MANAGING TALENTED WORKER IN THE ERA OF NEW PSYCHOLOGICAL CONTRACT

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Abstract: Psychological contract as a strategy based on flexibility has become a new hope in creating competitive advantages with a focus on human resources management is superior. As a concept that powerful, psychological contract be interested in researchers in the field of organizational development in exploring the influence of psychological contract on employee’s work attitude and behavior. But earlier research still gave contradictory results. In the context of managing talented employee, the psychological contract needs to focus on the key factors shaping employee resilience. This research examines the influence of psychological contracts and career resilience on organizational citizenship behavior on employees in the banking sector in Indonesia and Malaysia using structural equation modeling. This research proved the influence of psychological contract on career resilience and the influence or career on organizational citizenship behavior.

Keywords: Career Resilience, Organizational Citizenship Behavior, Psychological Contract

Psychological contract has become the main concern for the organization along with the increasingly tight competition in recruit and retains talented employees. In the competition to compete for the high-skilled employee, psychological contracts in use as an employer of branding that is able to become grounds for talented employees redefining employee value proposition. As a part of the effort to build employer branding, psychological contract management needs to consider the employee development to give added value to the organization. This argument is in line with the thought of Hall (2002) that stresses the importance of building the employment relationship based on career development to build adaptive capabilities of the employees in the environment dynamic change. As an approach to building a dynamic working relationship, psychological contracts need to consider the aspects of the changes in the business environment. (Schalk and Roe, 2007) assert that the development of psychological contract based on efforts to facilitate employees in receiving and responding to changes in a positive way.

In the context of managing talented employee, psychological contract takes the role in encouraging employees to develop sustainable knowledge sharing capabilities (O’Neill and Adya, 2007). The employee who is committed to developing their personal career, tend to be proactive in sharing knowledge to increase the professionalism of the work. Chen(2014) emphasized the importance of
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Building a psychological contract that can provide space for career development and retention of employees in line with the research. Dhanpat and Parumasur (2014) conclude that the effectiveness of the psychological contract by is determined by strategic components that are therein. This study recommends that the important aspect of building psychological contract includes conducive working environment, career development of employees and productive working relationship based on trust. Based on the paradigm of social exchange, Coyle-Shapiro (2002) explained that the psychological contract gives an opportunity for the organization to build social capital and sustainable competitiveness through organizational citizenship behavior. This behavior refers to the behavior of the employees in the greater contribution to the effectiveness of the functions of the organization. Organizational citizenship behavior is the behavior of extra-role, is not listed in the description of the work but useful for the long-term success of the organization.

However, the earlier research still gave contradictory results. Study Coyle-Shapiro and Kessler (2000) which concluded that the psychological contract affects the commitment of the organization but not significant on organizational citizenship behavior. The psychological contract as an effort in retaining talented worker must be able to encourage the development of employee capabilities (Chambel and Fotinha, 2009). This research aims to test the influence of psychological contract and career on organizational citizenship behavior.

Career Resilience

Career resilience has a formulation that aligns with the career choice in career motivation theory London and Noe (1997) That refers to the ability to overcome barriers, the need to obtain information and the identity of the work. London and Mone (1987) concluded that individuals who have the capability to develop their career are able to control the situation, dare to take the risk in the condition of uncertainty, have tolerated in the situation of confusion, have confidence that he is able to achieve the goal, independent, able to adapt to changes in the environment and are able to work together with other members of the organization. Furthermore Collard et al. (1996) build the concept of the capability to develop their career in six characteristics include the ability to understand the personal potential, oriented to give added value in the work focused on the future, dedicate themselves to get involved in the learning process, flexible and able to build the cooperation network in the organization.

Psychological contract

The psychological contract is the employee’s belief in organization’s effort proactive efforts to understand and facilitate the needs and wishes of employees. Hope to become the basis for employees in contributing and vice versa organizations need to manage employee expectations through a fair exchange mechanism. For that required a psychological relationship is able to create emotions that direct the attitudes and behavior of positive employees. This relationship that can perpetuate relationship between employees and the organization (Armstrong, 2009). This relationship helps organizations in predicting the output that can be given employees. The concept of the psychological contract is a development of the theory of social exchange that explains the resources exchanged in a relationship in the analysis of the knowledge management, social exchange theory explains the relationship model social exchange as the efforts of the organization in managing the needs and expectations of the employees as valuable resources in the organization (Cropanzano et al., 2001).

