



STUDY OF THE IMPACTS OF PSYCHOLOGICAL CONTRACT ON EMPLOYEE LOYALTY: A CASE STUDY OF QINGDAO TECHNOLOGY COLLEGE - CHINA

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Article history:	Abstract:
<p>Received: 6th November 2021 Accepted: 10th December 2021 Published: 22th January 2022</p>	<p>With the continuous improvement of the status of private universities in national education, the demand for talent cultivation is also increasing. How to enhance employee loyalty is the key factor to the sustainable development of private universities. As a supplement to economic contract, psychological contract plays an important role in maintaining employee morale and enhancing employee loyalty.</p> <p>Based on the perspective of psychological contract, this paper conducts research on improving employee loyalty of private colleges and universities. Firstly, the article sorts out the relevant domestic and foreign literature, and introduces related theories and concepts on this basis; secondly, the article uses the questionnaire survey method to investigate and analyze the current situation and existing problems of employee loyalty; thirdly, with the help of reliability, validity and the factor analysis method, the article analyzes the employee's psychological contract and loyalty, and gets the inevitable connection between psychological contract and employee loyalty.</p> <p>Research shows that transactional psychological contracts, relational psychological contract and growth psychological contract have significant positive impacts on loyalty.</p> <p>Based on the results of the empirical analysis, it is suggested that private colleges and universities propose strategies to enhance employee loyalty in terms of creating a good working environment, encouraging participation in school management, scientific career planning, appropriate spiritual rewards, and respecting and trusting employees.</p>

Keywords: Employee loyalty, psychological contract and organizational loyalty

INTRODUCTION

Researching and exploring the impact of psychological contracts on the loyalty of private college teachers is of great significance to solving the problems encountered in the practice of labor relations management in private colleges, and it is also an urgent need for the optimization of labor relations in private colleges. Based on the above analysis, this research is proposed.

Restricted by the influence of existing policies, regulations, etc., private colleges and universities currently have the following problems: private colleges have limited funding sources, and low salaries have led to high teacher turnover; private colleges' teachers have insufficient social security, and weak guarantees have led to strong psychological gaps in teachers; private colleges' employment The imperfect system promotes a vicious circle of labor relationship

management; without paying attention to the psychological contract of teachers, it is difficult for the labor contract to develop harmoniously and stably.

THE RESEARCH BACKGROUND

With the continuous improvement of the status of private universities in Chinese national education, the demand for talents is also increasing. However, there are relatively few studies on employee loyalty in private universities. Improving the satisfaction of teachers in private universities, reducing the psychological gap between teachers, and improving teacher labor relations are important measures to promote the harmonious, stable and upward development of private universities. It is a new topic to study the psychological expectation of teachers in private universities, analyze the psychological contract of teachers, and combine the psychological contract with the labor contract of teachers.

In this condition, researching and exploring the impact of psychological contracts on the loyalty of private college teachers is of great significance to solving the problems encountered in the practice of labor relations management in private colleges, and it is also an urgent need for the optimization of labor relations in private colleges. Based on the above analysis, this research is proposed.

1. What are the impacts of the higher the level of organizational loyalty of private college employees, the higher of the level on employee loyalty?
2. What are the impacts of the higher the level of psychological contract of private college employees, the higher of the level on employee loyalty?

THE RESEARCH CONCEPTUAL FRAMEWORK

This subject takes private universities (Qingdao technology college) as the main research body. Through the form of questionnaires, we can fully understand the internal psychological conditions of employees and their attitudes towards work. Through empirical research, based on the analyzed questionnaire data, the research, using correlation factor analysis to study the correlation between psychological contract and employee loyalty, analyses the degree of loyalty affected by psychological contract-related factors and then proposes that it is feasible and targeted strategies and safeguards to improve employee loyalty. The specific research framework is shown in **Error! Reference source not found.-1**:

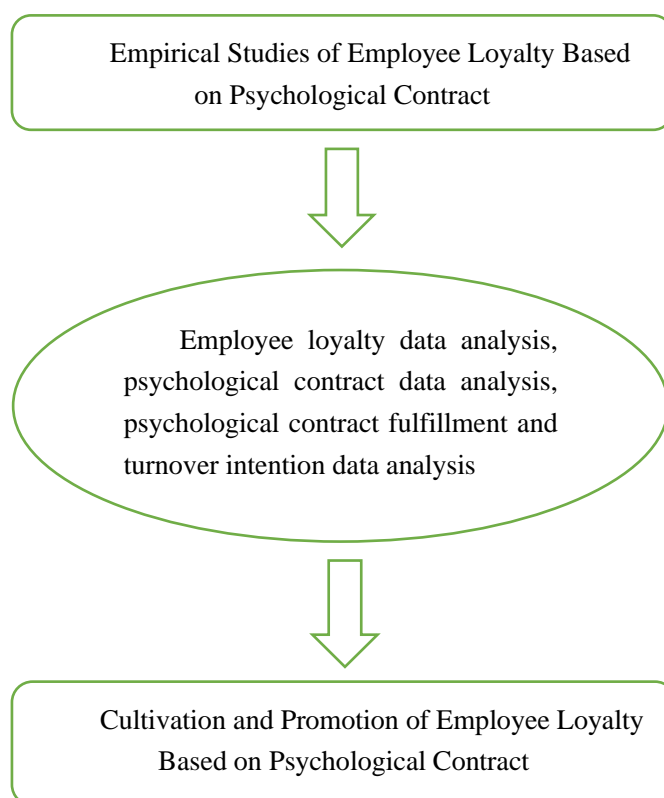


Figure: The research framework

THE RESEARCH POPULATION

The research samples selected in this paper are senior school leaders, university administrators, university teachers, university support personnel and grassroots employees. The researcher investigates and analyzes the employees of these schools, to find out the current problems and main influencing factors of employee loyalty in private colleges, so as to provide a basis for the following strategies to improve employee loyalty.

The main respondents were School staff. We distributed the questionnaire through meetings. 120 questionnaires were issued to Senior Leaders, administrators, teachers and support staff. A total of 103 valid papers were collected, with an effective recovery rate of 85.83%.

DATA ANALYSIS RESULTS

A total of 120 questionnaires were issued this time, and a total of 103 valid test papers were recovered. 103 questionnaires returned were valid, and the effective recovery rate was 85.83%. The overall sample features are shown in Table 4-1.

Table 4-1 Overall Sample Characteristics

The Individual Background		Sample Size	Percentage
Age	20-25	32	31
	26-30	35	34
	31-35	14	13.6
	36-40	4	3.9
	41-45	4	3.9
	46+	14	13.6
Gender	Male	51	49.5
	Female	52	50.5
Work Experience	0-5	59	57.3
	6-10	19	18.4
	11-15	5	4.9
	16-20	2	1.9
	21-25	5	4.9
	26+	13	12.6
Education	High School	2	1.9
	College	22	21.3
	Bachelor	25	24.3
	Master	39	37.9
	Doctor	15	14.6
Position	grassroots staff	19	18.5
	support staff	20	19.4
	Teachers	54	52.4
	Administrators	6	5.8
	senior leaders	4	3.9

The data above shows a descriptive analysis of the demographic variables of the sample. It can be seen from Table 4-1 that the age of the sample is mainly 26-30 years old (34%); the gender is mainly female (50.5%); the working life is mainly 0-5 years (57.3%); and the degree of education is mainly master’s degree students (37.9%); the job title is mainly teachers (52.4%).

The descriptive statistics of the contract research variables in the center are shown in Table

Table Descriptive Statistical Analysis of Psychological Contract Scale

Item	N	Minimum value	Maximum	Mean value	Standard deviation
1. Provide good training opportunities	103	1	5	3.35	1.511
2. Have a perfect promotion channel	103	1	5	3.26	1.153
3. Help to formulate a clear career plan	103	1	5	3.85	1.284
4. Provide reasonable remuneration package	103	1	5	3.35	1.286
5. Able to provide stable work	103	1	5	3.70	1.224
6. Ensure a fair competitive environment	103	1	5	3.73	1.301
7. Let employees participate in school management	103	1	5	3.05	1.244
8. Appropriate decentralization by superiors	103	1	5	3.05	1.262
9. Smooth communication channels between upper and lower levels	103	1	5	3.48	1.367
10. Provide a comfortable working environment	103	1	5	3.14	1.102
11. Fully respect and trust employees	103	1	5	3.73	1.445
12. Appropriate spiritual rewards	103	2	5	3.39	1.119
13. Clearly inform employees of the development goals of the organization	103	1	5	3.18	1.255
14. Have a harmonious colleague relationship	103	1	5	3.76	1.383
Valid N (list status)	103				

