PSYCHOLOGICAL CONTRACT, ORGANIZATIONAL CITIZENSHIP BEHAVIOR, AND ORGANIZATION EFFECTIVENESS IN BUSINESS ORGANIZATION

ABSTRACT

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By

PROMILA AGGARWAL

Under the Supervision of

Dr. A. VENKAT RAMAN

FACULTY OF MANAGEMENT STUDIES UNIVERSITY OF DELHI DELHI- 110007 OCTOBER 2012
ABSTRACT

Research Question: The research is conducted into two stages a) Developing a validated instrument to measure psychological contract and organization citizenship behavior; and b) Exploring of relationship between psychological contract, organization citizenship behavior, and organization effectiveness in business organizations using the validated instrument developed.

Design/Methodology/Approach: Cross sectional design is used. Data was collected from pharmaceutical and FMCG sector organization with total 1087 eligible respondents. Exploratory factor analysis with varimax rotation is used in tool development. ANOVA and hierarchical regression is used to test the hypothetical model.

Findings: The research proposes robust tools to measure psychological contract and organization citizenship behavior. It was found out that psychological contract and organization citizenship behavior independently predicts the organization effectiveness. Organization citizenship behavior does not mediate the relationship between psychological contract and organization effectiveness. Age, gender, experience, education, and personality influence psychological contract and organization citizenship behavior. However, marital status does not influence the psychological contract and organization citizenship behavior.

Research limitations: The cross-sectional design limits the inference of causality.

Originality and Practical Implications: Psychological contract (PC) instrument introduced two new variations: a) measure of employee as well as employer expectations; b) New variables (in addition to the existing one from literature) were identified. The instrument also captures employee expectations prior to job offer; experience (met –unmet expectations) after joining and the gap between expectations and experience (PC fulfillment / non-fulfillment from both employer and the employee perspective). The organization citizenship behavior (OCB) tool explores
two new dimensions namely normative organization citizenship behavior (N-OCB), and rule bounded organization citizenship behavior (R-OCB), apart from the known OCB dimension – voluntary OCB. The study could be considered significant by virtue of being the first study to link that psychological contract and organization citizenship behavior to organization effectiveness. The research concludes with the theoretical and practical implications for the field of academia/research and workplace.