

Emotional Intelligence and Its Impact on Psychological Contract of it & Its Employees

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Abstract: *In the present environment of economical state, managing the psychological contract of an employee has become very significant and is considered as the company's most profitable asset and valuable resource. The psychological contract includes strong understandings and solid agreements between organization and its workers, beyond the written contract, determining their commitments, expectations, beliefs, promises, and obligations between both parties.*

The motivation behind this study is to analyze the relationship between the psychological contract and emotional intelligence. The descriptive research design is used for the present work. A convenient sampling has been used to collect the data. The participants in the survey are 246 employees engaged in IT & ITes organizations in Bangalore. The tool used for job satisfaction and psychological contract are two self-formulated questionnaires. After the analysis, we conclude that psychological contract is affected by the emotional intelligence. Some of the suggestion based on the study is also presented in this paper.

I. INTRODUCTION

Emotional Intelligence

Emotional intelligence refers to the ability to identify and manage one's own emotions, as well as the emotions of others. Emotional intelligence is generally said to include at least three skills: emotional awareness, or the ability to identify and name one's own emotions; the ability to harness those emotions and apply them to tasks like thinking and problem solving; and the ability to manage emotions, which includes both regulating one's own emotions when necessary and helping others to do the same.

Psychological Contract

The psychological contract refers to the unwritten set of expectations of the employment relationship as distinct from the formal, codified employment contract. Taken together, the psychological contract and the employment contract define the employer-employee relationship.

Originally developed by organizational scholar Denise Rousseau, the psychological contract includes informal arrangements, mutual beliefs, common ground and perceptions between the two parties.

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The psychological contract develops and evolves constantly based on communication, or lack thereof, between the employee and the employer. Promises over promotion or salary increases, for example, may form part of the psychological contract.

Managing expectations is a key behavior for employers so that they don't accidentally give employees the wrong perception of action which then doesn't materialize. Employees should also manage expectations so that, for example, difficult situations or adverse personal circumstances that affect productivity aren't seen by management as deviant.

II. REVIEW OF LITERATURE

The phrase "psychological contract" is often attributed to Argyris (1960), who speculated on the working relationships observed in a field study. The managers in the organization were promoted from the rank and file employees. When they began their new roles, the managers were already familiar with their subordinate workers. The relationship between manager and subordinates seemed to be sustained by unwritten agreements about how the two parties would work together. Extra break time was acceptable in some circumstances and allowances were shown on both sides. Each party seemed to have an understanding of what was or was not acceptable, despite no written contracts or stated agreements covering the details. Argyris (1960) speculated that the new manager, having been part of the rank and file prior to promotion, knew how to get the best from the employees by accommodating the needs the manager knew so well. The new manager had been socialized into the role and knew what was important, the values in the department and the benefits that were valued.

The promoted managers knew the "give and take" in optimally managing the workers. Argyris referred to this as the psychological contract. The recent literature on the psychological contract has been dominated by the work of Denise Rousseau (including, but not limited to Rousseau, 1989; Rousseau, 1990, 1996, 2001, 2004; Rousseau & Tijoriwala,

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1998). The psychological contract definition refined by Rousseau extends Argyris' and others' definitions to include mutuality:

“An individual's belief in mutual obligations between that person and another party such as an employer (either firm or another person). This belief is predicated on the perception that a promise has been made (e.g. of employment or career opportunities) and a consideration offered in exchange for it (e.g. accepting a position, foregoing other job offers), binding the parties to some set of reciprocal obligations” (Rousseau & Tijoriwala, 1998, p. 679).

The psychological contract may be either formally contracted or implied (Herriot, Manning, & Kidd, 1997). If implied, the perceptions come from the expectations each party holds of the other and communicated either subtly or not so subtly. Each party could have a different perception of the nature of the obligations. Others have argued (e.g. Guest, 2004, Herriot & Pemberton, 1997) that Rousseau's definition is fundamentally different from that of Argyris (1960) and Schein (1978). The key difference appears to be that Rousseau's approach places more emphasis on the psychological contract being in the mind of the employee. The situation becomes more confused by Rousseau's suggestion that employees vary in their belief that their psychological contract is with their supervisor, management, or “a personification” of the organization (Rousseau, 1998, p. 669).

Rousseau contends that perception, rather than fact of mutuality is the heart of the psychological contract, crediting this insight to Levinson (1965) and Argyris (1960) (Rousseau, 1998). The psychological contract exists at the individual level, representing “a person's beliefs regarding the terms of his or her exchange relationship with another” (Rousseau, 1998, p. 668). The psychological contract is not an implied or third party interpretation, nor a situation where a social unit shares a common set of psychological contracts. Guest (2004), however, maintains there is increasing acknowledgement that the employer's point of view is important in assessing the psychological contract.

As the psychological contract literature moves through this debate, there is an increasing emphasis on finer distinctions on the psychological contract, breach and violation effects. Calls are being made for work defining and discriminating the psychological contract, determining the appropriate levels of analysis and the contextual domain boundaries as different distinctions on the psychological contract (Roehling, 1997). Additional work on the psychological contract would be helpful to expand our understanding of psychological contract

fulfillment, the degree of mutuality between employee and employer, as well as the effects of violation. Given that a body of work on the individual's psychological contract already exists, a starting point is to further explore the conceptual clarity of the individual's perceptions of the psychological contract.

