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High performance work practices and psychological contract breach; An investigation of among the call centre employees

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Abstract

The goal of the study was to test the psychological contract breach as an outcome of High Performance Work System (HPWS) among the call centre staff in Pakistan. The dimensions of the HPWS included recruitment and selection, training and development, promotion, job security, communication, and autonomy. We collected the data using the survey method from the Call centre staff (n=159). Results indicate that psychological contract breach is negatively and significantly predicted by recruitment and selection, training and development, and job security. Findings imply that call centre management need to give greater attention to the HR related issues.

Keywords: High Performance Work System, Breach, Psychological Contract, Call Centre, Pakistan.

INTRODUCTION

In present study, we utilized HPWS as a theoretical lens to understand the psychological contract. As there are various schemes of HPWS, we adopted a scheme based on six common dimensions of the construct including recruitment and selection, training and development, job security, promotion, performance related pay, autonomy, and communication (McClean & Collins, 2011; Price, 2011).

Previous studies indicate that if organization implement HPWS, it can lead to several favorable outcomes including positive employee attitude, behavior, and work performance (Cao, Zhao, Chen, & Lv, 2023; Jabbar, Haider, & Qureshi, 2023; Khan, Haque, & Bartram, 2023). Since our

focus of the study is HPWP and employee perceived psychological contract breach, so we will discuss this relationship later in the literature section.

Background and Problem Statement

In present study, we investigated the HPWS and employee psychological contract breach relationship among the Call centre of Pakistan. The call centres are playing important role in economy by providing job opportunities to the youth and earning foreign reserve. However, most call centres are giving less attention to the staff related issues resulting in breach of psychological contract. The situation also leading to other unfavorable outcomes such as a higher turnover and lack of competitiveness. In present study, we tends to investigate this issue using the HPWS as an explanatory variable.

Objectives of the Study

The broader objective of the study is to test the relationship between HPWP and the employee psychological contract breach.

High Performance Work System

Whitener (2001) described high performance HR practices as systems of HR practices designed to increase organizational effectiveness through creating conditions that help employees become highly involved in the organization and work hard to accomplish its goals. As there are other ways to define HPWS, we will limit ourselves to this definition. Furthermore, we conclude that HPWS is combination of HR practices that are aligned to a specific organizational goal and support each other.

Dimensions of HPWP

What constitute HPWS is a matter of greater debate and different experts comeup with their own scheme of the dimensions of HPWS. However, for the purpose of this study, we will use the common HPWS including recruitment and selection, training and development, job security, promotion, communication, performance related pay, and autonomy (Price, 2011; McClean and Collins, 2011). The details are as follows;

Recruitment and Selection

Generally recruitment and selection practice aims to attract and select such individuals for job opening who are suitable in terms of skills and culture of the organization (McClean & Collins, 2011). Generally, literature differentiate between recruitment which is about attracting potential job candidates and selection which is about using some valid and reliable criteria for selecting a candidate among the pool of candidate based on suitable knowledge, abilities, skills, and other relevant qualities.

Training and Development

Training and development practice refers to planned activity aiming to enhance staff knowledge, skills, and competencies (Iverson & Zatzick, 2007). A good training and development program leads to favorable outcomes including increased loyalty, higher work performance, and greater employee flexibility (McClean & Collins, 2011). At present time, organizations normally involve in training and development activities to update the skills level of staff (Bernsen, Segers, & Tillema, 2009).

Promotion Opportunities

The practice of promotion opportunity is about enabling staff to progress to their career and position in the company's hierarchy (McClean & Collins, 2011). Generally, internal promotion

enable staff to remain motivated and give them chance to progress their career. On the other hand, lack of internal opportunities may lead to staff frustration and intention to leave the organization.

Job Security

Job security is about ensuring employees that their jobs are secure and they will not lose their job so easily. In other words, employer assure the employee that your job will continue until employee make a serious breach to the organizational policies or engage in activity which is against the moral and social norms. The importance of job security is also emphasized by other experts for example Topcoglu, Oktaysoy, Erdogan, Kaygin, and Karafakioglu (2023) who stressed on organizations to provide job security. In situation, where organization offer job security, it give employees assurance and lead to a more committed workforce.

Autonomy

Autonomy is about providing staff suitable decision making power which enable them to perform their job adequately (Morgeson & Humphrey, 2006). Autonomy is also described as independence, freedom, and discretion. In a situation, where staff have autonomy, it can lead to quick decision making and efficient and smooth running of the organization.