Organizational Citizenship Behavior

The effectiveness of an organization is determined by the behavior of the employees which contained. There are two types of behavior is the behavior of the role and behavior of extra-role. In-role behavior associated with the behavior according to the description of the work while the behavior of extra-role is the behavior outside the description of the work but give a high contribution in achieving the effectiveness of the organization. Extra-role behavior is often referred to as organizational citizenship behavior. Organ (1997) defines
organizational citizenship behavior as behavior that benefits the organization and is not based on a formal role and is not written in the official contract of work.

Williams and Anderson (1991) develop dimensions of organizational citizenship behavior namely civic virtue, conscientiousness, courtesy, and altruism. Civic virtue is the active engagement of the employees in the programs that are organized by the organization of both formal and informal. The dimension of the conscientiousness is a proactive behavior in carrying out the tasks and responsible than expected by the organization. Courtesy associated with the actions of the employees in providing innovative suggestions for the optimization of the functions of the organization. Altruism refers to the willingness to help colleagues in solving the problems of the work.

The Influence of Psychological Contract on Organizational Citizenship Behavior

Janssen (2000) conclude that fulfilled the needs and expectations of the employees in the psychological contracts encourage employees to more proactive in finding creative ideas and innovative moralities. Efforts to meet the expectations of the organization and the employees can be constructed in the form of psychological contract (Rousseau and Parks, 1993). When employees believe that the organization can meet the obligations of their obligations, then employees will be more participate in the efforts to reach the objectives of the organization (Podsakoff et al., 2003). The results of this study in support by Ramamoothy et al. (2005) to prove that the psychological contract that oriented on the empowerment of the employees have a positive influence on innovative behavior employees. Bordia and Restubog (2006) show that the psychological contract affects the behavior of the employees to accept the responsibility of outside of the description of the work.

The Influence of Psychological Contract on Career Resilience

The psychological contract contains the principles of the employment relationship. In the context of organizations that hire a high-skilled worker, this spirit encouraging employees to enhance their skills and knowledge of managerial (Seyedjavadin et al., 2009). A productive working relationship encourages proactive employees is trying to build collaboration, shows the speed and accuracy in making decisions and motivated to participate in achieving the effectiveness of the organization. As part of the effort to build a harmonious relationship managers employment, psychological contracts need to give confidence to the employees that the organization where they work is able to create a working atmosphere conducive to increase the knowledge and skills. Research Schweper and Good (2007) which concluded that the work environment is conducive to encourage employees to become more proactive and give added value to the organization. Furthermore, Maddi (2013) conclude that the ability to add value is formed from the existence of the assignment is challenging. Waterman et al. (1994) conclude that when the organization is able to build a psychological contract that focuses on expectations of employees and employees will be actively involved in the process of strategic planning organization. In the context of the employment relationship, Hiltrop (1996) conclude that the probability of the development of themselves and the work that means to improve the ability of the employees in the give added value for the success of the organization. Furthermore, Iles (1997) conclude that when employees feel that the organization provides the opportunity for the development of themselves and employees will be able to adapt and dedicate themselves to a sustainable learning process.
Managers in building collaboration and give added value a positive effect against the behavior of citizenship employees. This study in line with the research Pouramini and Fayyazi (2015) on the employees in the public organizations in Iran concluded that the ability of the employees to add value influence on organizational citizenship behavior.

Fredrickson (2003) conclude that the involvement of employees in the progressive oriented activities will encourage employees to share creative ideas and provide innovative suggestions for the improvement of the quality of the work. Furthermore, Luthans et al (2005) conducted the study on the employees in the insurance company that the ability of the employees to adapt and integrates strategic role negative effect to the intention to exit from the organization and a positive influence on commitment and organizational citizenship behavior.

RESEARCH METHOD

This research uses quantitative approach. The sampling method used is purposive sampling with various specific criteria so that it can be obtained samples which are able to achieve the goal of research. Samples used in this research using the technique of purposive sampling with the criteria of respondents had been working more than 5 years and working in the banking sector in Indonesia and Malaysia. Numbered 135 people. Research data obtained with the spread of the questionnaire regarding the psychological contract, career resilience and organizational citizenship behavior. Psychological contracts are measured using the scale developed by Rousseau (1995), career resilience is measured using the scale developed by the London (1983) and organizational citizenship behavior measured using the scale developed Organ (1998).