III. RESEARCH METHODOLOGY

OBJECTIVES OF STUDY

1. To study the various constructs of Psychological contract.
2. To conceptualize the relationship between the emotional intelligence and psychosocial contract
3. To determine if emotional intelligence predicts the variance explained in the psychological contract.

RESEARCH DESIGN

The type of research adopted is descriptive research as this research includes survey and fact-finding enquiries to identify the relationship between the Emotional intelligence and the physiological contract of the IT & ITes employees in Bangalore.

SAMPLE DESIGN

- *Population:* The Population for the study includes the entire IT & ITes employees in Bangalore.
- *Sample Size:* 246
- *Sample Method:* A convenient sampling has been used to collect the data.

METHODS OF DATA COLLECTION

The data is collected through the following sources:

Primary data:

The tool used for job satisfaction and psychological contract are two self-formulated structured questionnaires.

Secondary data:

The secondary data those which have been already been collected by someone else and which have already been passed through statistical process. In this study, the secondary data are collected through company journals, brochures, Reports etc.

TOOLS USED FOR DATA ANALYSIS

The collected data is Tabulated and analyzed by setting hypothesis and testing hypothesis.

Using a statistical tools like- Chi-square & ANOVAs

IV. RESULT AND DISCUSSION

Table- I: Data Analysis of Respondent

Particulars	Number of respondents				Total
	Female	150	Male	96	
Age	20-30	31-40	41-50	51 and above	246
	20	139	32	55	
Monthly Income	Less than 30000	30000-50000	50000-100000	More than 100000	246
	45	65	25	111	
Nature of Job	Managerial	Team lead	Team member		246
	111	90	45		
Qualification	Diploma	UG	PG		246
	34	141	72		
Work Nature	Permanent		Project based		246
	145		101		

The above bifurcation of the respondents profile depicts that out of all respondents 150 of them are females and 96 are males. It is observed that highest fall respondents are in the category of 31-40 years age group which is considered to be a fresh entrants in the industry and might having an experience

of few years. Besides that majority respondents did their P.G degree as a part of their educational qualification which is around 72. Moreover nature of employment in the majority of respondent is Permanent which is near to 145.

Table 2: Level of agreement towards Psycho-social Contract

	SA		A		NAND		D		SD		Total
	N	%	N	%	N	%	N	%	N	%	
Feel that maintain a healthy balance between work and personal life	41	17	60	24	37	15	77	31	11	4	246
Feel like 're progressing professionally at the organization	1	0	0	0	11	4	85	35	90	37	246
Feel, got an ability to generate new things	146	59	13	5	4	2	2	1	24	10	246
Feel providing upward feedback to the supervisor comfortable	18	7	119	48	132	54	69	28	86	35	246
Feel like have enough freedom to decide how you do the work	40	16	54	22	62	25	13	5	35	14	246

It is seen from the above table that majority respondents agree with the factor of “Feel, got an ability to generate new things, Feel, Feel providing upward feedback to the supervisor

comfortable, and disagree with Feel like progressing professionally at the organization.

Table 3: Showing ANOVA (Analysis of Variance) between factors of Emotional Intelligence

Enable us to test for the significance of the differences among more than two samples means.

Stat.cal Variables	Count	Sum	Average	Variance
Self-Awareness.	229	3684	16.087	7.212
Self-Regulation.	229	3666	16.009	6.386
Motivation.	229	3166	13.825	6.759
Empathy.	229	3052	13.328	3.976
Social Skills.	229	3733	16.301	7.597

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ANOVA

Source of variation	ss	df	MS	F	P-value	F crit
Between Groups	2792.104	7.000	398.872	72.759	0.000	2.015
Within Groups	9999.397	1824.000	5.482			
Total	12791.502	1831.000				

Based on the observation, the values from the above Table is: **F (Observed) Value > F (Critical) Value** i.e. observed value lies outside the acceptance region and using it, we will be able to make inferences about whether our samples are drawn from the population having the same mean. P value < 0.05

It can be concluded that the mean values of the factors of emotional intelligence are not equal and they are not given equal significance in the IT organizations.

Hypothesis Test:

H₀: There is no significant association between Emotional Intelligence and & Psychological Contract.

H₁: There is a significant association between Emotional Intelligence and & Psychological Contract.

Table 4: Showing association between Emotional Intelligence and & Psychological Contract

Emotional Intelligence / Psychological Contract	High	Medium	Low	Total	Chi square test
Self-Awareness.	12	5	5	22	χ ² =182.80 P<0.0001*
Self-Regulation.	15	10	10	35	
Motivation.	14	21	30	65	
Empathy.	18	21	16	55	
Social Skills.	24	33	12	69	
Total	83	90	73	246	

V. INTERPRETATION

p-value less than 0.05 justifies null hypothesis to be rejected. This means alternate hypothesis that 'there is a significant association between Emotional Intelligence & Psychological Contract' need to be accepted.

It is also evident from above table that 2 of the responses are concentrated in 'high' of the factors of psychological contract, 2 in medium and one in low factor of psychological contract

Here in this paper several vital aspects revealed related impact of emotional intelligence on factors of psychological contract like Trust worthiness amongst the employee of the organization, support in the problem solving and query resolution, apart from that information and exchange of ideas and feedback to the employee. In the above study observed respondents were the working employees working at selected IT companies in Bangalore. Further the Statistical analysis of the mentioned variables of the Psychological contract revealed that the Psychological contract is significantly impacted by the emotional intelligence of the employees.

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