

Achieving Harmonious Employment Relationship

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Abstract

In the context of managing talented employees, psychological contracts play a role in encouraging employees to develop sustainable knowledge sharing capabilities. Employees who are committed to their personal career development tend to be proactive in sharing knowledge to improve their professionalism. The effectiveness of the psychological contract is determined by the strategic components within it. Based on the social exchange paradigm, the psychological contract provides an opportunity for organisations to build social capital and sustainable competitiveness through organizational citizenship behaviour. This refers to the behaviour of employees in contributing more to the effectiveness of organisational functions, not listed in the job description but useful for the long-term success of the organisation. This study recommends that important aspects of building a psychological contract include a conducive work environment, employee career development and productive working relationships based on trust.

Keywords

Employment Relationship; Organizational Citizenship Behavior; Perceived Organizational Support; Psychological Contract; Social Exchange Theory; Value Congruence

INTRODUCTION

Today, the organization is more focused on building employment relationship that encourages employees to contribute more to the organization. In the social exchange theory explained that when an organization is able to manage the employment relationship with the optimal, then the employees will be willing to take on greater responsibility, beyond the job description. The importance of building behavior citizenship of employees is an issue which is in need of attention, especially for organizations that employ workers with high skills (high-skilled employees), in the midst of increasingly tight business competition (Russo, 2010). Industries with high growth such as banks need to put the increase in employees as a top priority given the organization will bear hidden cost is high if the employee is not able to build professionalism and decided to leave the organization.

However, based on the survey of Price Waterhouse Cooper (PwC) Indonesia in 2014 to the industry banking in Indonesia showed that the turnover bank employees high at over 15 percent. The survey showed that 44% of respondents mention the lack of qualified human resources as the main difficulty in meeting the banking HR. The survey also noted that the phenomenon of piracy employees occurred in the banking industry in Indonesia with the reasons involve providing compensation package career prospects

better and incompatibility with the work culture.

In a review of social exchange theory explained that the exchange mechanism between the organization and the employee realized in the form of psychological contract namely the organization proactive effort in understanding and facilitating the needs and expectations of employees. Proactive effort is supported by the organization's readiness to reward the efforts of employees to perform the job effectively (Eisenberger et al., 1990). The literature review conducted by (Aube et al., 2007) concluded that the form of organizational support can be seen from the provision of fair compensation. Social exchange theory also explains that in situations of change, organizations also need to give the employee appraisal related to the suitability of the value of the organization and their personal values (Gahan and Abeysekara, 2009). Vilela et al. (2008) confirm that the conformity of the value of employee perceptions in assessing the congruence between the personal preferences and system or organizational structure. This study aimed to analyze the factors that influence the behavior of citizenship of employees as a consequence of the implementation of the employment relationship is harmonious in the frame of social exchange theory.

Psychological Contract

Shore and Tetrick (1994) argues that the component psychological contract is determined by the organization's strategy and goals you want in accomplished in the employment relationship (employment relationship). Employees are oriented on developing a career with the organization where he works, will tend to focus on the psychological contract that emphasizes shared responsibility. Conversely, short-term oriented employees who are more interested in other forms of relationships that are not too focused efforts to build a career in the organization. The results of the study Freese et al., (2011) concluded that the effectiveness of the psychological contract is determined from their development capacity and competence of employees in the organization. This condition makes the employees feel that the organization was working to fulfill his hopes for the development of talent. Employees encouraged to develop themselves when the demands of work require him to maximize all the capabilities. Herriot et al. (1997) found the components of the work can motivate employees to master and develop skills. Design work is varied and challenging to encourage employees to master new skills to meet the demands of the job. Employees can work optimally in a conducive working atmosphere (Rousseau, 1998).

Organizational Support

Organizational support is a condition that was built by the organization to boost effectiveness. In the context of employee talent management, the organizational support shown by appreciating the achievements of employees in the form of incentives and benefits. In addition, promotion and salary is a signal that the organization appreciates the achievements, development capability and self-actualization (Shuck et al., 2011). Organizational support of an effort to meet the emotional needs of employees in performing work as an effective communication. Support organizations are also reflected in the presence of opportunities for employees to be involved in decision-making (Conger et al., 2000). In his research, Ahmed et al. (2012) concluded that their opportunities to participate in decision-making perceived by employees as a tribute to the organization in applying knowledge. (Schalkwyk et al., 2011) stated that clarity of roles and participation in decision making is a

form of organizational support so that employees find comfort in work.

Value Congruence

Assessing the suitability of value (value congruence) developed from the concept of person-organizational fit (Cennamo and Gardner, 2008). Correspondence between employees and internal aspects of the organization involves employees include values, personality, abilities and needs and organizational aspects include the climate, culture and work demands (Astakhova et al., 2014). Research Waterman et al., (1994) in companies, performers excel in America concluded that the organization has seven grades core work, namely, work quality excellence, innovation, employee as a valued asset, the importance of attention to detail in the execution process, communication, profit-oriented and work completed. These values are then used by Amos and Weathington, (2008) in testing the value congruence of the effect on employee job satisfaction. The results showed that the concordance between individual values and organizational influence on job satisfaction, the satisfaction with cognitive and organizational satisfaction.