Communication

Communication in this context is about top management providing suitable information to the staff through the organizational hierarchy (Den Hartog, Boon, Verbug, & Croon, 2013). Mostly, a good two way communication is considered important for staff engagement and involvement in the decision making. Lack of two way communication leads to problems such as misunderstanding, lack of trust, and poor staff-management relations.

Psychological Contract

Rousseau (1989) describe psychological contract as the staff belief about the duties of employer and so on. The psychological contract is mostly two way expectations where both parties including employer and employee develop some expectations before and during the recruitment process which continue towards the end (Hess & Jepsen, 2009). However, if expectations are not fulfilled by any party, it may leads to the disappointment and lack of interest in the employment relationship.

Relationship between HPWP and Employee Perception of Psychological Contract Breach

If an organization offer suitable HR practices, it will lead to a favorable employee perceived psychological contract (Guest & Conway, 2000). However, if organization offer weak HR practices, it leads to unfavorable perception by staff and thus create a negative psychological contract. In other words, employees feel that their expectations are not fulfilled also known as psychological contract breach. The relationship between HR practices and psychological contract is emphasized by other studies including Rogozińska-Pawełczyk (2021); Susomrith (2020); and Ali, Mehta, Sair, Bilal, and Kaleem (2020). Furthermore, previous studies shows that HPWS influence psychological contract breach. For example, study conducted by Zaman (2020) showed that HPWS has a negative and significant influence on employee psychological contract breach. Furthermore, the study reported that psychological contract breach function as a mediator between HPWS and employee performance. Another study conducted by Tahir (2022) showed that HPWS has negative influence on employee psychological contract breach. The same study also reported that psychological contract breach partially mediate between HPWS and employee

turnover intentions. Thus, based on the previous studies, we propose that HPWS can have a negative influence on employees perceived psychological contract breach.

Theoretical Framework

We used the social exchange theory for understanding the relationship of HPWS and employee perceived psychological contract breach. This is because employment is also a kind of social relationship where both parties focus on give and take. If employees perceive that organization is taking care of them by providing good training and career opportunities, and offering suitable reward, it will compel staff to do something good in return. However, if employees perceive that organization is not taking care of them, so they will also decrease their efforts in return. Thus, based on the above discussion, we propose the following theoretical model.

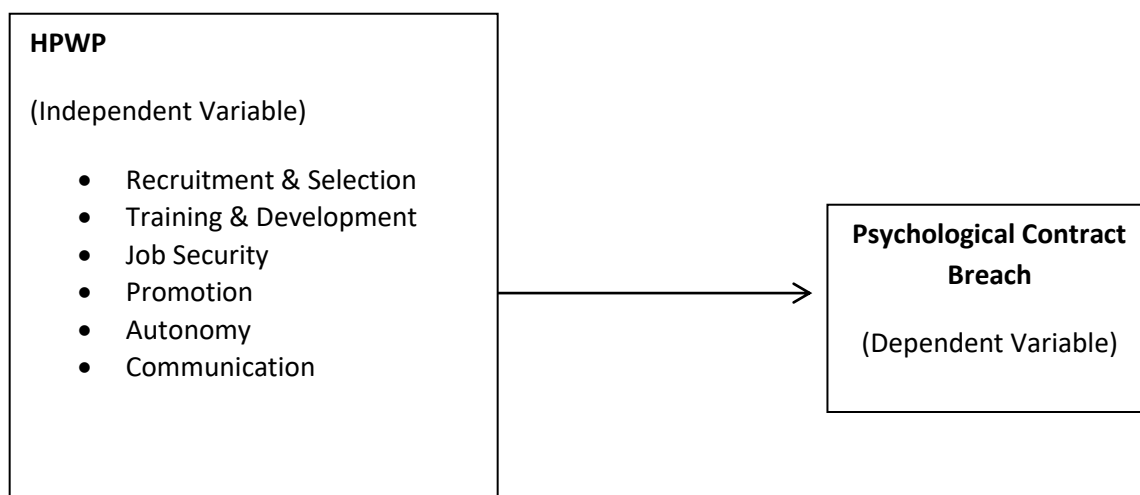


Figure 1: Theoretical Model of the Study

RESEARCH METHODOLOGY

Research Design

The main research design of the study is based on quantitative approach. Furthermore, we use survey method and cross-sectional explanatory research design.

Population and Sampling

The population of the study is all employees in the call centers. The study used convenience sampling due to the nature of the call centre and accessibility issue. The use of convenience sampling over the other random methods remains a limitation of the study.

Sample Size

We distributed a total of 300 survey out of which 159 were returned making 53% as response rate.