The descriptive analysis of the various indicators of employee loyalty, as shown in **Error! Reference source not found.**

Table Descriptive Statistical Analysis of Employee Loyalty Scale

Item	N	Minimum	Maximum	Mean value	Standard deviation
1. I can do my job	103	1	5	3.48	1.78
2. I will not resign in the next few years	103	1	5	3.27	1.520
3. I am satisfied with the salary provided by the school	103	1	5	3.74	1.288
4. I hope the school develops better	103	1	5	3.50	1.653
5. I am proud to serve the school	103	1	5	3.31	1.333
6. I support the people-oriented working atmosphere of the school	103	1	5	3.15	1.665
7. Even if someone pays money, I will not do anything that harms the school.	103	1	5	4.50	1.030
8. I will not do anything unrelated to work during working hours	103	1	5	3.29	1.463

9. This school recognizes my hard work	103	1	5	3.16	1.687
10. The boss trusts me very much and makes me feel relaxed	103	1	5	3.14	1.340
11. I can do my job	103	1	5	3.48	1.78
12. I will not resign in the next few years	103	1	5	3.27	1.520
13. I am satisfied with the salary provided by the school	103	1	5	3.74	1.288
14. I hope the school develops better	103	1	5	3.50	1.653
Valid N (list status)	103				

The Reliability and Validity Analysis of the Questionnaire

Reliability Analysis of the Questionnaire

This part is to analyze the reliability of the employee loyalty scale and psychological contract scale respectively.

Reliability analysis refers to the degree of consistency of the results obtained when the same method is used to repeatedly measure the same object. It mainly shows the consistency, reproducibility, and stability of the test results. It mainly reflects the credibility and stability of the questionnaire survey. It is generally believed that the larger the coefficient α of the Cronbachs coefficient, the higher the degree of trust in the results, and the more stable. Generally, if the reliability coefficient α of the scale is between 0.65 and 0.70, it is the minimum acceptable value, when it is between 0.70 and 0.80, the reliability is quite good, and between 0.80 and 0.90 is very good.

Table Dimensional Reliability Analysis of Loyalty and Psychological Contract

Scale	Cronbach's Alpha	Number of Items
Organizational loyalty	0.909	10
Psychological contract	0.911	14

Validity Analysis of the Questionnaire

The validity of a questionnaire refers to how effective a questionnaire is for each factor to be measured, that is, the degree to which the test score can represent the psychological trait to be measured, or the degree to which the test result achieves the test purpose. In the process of verification, factor analysis is often used to verify the structural validity of the questionnaire, but before factor analysis, a KMO value test must be performed on the scale to determine whether the scale is suitable for factor analysis. Kaiser-Meyer-Olkin (KMO) is a measure of the appropriateness of sampling, and its statistics can be used to compare simple correlation and partial correlation coefficients between variables. The value of the KMO statistic is usually between 0-1. If the original variables have a strong correlation and are very suitable for factor analysis, the sum of squares of the simple correlation coefficients between all variables is much larger than the sum of squares of partial correlation coefficients, which means that the correlation between the variables is stronger, and the value of KMO is also Will be closer to 1.

Table KMO and Bartlett's Test

Kaiser-Meyer-Olkin measure of sampling adequacy		0.806
Bartlett's sphericity test	Approximate chi-square	1717.130
	Df	91
	Sig.	0.000

Validity analysis of loyalty

This part is to analyze the validity of the loyalty questionnaire. As shown in **Error! Reference source not found.:** the KMO test value is 0.790, which is greater than 0.5, indicating that the factor information coverage rate

exceeds 50%. It shows that there is a strong correlation between the original variables, which is suitable for factor analysis.

Table KMO and Bartlett's Test

Kaiser-Meyer-Olkin measure of sampling adequacy		0.790
Bartlett's sphericity test	Approximate chi-square	2046.778
	Df	45
	Sig.	0.000

Correlation Analysis of Psychological Contract and Loyalty

Through the above factor analysis and data analysis of the returned questionnaire, the correlation between psychological contract and organizational loyalty is shown in Table .