Organizational Citizenship Behavior

Organizational citizenship behavior refers to the behavior of employees who contribute beyond the requirements of the job and focus on efforts to achieve organizational effectiveness. This behavior is the result of the internalization of the values of the organization so that employees are willing to contribute more to achieving the organization's goals. Williams and O'Reilly (1998) explains that the dimensions of behavior citizenship include four dimensions of civic virtue, conscientiousness, courtesy, and altruism. Civic virtue is the active involvement of employees in programs organized by the organization both formal and informal. dimension Conscientiousness is proactive behavior in carrying out a task and responsibility beyond that expected by the organization. Courtesy related to the actions of employees in giving innovative suggestions in the optimization of organizational functions. Behavioral altruism in the form of a willingness to help coworkers in solving the problems of work.

The Impact of Psychological Contract on Organizational Citizenship Behavior

Efforts to reconcile between the expectations of the organization and employees can be built in the form of psychological contract (Rousseau and Parks, 1993). When employees believe that the organization can meet its obligations, the employee will be participating in an effort to achieve the goals of the organization (Podsakoff et al., 2003). Findings Janssen (2000) concluded that the fulfillment of the needs and expectations of employees in the psychological contract to encourage employees to be more proactive in finding creative ideas and innovative behavior. The research results were boosted by Ramamoorthy et al. (2005), which proved that the psychological contract is oriented to empowering employees positive influence on the innovative behavior of employees. Further findings Restubog and Bordia (2006) showed that the psychological contract influence the behavior of employees to accept responsibilities outside the job description. Thus it can be formulated the following hypotheses:

H1. Psychological Contract Impact on Organizational Citizenship Behavior

The Impact of Organizational Support on Organizational Citizenship Behavior

Relationships between organizational support and organizational citizenship behavior have been widely researched using different dimensions. Studies conducted by Rioux and Penner (2001) proved that the organization's efforts in respect of employee performance effect on organizational citizenship behavior. Achievement award was also made in the form of reward contingencies. The results of the study Diedendorff et al. (2002) concluded that the rewards contingencies influence on organizational citizenship behavior. Thus the hypothesis can be formulated as follows:

H2. Support Organizational Impact on Organizational Citizenship Behavior

The Impact of Value Congruence on Organizational Citizenship Behavior

Research Farzaneh et al., (2014) at the gas company in Iran to test the effect of the fit between the organization and employees' organizational citizenship behavior. The results showed that the perception of influence on the suitability of the employee citizenship. Research conducted by Jawad et al., (2013) in the service industry in Pakistan examine the

effect of conformity between the employee and the organization of the behavior of the employee. Research results in the confirmation by the findings Tugal and Kilic (2015) on the academics who work in several state universities in Turkey. Based on the analysis proved that the congruence of values influences the attitudes and behavior of academics that includes organizational commitment, intention to quit and organizational citizenship behavior. The results of this research in line with the findings of Wojczuk-Turek and Turek (2016) in Turkey which proves their suitability variables mediating influence between organizations and employees in the relationship between human resource management practices and organizational citizenship behavior. Thus it can be formulated the following hypotheses:

H3. Value Congruence Impact on Organizational Citizenship Behavior

METHODS

This study uses a quantitative approach, using primary data directly from 186 respondents. The data collection is done by using the method of the survey on the regional-owned bank in Indonesia. Nonprobability sampling technique used in this research is purposive sampling taking into account certain criteria. Hypothesis testing using multiple linear regression to examine the effect of the psychological contract, organizational support and conformance value to organizational citizenship behavior.

RESULTS AND DISCUSSION

The corrected item-total correlation show that there is no item (indicator) with a value below 0.164 Wearing α 5% and df (189), obtained the r value is 0.164. Thus all the items can be declared invalid statement. Test reliability is seen in Cronbach's alpha values for each variable. The fourth variable in the questionnaire had a Cronbach's alpha above 0.70. Cronbach's alpha values above 0.70 mean the instrument questionnaires were reliable. Thus decent questionnaire used to gather the actual field research data and the resulting data is data that is valid and reliable. After testing the validity and reliability, the analysis continued to test the classical assumption of normality and multicollinearity. Based on the calculation, the value sig (0,559) > α (0:05) so that it can be concluded that the data were normally distributed. Based on the calculation, the value of tolerance is

more than 0:10 and VIF less than 10 so it can be concluded not occur multicollinearity in the data.

