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On the psychological contract structure of mittelstand enterprises staff

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ABSTRACT

This paper is based on the investigation on the status quo of psychological contract among mittelstand enterprise staffs by introducing psychological contract to the field of mittelstand enterprises through literature review and compiling questionnaires. The findings show that to facilitate the management, the establishment of the corresponding psychological contract management measures should take into account of diverse needs of staffs from different age groups and with different length of service and different stages of their career development. On the basis of the above factors, the management measures can be explored from the facet of enterprise organization and individual employee.

KEYWORDS

Psychological contract; Mittelstand enterprises; Structure.



INTRODUCTION

Contract is classified into formal contract and informal contract. With the development of society, there is an invisible, implicit, not explicit psychological contract within employment relationship. In the last century 60's, the western organizational behavior and human resource management have become to research psychological contract. It is mutual expectation and a recessive information not open to the public, including people's need for achievement, job security, occupation training, compensation and occupation development^[1]. This paper based on the psychological contract research staff of small and medium enterprises as the breakthrough point, analyzes the relationship between employees and small and medium enterprises established, explore effective management strategies of small and medium enterprises, in order to meet the demand of development of staff, improve staff construction in small and medium-sized enterprises and promote the development of the small and medium-sized enterprises.

PREPARATION OF THE SMALL AND MEDIUM-SIZED ENTERPRISE STAFF QUESTIONNAIRE OF PSYCHOLOGICAL CONTRACT STRUCTURE

The 10 managers and 20 employees of small and medium-sized enterprises were randomly selected from 4 enterprises in Fujian province to conduct interviews, in order to understand the staff should fulfill the responsibility for the enterprises and also enterprises should be expected to fulfill the responsibility for the staff. The questionnaire consists of "corporate responsibility" scale and "employee obligation" scale. "corporate responsibility" subscales investigation enterprises dealing with employee obligations, "employee obligation" subscale mainly investigate the staff of the enterprise obligations. Two subscales of employee psychological contract dimensions can be divided into three dimensions including standard responsibility, development oriented responsibility and interpersonal responsibility. Each of the subscales has 15 projects, using 5 criteria respectively: 1 point to perform badly; 2 said to perform poorly; 3 general; 4 points that perform well; 5 minutes to perform well. Demographic variables contains gender, age, length of service, type of position, title, position and professional.

RELIABILITY AND VALIDITY OF EMPLOYEE PSYCHOLOGICAL CONTRACT QUESTIONNAIRE

Reliability analysis

Through the SPSS18.0 statistical analysis software, the results showed that the Cronbach's AIPha reliability coefficients of the "corporate responsibility" and "employee obligation" subscales were 0.966 and 0.943, the internal consistency of the questionnaire survey is very high, so the questionnaire can be used completely.

Validity analysis

This paper uses KMO (Kaiser-Meyer-Olkin Measure of Sampling Adequacy) and Bartlett test to verify the validity of the questionnaire of spherical. The KMO value of "Corporate responsibility" subscale is 0.974, significant probability is 0, less than 0.001, indicating that the scale is not a single dimension, suitable for factor analysis. "Corporate responsibility" subscale through exploratory factor analysis, found that the 3 factors of the subscales is standard responsibility, development oriented responsibility and interpersonal responsibility. General explanation of the subscales of the rate is 76.62%, the construct validity of the subscales is good and can be used.

The KMO value of "Employee obligation" subscale is 0.972, significant probability is 0, less than 0.001, indicating that the scale is not a single dimension, suitable for factor analysis. "Employee obligation" subscale also includes 3 factors: standard responsibility, development oriented responsibility and interpersonal responsibility. The rate of general explanation of the subscales is 72.69%, so "the structure validity of employee obligation" subscale is better, and can be used.

TABLE 1 : Table rotated factor loading matrix enterprise obligations component

Projects	Factor1 standard responsibility	Factor2 development oriented responsibility	Factor3 interpersonal responsibility	General explanation rate
Enterprise incentive equity	0.88			
respect their workforce	0.88			
Enterprisedemocratic decision-making	0.85			
improvement the welfare of employees	0.78			
develop moral standards, occupation ethics system for employees	0.77			
participate in various construction evaluation	0.62			
help staff or promotion		0.84		
provide education and training opportunity		0.83		
trying to get rid of dilemma		0.82		
improve working conditions		0.82		
learning autonomy		0.79		
Pay attention to staff suggestions and appeals			0.92	
care practical difficulties in life			0.91	
create a harmonious relationship			0.89	
provide support and help for the staff of scientific research			0.88	
explanation rate	62.97%	7.33%	6.32%	76.62%

TABLE 2 : Table rotated factor loading matrix employee obligations component

Projects	Factor1 standard responsibility	Factor2 development oriented responsibility	Factor3 interpersonal responsibility	General explanation rate
Staff do a good job	0.80			
Staff make personal sacrifices for the interests of enterprises	0.80			
comply with the rules and regulations of enterprises	0.78			
loyal to the enterprise	0.77			
research ability, creative consciousness	0.76			
concerned with the development of enterprises	0.73			
Old employees to help new employees to solve adaptive problems		0.84		
flexibility		0.79		
actively participate in various activities		0.76		
take the initiative to take on extra work		0.75		
actively participate in training and re education		0.74		
actively maintain corporate image, propaganda enterprise			0.86	
Boss cares about the subordinate, get along well with people			0.85	
colleagues in harmony			0.82	
participate actively in recreational activities			0.80	
explanation rate	52.86%	10.77%	7.06%	72.69%

INFLUENCE OF DEMOGRAPHIC VARIABLES ON EMPLOYEE PSYCHOLOGICAL CONTRACT

Seniority variable

In employee psychological contract "corporate responsibility" part, the remarkable difference exists in different length of service employees score and total score in three dimensions of standard responsibility, developmental responsibility and interpersonal responsibility. After doing further analysis on the score and total score of three dimensions of standard responsibility, developmental responsibility and interpersonal responsibility we found that : the staff with less than 1 years length of service perform

significantly better than others in the cognitive of employees obligation; employees of 1-3 years working fulfill the obligations on the cognitive significantly better than 4-10 years seniority or more employees; there was no significant difference in 4-10 and length of service for more than 10 years of employees to deal with obligations.