RESULT

The questionnaire received as much as 135 copies and filled with complete until the worthy to be analyzed further. Confirmatory analysis of psychological contract construct showed that all the indicators used in this research have factor loading above the 0.70. Confirmatory analysis of career resilience construct showed that the two indicators used in this research have factor loading above the 0.70. Confirmatory analysis of organizational citizenship behavior construct showed that all the indicators used in this research have factor loading above the 0.70.

The normality test indicates that there is no number that more than ±2.58. The data also indicates that there are no outlier univariate problems, detected by the lack of indicators that have the value of Z score of outside ±3.0. Outlier multivariate analyzed directly from the Mahalanobis distance of squared). Based on the results of the analysis, there are no observations that have the value above CoValso the value of p1nor p2 under from 0.001. Thus it can be concluded that there is no observation that violates the assumptions of a multivariate outlier.

A summary of the index becomes a requirement in assessing the model fit. And the index model fit the results of the test the full structural model of this research are summarized as finances on the following table.

<table>
<thead>
<tr>
<th>Model Fit Index</th>
<th>Output</th>
<th>Cut-Off Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Squared (χ²)</td>
<td>159.028</td>
<td>≤ 193.791</td>
<td>Good</td>
</tr>
<tr>
<td>Probability</td>
<td>0.156</td>
<td>≥ 0.05</td>
<td>Good</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>1.120</td>
<td>≤ 2.00</td>
<td>Good</td>
</tr>
<tr>
<td>GFI</td>
<td>0.919</td>
<td>≥ 0.90</td>
<td>Good</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.891</td>
<td>≥ 0.90</td>
<td>Good</td>
</tr>
<tr>
<td>TLI</td>
<td>0.988</td>
<td>≥ 0.95</td>
<td>Good</td>
</tr>
<tr>
<td>CFI</td>
<td>0.990</td>
<td>≥ 0.95</td>
<td>Good</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.025</td>
<td>≤ 0.08</td>
<td>Good</td>
</tr>
</tbody>
</table>

After the complete test the suitability of the model, the next step is to analyze the results of the test of causation on the model. The following table presents the regression weight structural equation modeling to test the research hypothesis.
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DISCUSSION

As part of the effort to build a harmonious employment relationship, psychological contracts need to give confidence to the employees that the organization where they work is able to create a working atmosphere conducive to increase the knowledge and skills. This research support Schwepker and Good (2007), Seyedjavadin et al. (2009) which concluded that a working environment conducive to encourage high skill employee to become more proactive and give added value for the organization, improve the ability and knowledge of the managerial and proactive employees are trying to build collaboration. The psychological contract refers to the confidence of the employees about the efforts of the organization in meeting the needs and their expectations. The results of this research showed that the psychological contract does not influence on organizational citizenship behavior thus the results of this research is contrary to the previous study conducted by Rousseau and Parks (1993) and Ramamoothy et al. (2005). The ability of the employees to integrate their strategic role increase the helping behavior and encourage employees to share creative ideas and provide innovative suggestions for the improvement of the quality of the work (Norman et al., 2010).

CONCLUSION

In the framework of the theory of social exchange, organizations can build employment relationship that harmony with the focus on the implementation of the psychological contract. Through the psychological contract with a focus on efforts to career development employees, prepare to motivate employees in the face of changes in the organization, build a working atmosphere conducive and build a harmonious working relationship. The psychological contract is a change that is multiperspective. This research focuses on the analysis of the influence of psychological contracts in the review transactional aspect and relational aspects with does not involve evaluative consideration and analysis of the features of a deal related with changes in the organization, this condition potentially affecting the dynamics of consensus and how employees in redefining the content of psychological contracts. The dynamics of this consensus does not become a consideration in the model testing research. This research uses an instrument to measure the perception of the psychological contract from the perspective of employees related to the belief about the fulfillment of the agreement both sides namely organization and employees about the needs and expectations in the employment relationship. Future research in hope can develop an instrument based on the perspective of the organization. The measurement from the perspective of both sides will be more explain the essence of the concept of the psychological contract in a more holistic approach.

REFERENCES


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