Table Correlation Analysis

		Behavioral Loyalty	Attitude Loyalty	Overall Loyalty
Growth Psychological Contract	Pearson Correlation	0.524	0.395	0.555
	Significance (bilateral)	0.000	0.000	0.000
Transactional Psychological Contract	Pearson Correlation	0.611	0.342	0.567
	Significance (bilateral)	0.000	0.000	0.000
Relational Psychological Contract	Pearson Correlation	0.498	0.469	0.590
	Significance (bilateral)	0.000	0.000	0.000

This part analyzes and studies the correlation between the three dimensions of psychological contract and the overall loyalty; the correlation between the three dimensions of psychological contract and behavioral loyalty; and the correlation between the three dimensions of psychological contract and attitude loyalty.

Multiple Regression Analysis of Psychological Contract and Loyalty.

The purpose of regression analysis is to judge the influence of the independent variable on the dependent variable, so as to determine the influence relationship, and finally get the specific influence direction and intensity. To judge the result of regression analysis, the researcher uses the Sig value and B coefficient to express.

1. Multiple regression analysis of various dimensions of psychological contract on the overall loyalty.

4-8 Multiple Regression Analysis of Psychological Contract Dimensions to the Whole Loyalty

	Model	R	R²	Adjustment R²	Standard estimate error	F	Sig.	B	T
	Model summary	0.717 ^a	0.514	0.504	0.74649				
Anova^b	return (constant)					50.412	0.000 ^a	0.426	1.678
coefficient	Growth Psychological Contract						0.000	0.254	3.806
	Transactional Psychological Contract						0.000	0.317	5.103

	Relational Psychological Contract						0.000	0.302	4.029
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As shown in **Error! Reference source not found.**4-2: in the model, the R² is 0.514, which means the model can explain 51.4% of the variability, and the degree of explanation is good. The independent variables are growth psychological contracts, transactional psychological contracts, and relational psychological contracts, and the dependent variable is overall loyalty. The F statistic is 50.412, and its Sig is 0.000, which is less than 0.05, indicating that the model has statistical significance. The regression coefficients B of growth psychological contract, transactional psychological contract, and relational psychological contract are 0.254, 0.317, 0.302. By using T-test, it is found that the corresponding Sig value is equal to 0.000 and less than 0.05, indicating that growth psychological contracts, transactional psychological contracts, and relational psychological contracts have a significant positive predictive effect on the overall loyalty, and transactional psychological contracts have the most significant and the greatest impact.

The linear regression equation of this model is:

$$\text{overall loyalty} = 0.254 * \text{growth type psychological contract} + 0.317 * \text{transaction type psychological contract} + 0.302 * \text{relational psychological contract}.$$

2. Multiple regression analysis of each dimension of psychological contract to behavioral loyalty

Multiple Regression Analysis of Psychological Contract Dimensions to Behavioral Loyalty

	Model	R	R ²	Adjustment R ²	Standard estimate error	F	Sig.	B	t
	Model summary	0.700 ^a	0.490	0.479	0.84364				
Anova^b	return					45.814	0.000 ^a		
coefficient	(constant)						0.117	0.453	1.579
	Growth Psychological Contract						0.000	0.290	3.835
	Transactional Psychological Contract						0.000	0.457	6.515
	Relational Psychological Contract						0.045	0.172	2.025

This part is a multiple regression analysis of the behavioral loyalty in all dimensions of the psychological contract. The regression equation is:

$$Y = B_1X_1 + B_2X_2 + B_3X_3 + B_4$$

Where

Y is behavioral loyalty.

X₁ is growth psychological contracts

X₂ is transactional psychological contracts

X₃ is relational psychological contracts

B₄ is a constant.

As shown in **Error! Reference source not found.:** the R² is 0.490, which means the model can explain 49.0% of the variability, with a good degree of explanation. The independent variables are the growth psychological contract,

transactional psychological contract, and relational psychological contract. The dependent variable is behavioral loyalty. The F statistic is 45.814, and its Sig is 0.000, which is less than 0.05, indicating that the model has statistical significance. The regression coefficients B of growth psychological contract, transactional psychological contract, and relational psychological contract are 0.290, 0.457, 0.172. By using T-test, it is found that the corresponding Sig value is less than 0.05, indicating that growth psychological contracts, transactional psychological contracts, and relational psychological contracts have a significant positive predictive effect on behavioral loyalty, and transactional psychological contracts have the most significant and the greatest impact.