Age variables

In employee psychological contract "corporate responsibility" part, there was a significant difference in different age employees scores and scores in three dimensions of standard responsibility, developmental responsibility and interpersonal responsibility. We later found out through further analysis of the staff of different ages score and total score in the three dimensions of normative responsibility, developmental responsibility and interpersonal responsibility : (1) In the standard responsibility dimension, workers under 25 years scored significantly higher than the other age. 25-30 years old employees scored significantly higher than the 31-40 years old employees; the other age groups had no significant difference. (2) In the development responsibility dimension, workers below 25 years old scores were significantly higher than that of 31-40 years old and above 40 years old. 25-30 years old employees scored significantly higher than the 31-40 year-old employees. (3) In the interpersonal responsibility dimension, employees under 25 years scored significantly higher than the other age. 25-30 years old employees scored significantly higher than the 31-40 year-old employees; (4) In the total score, employees under 25 years scored significantly higher than the other age. 25-30 years old employees scored significantly higher than 31-40 year.

CONCLUSION

From the analysis of the above data, we can draw the following conclusions: In the small and medium-sized enterprises, employee psychological contract is divided into: three dimensions of standard responsibility, development oriented responsibility and interpersonal responsibility. Investigation shows, different ages and different length of service employees of small and medium-sized enterprises in all aspects of "corporate responsibility" are different, and there is a common phenomenon: the primary stage of employee scores higher than the advanced stage and intermediate stage, but the intermediate stage employees scores higher than the advanced stage of the staff. Score is the primary > advanced > intermediate, Enterprises should consider the different needs of different age and different length of staff, and carry on the management according to the different stages of the small and medium-sized enterprise employee occupation career development. The enterprises should formulate corresponding measures of psychological contract management from the two aspects of enterprise level and employee level.

SUGGESTION

Enterprise management strategy

1) People-oriented and scientific construction of small and medium-sized enterprise employee psychological contract management mechanism^[2]. Employee psychological contract and enterprises is the expectations of both sides. The subject of this relationship is to fully understand the nature of man. Enterprises should consider the basic needs of the staff, but also consider the staff's high level need, build psychological contract management system to the management philosophy and regard the staff as the most important human resources to deal with.

2) Encourage and enhance the small and medium-sized enterprise employee psychological contract management. Employee psychological contract and small and medium enterprises is dynamic^[3]. It needs to establish a stable, balanced, improvement process. In the process it needs to continue the development of incentive measures in order to maintain the relationship between employees and enterprises. For example, to improve staff welfare without damaging the interests of enterprises and the target; to provide appropriate training opportunities for employees, to provide scholarships and grants; the establishment of staff position competition mechanism so that employees have more room for development the broad.

3) Construction of excellent organizational culture based on the psychological contract. Healthy and positive organizational culture enable to unite the organization members, and encourage members to create a harmonious and equal atmosphere. It is the spiritual pillar of members of the organization. Whether work is constantly improving and the interpersonal relationship is harmonious or not is the main content of employee psychological contract. It also affects the degree of satisfaction and the loyalty of employees of small and medium-sized enterprises, affects the working enthusiasm of employees of small and medium-sized enterprises. To build a healthy, positive enterprise culture is not only beneficial to the small and medium-sized enterprise but also is beneficial to improve the staff's efficiency.

4) The implementation of psychological contract management of all stages of occupation career. Different occupation career stage will affect the employee psychological contract between enterprises and employees of small and medium-sized enterprises^[4]. The development of enterprise employee occupation career is changing It will be subject to some factors such as enterprise policy, interpersonal atmosphere, development opportunities and so on. In order to maintain balance of Psychological contract between the enterprise and employees, we should take measures to match the different stages of development in the small and medium-sized enterprise employee occupation career.

Employee management strategy

1) Employees should establish the occupation value and determine the occupation role. The small and medium-sized enterprise staff should fully understand the occupation role by their own high standards and strict requirements. Dare to self analysis, self criticism, fully aware of their own problems and solve problems, enhance and strengthen their sense of responsibility.

2) Improve employee's organizational commitment and strengthen loyalty consciousness.

The employee's organizational commitment refers to the employee believes corporate objectives, recognize and accept the enterprise values, spontaneously strain every nerve and eager to work for the enterprise. The staff who has strong organizational commitment demonstrate enthusiasm, initiative, creativity and strong sense of responsibility. They will actively work and make great contribution.

3) Staff of small and medium enterprises pay attention to the development of enterprise and cultivate the sense of ownership. Employee should fulfill its responsibility, be concerned about the development of enterprises, to comply with company rules, to promote enterprise development, to maintain the image and reputation of the enterprise and make personal sacrifices for the overall development of enterprises.

4) Staff of small and medium-sized enterprises should strengthen the knowledge learning, enhance the sense of innovation. The employees strengthen their study enthusiasm, cultivating the consciousness of lifelong learning,^[5] so that their knowledge can be constantly updated with the development of the times. Only by strengthening the consciousness of innovation in learning and work, formulate measures of operation, can small and medium-sized enterprises employees enhance the competitiveness.

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