To determine the direct effect of each independent variable on the dependent variable in the analysis done using the t test. The amount of sig to the psychological contract for 0008 so that it can be concluded that there is the impact of psychological contracts on organizational citizenship behavior. The amount sig for organizational support for 0000 so that it can be concluded that there is the impact of the organizational support on the organizational citizenship behavior. The amount sig to the suitability of the value of 0000 so that it can be concluded that there is the impact of value congruence on organizational citizenship behavior.

To determine the effect of all independent variables on the variables, based on table, the amount of sig 0000, thus it can be concluded that the psychological contract, organizational support and the value congruence have impact on organizational citizenship behavior.

To determine the relationship of all independent variables on the dependent variable multiple correlation analysis. Based on the calculation, the value of the correlation coefficient of 0662. This suggests a strong relationship between the variables of the psychological contract, organizational support and value congruence to organizational citizenship behavior. Value determination coefficient of 0.438 indicates that the variable contribution of the psychological contract, organizational support and the value congruence of the organizational citizenship behavior to the variable by 43.8% while the remaining 56.2% explained by other variables outside the three independent variables.

Discussion

H1. Psychological Contract Impact on Organizational Citizenship Behavior

Psychological contract refers to the beliefs of employees about the organization's efforts in meeting their needs and expectations. The results of this study indicate that psychological contract could encourage employees to get involved in giving innovative suggestions, help colleagues, maintaining a positive image of the organization and accept responsibility beyond the job description. The findings of this study are the consistent study conducted by Janssen (2000), which concluded that the fulfillment of the needs and expectations of employees in the psychological contract to

encourage employees to be more proactive in finding creative ideas and innovative behavior. These results are also consistent with research conducted by Ramamoorthy et.al (2005), which proved that the psychological contract is oriented to empowering employees positive impact on the innovative behavior of employees.

H2. Organizational Support Impact on Organizational Citizenship Behavior

Organizational support is a condition that was built by the organization to promote the effectiveness of the work that was formed with the dimensions of the feedback, the decision-making opportunities, effective communication and performance awards. The results of this study indicate that the organizational support could encourage employees to get involved in giving innovative suggestions, help colleagues, maintaining a positive image of the organization and accept responsibility beyond the job description. The results are consistent with research findings Rioux and Penner (2001); Diedendorff et al., (2002) and Yap et al., (2009) which concluded that the organizational support of influence on the help of partners in finding solutions to the problems of work, providing creative ideas and maintain the image of the organization and contribute to achieving the organization's progress.

H3. Value Congruence Impact on Organizational Citizenship Behavior

Correspondence between employees and internal aspects of the organization involves employees include values, personality, abilities and needs and organizational aspects include the climate, culture, and work demands. This study proves empirically that their value congruence between the organization and employee-oriented, quality of work-oriented, able to encourage middle managers and supervisors to increase involvement in giving suggestions for innovative, help coworkers find a solution to the problems of work, maintain a positive image of the organization and accept responsibility responsibilities beyond the job description. The results of this study are consistent with the findings of Farzaneh (2014); Ahmed and Dasteer (2014); Jawad (2014); Tugal and Kilic (2015) and Turek and Wojczuk-Turek (2015) who found that the value congruence between organizational

values and personal values of employees impact on organizational citizenship behavior.

CONCLUSION

In the framework of social exchange theory, organizations can build employment relationship harmony by focusing on the implementation of the psychological contract, organizational support, and suitability value. This research resulted in three alternatives that can be used to improve organizational citizenship behavior. First through the psychological contract with the focus on employee career development, preparing employee on facing organizational change, build a conducive working atmosphere and foster a harmonious working relationship. Both through the organizational support by providing feedback on the results of work, opportunities ricochet decisions, to communicate effectively and reward employee achievements. The third alternative with regard to value congruence through alignment values is oriented primarily on the quality of work, creativity, solidarity and openness of information.

Psychological contract is a construct that is Multiperspective. This study focuses on the analysis of the effect of psychological contract in a review of aspects of transactional and relational aspects with not involve consideration of evaluative and analytical features of an agreement. In connection with the organizational changes, this condition has the potential to affect the dynamics of consensus and the way in defining the employee psychological contract content. The dynamics of this consensus is not a consideration in testing the research model.

This study used an instrument to measure the perception of the psychological contract from the employee's perspective, related to beliefs about the fulfillment of the agreement both parties that the organization and employees' needs and expectations in the employment relationship. Future research is expected to develop instruments based on the organization's perspective. Measurements from the perspective of both sides will further explain the essence of the concept of the psychological contract more holistically. Furthermore, in this study the suitability of the variables involved. The suitability of the aspects that are closely related to the organizational culture must consider the characteristics of national culture. In line with this, future research needs to focus on differences in the values of national

culture, especially in the context of Indonesia. The concept of national culture developed by Hofstede (1980) stated that the organizational culture is heavily influenced by the values of the national culture in which an organization runs its business activities.

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