The linear regression equation of this model is:

$$\text{Behavioral loyalty} = 0.290 * \text{growth type psychological contract} + 0.457 * \text{transaction type psychological contract} + 0.172 * \text{relational psychological contract}.$$

3. Multiple regression analysis of attitude loyalty to all dimensions of psychological contract.

Multiple Regression Analysis of Attitude Loyalty in Various Dimensions of Psychological Contract

	Model	R	R ²	Adjustment R ²	Standard estimate error	F	Sig.	B	t
	Model summary	0.512 ^a	0.262	0.247	1.23784				
Anova^b	return					16.959	0.000 ^a		
coefficient	(constant)						0.345	0.399	0.948
	Growth Psychological Contract						0.050	0.219	1.976
	Transactional Psychological Contract						0.089	0.177	1.715
	Relational Psychological Contract						0.001	0.433	3.480

As shown in **Error! Reference source not found.**4-10: the R² is 0.262, which means the model can explain 26.2% of the variability, and the degree of explanation is good. The independent variables are growth psychological contract, transactional psychological contract, and the relational psychological contract. The dependent variable is attitude loyalty. The F statistic is 16.959, and its Sig is 0.000, which is less than 0.05, indicating that the model has statistical significance. The regression coefficients B of growth psychological contract, transactional psychological contract, and relational psychological contract are 0.219, 0.177, 0.433. By using T-test, it is found that the corresponding Sig value is less than 0.1, indicating that growth psychological contract, psychological contract transaction, the relationship between psychological contract has a significant positive effect on attitudinal loyalty, in which the relationship between psychological contract the most significant impact, but also the greatest impact.

The linear regression equation of this model is:

$$\text{Attitude loyalty} = 0.219 * \text{growth type psychological contract} + 0.177 * \text{transaction type psychological contract} + 0.433 * \text{relational type psychological contract}.$$

CONCLUSION

Empirical Conclusions

1 The influencing factors of employee loyalty are mainly reflected in relational psychological contract factors. Through descriptive analysis of the various indicators of the psychological contract of the employees of private colleges and universities, it can be seen that "helps formulate a clear career plan", "can provide a stable job", "ensure a fair competitive environment", and "full respect and trust in employees", "Have a harmonious colleague relationship" score higher. "Appropriate decentralization of superiors" and "providing a comfortable working environment" score lower.

Therefore, it can be seen that the influencing factors leading to low employee loyalty are mainly reflected in relational psychological contract factors.

2 The influencing factors of employee loyalty are mainly reflected in attitude loyalty.

Through descriptive analysis of various indicators of employee loyalty in private universities, it can be seen that "I am satisfied with the salary provided by the school" and "Even if someone pays, I will not do anything harmful to the school" scores higher. "I support the school's people-oriented work atmosphere", "This school recognizes my hard work", "The boss trusts me and makes me feel relaxed" scores are low. Therefore, it can be seen that the problem of employee loyalty in private universities is mainly reflected in low attitude loyalty.

The psychological contract is mainly composed of three factors: transactional psychological contract, relational psychological contract and growth psychological contract, which are basically consistent with the three dimensions of psychological contract (transactional dimension, relationship dimension and team member dimension) obtained by Rousseau and Tijorimala's research. Employee loyalty is mainly composed of two factors: attitude loyalty and behavior loyalty, which validate the comprehensive theory of employee loyalty by domestic scholars Zhao Ruimei and Li Guiyun.

3 Growth psychological contract, transactional psychological contract, and relational psychological contract have a significant positive impact on employee loyalty.

Through the hypothetical research in part 4 and the corresponding statistical analysis of the data, we can find the impact of psychological contract on organizational loyalty and its performance. Growth psychological contracts, transactional psychological contracts, and relational psychological contracts have significant positive predictive effects on overall loyalty. Among them, transactional psychological contracts have the most significant impact on the overall loyalty; followed by relational psychological contracts on the overall loyalty. Finally, the growth-type psychological contract has a certain influence on overall loyalty. Regarding such conclusions and important research findings, as managers of enterprises, they should analyze and observe the two core elements that constitute employee satisfaction, and explore the psychological contract and employee loyalty in a targeted manner so that they could improve their management specifically, such as the lacking aspects as a shortcoming, and finally to improve employee satisfaction.

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