implications. Our theoretical framework of organisational support theory based on social exchange also has strong support from earlier research (Blau, 1964; Aselage, Eisenberger, 2003; Zagenczyk et al., 2011).

The managerial implications of the study stem from the empirical findings of psychological contract fulfilment and its impact on employee behavioural outcomes. Employee commitments to organisational outcomes may be achieved through setting and actualization of psychological contracts. If manager is to achieve employee loyalty and commitments towards organisation, then they must commit to the promises made to employees and fulfil obligations towards organisation. Managers should commit to fair wage, safety and security, work environment and general well-being of the employees if positive behavioural and attitudinal outcomes are expected from employees.

The major limitation of the study lies in the temporal and spatial dimensions. If the study were longitudinal it would result in much more clarity of result. Similarly, if it is extended to other locations, it will increase the generalizability of findings. Secondly other mediating variables might also be dominant in determining the result while this study has taken only perceived organisational support as only mediator. Finally due to limited choices available in the measurement scale the employee response was limited. Future research may make integrative research of both qualitative and quantitative measurement of employee responses for better validation of results.

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# Воспринимаемая организационная поддержка как медиатор связи между психологическим контрактом и организационным гражданским поведением

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**Аннотация.** *Цель.* В этом исследовании анализируется связь между выполнением психологического контракта и организационным гражданским поведением сотрудника. Эта связь изучается в контексте эффекта медиации со стороны воспринимаемой организационной поддержки. *Дизайн исследования.* В исследовании использовался анкетный опрос сотрудников 350 факультетов и 60 деканов (руководителей) из различных учебных заведений по всей Индии. Общий размер выборки исследования составил 400 человек, из которых 100 были руководителями и 300 сотрудниками. В выборку вошли 220 мужчин и 180 женщин. Для анализа и интерпретации данных использовались количественные и качественные методы. В качестве шкал измерения были применены шкала Д. У. Органа (для измерения организационного гражданского поведения), шкала РСФ Д. М. Руссо (для оценки выполнения контракта) и шкала Р. Айзенбергера (для измерения воспринимаемой поддержки со стороны организации). *Результаты.* Было обнаружено, что выполнение психологического контракта оказывает значительное положительное влияние на организационное гражданское поведение и воспринимаемую организационную поддержку. Приверженность сотрудников организационным результатам может быть достигнута путём установления и актуализации психологических контрактов. Исследование также подтвердило опосредующий эффект воспринимаемой организационной поддержки на связь между этими двумя переменными. *Оригинальность.* Оригинальность исследования заключается в применении теоретической концепции организационной поддержки психологического контракта вместо использования теории социального обмена, используемой большинством исследователей.

**Ключевые слова:** психологический контракт; организационное гражданское поведение; воспринимаемая организационная поддержка; образовательные учреждения.