Research Tools

We used adapted measure. Accordingly, HPWS is based on measure developed by Kehoe and Wright (2013). Psychological contract breach is based on measure developed by Robinson & Morrison, (2000).

Data Collection

Primary data is collected based on survey distributed. We used data collection assistant to distribute the survey. Mostly, physical data collection is conducted from the call centers. Once data collected is complete, it is entered in SPSS software. Data is initially checked for any discrepancies and then used for further analysis.

RESULTS

Table 1
Demographic Details of the Survey Participants

	Frequency	Percentage
Gender		
Male	111	69.8
Female	48	30.2
Age		
18 to 25 Years	45	28.3
25 to 40 Years	106	66.7
Above 40 Years	8	5.0

Total of 159 employees from call centers participated in the survey. Out of which, 111 were male and 48 were female. In terms of age of the survey participants, 45 belonged to the age group of 18 to 25 years of age; 106 belonged to the age group of 25 to 40 years of age; and 8 participants belonged to the age group of above 40 years.

Table 2
Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation	NO. of Items	Cronbach Alpha
Recruitment & Selection	2.00	5.00	3.6604	.71946	4	.938
Training & Development	2.00	4.75	3.2469	.71434	4	.875
Job Security	1.75	4.25	2.4796	.79055	4	.893
Promotion	2.25	4.75	3.7484	.67827	4	.906
Autonomy	2.00	4.25	2.4780	.78675	4	.904
Communication	2.25	4.00	3.1572	.50983	4	.857
Psychological Contract Breach	2.00	5.00	3.4250	.73011	5	.821

The descriptive statistics paint a picture of moderate level of HPWS including recruitment and selection (M=3.66, SD=.71); training and development opportunities (M=3.24, SD=.71); job security (M=2.47, SD=.79); promotion opportunities (M=3.74, SD=.67); autonomy (M=2.47, SD=.78); and communication (M=3.15, SD=.50). Further, the perception of psychological contract breach is also only slightly above average level (M=3.42, SD=.73). The result of Cronbach alpha given in the last column also indicate that our adapted measure had satisfactory reliability.

Regression Analysis- Effects of HPWP on Psychological Contract Breach

In the regression model, we tested the influence of HPWS on employee's perceived psychological contract breach. Details are as under.

Table 3
Regression Analysis

Model	Unstandardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error			Tolerance	VIF
(Constant)	.652	.383	1.70	.078		
RecruitmentSelection	-.459	.201	-2.28	.049	.159	6.304
TrainingDevelopment	-.423	.201	-2.10	.048	.124	8.032
JobSecurity	-.062	.193	-.321	.567	.142	7.024
Promotion	-.441	.211	-2.09	.048	.122	8.191
Autonomy	-.373	.109	-3.42	.031	.124	8.090
Communication	-.116	.297	-.390	.657	.145	6.885

R= .650
 Rsquare= .422
 Adjustd RSquare= .419
 FStat= 35.57 (.000)
 Dependent Variable: Psychological Contract Breach

Rsquare value shows that 42.2% change in the dependent variable of employee psychological contract breach is attributed to the HPWS. The coefficients suggest that for dependent variable of psychological contract breach, recruitment and selection ($\beta=-.459$, $P<.05$); training and development ($\beta=-.423$, $P<.05$); promotion ($\beta=-.441$, $P<.05$); and autonomy ($\beta=-.373$, $P<.05$) has negative and significant effects on psychological contract breach. Furthermore, the job security ($\beta=-.062$, $P>.05$); and communication ($\beta=-.116$, $P>.05$) effects are negative but insignificant. Additionally, all VIF of less than 10 indicate lack of multicollinearity issue in our data.

Discussion

We focused on psychological contract breach in present stud and utilized HPWS as explanatory variable for this purpose. Our data collection was based on selected call centres from Pakistan. Our key result shows that HPWS is weak among the sample firms and influence negatively and significantly to the psychological contract breach of the staff. . The findings matching with previous studies such as Tahir (2022); and Zaman (2020) who also reported negative influence of HPWS on psychological contract breach.

CONCLUSION

We aim to test the HPWS-psychological contract breach relationship in the present study. We focused on selected call centres in the present study. Regression analysis suggests that HPWP practices are important predictor of employee psychological contract breach and mostly have negative and significant effects. Our result also shows that if employer give importance to HPWS, it can lead to a reduction in psychological contract breach.

Recommendations

- First main recommendation is that call centre management should focus on developing a strong HPWS and focus on general HR practices in order to gain favorable employee and organizational outcomes. In this regard, organizations should focus on proper recruitment and selection and offer adequate training and development opportunities to the staff. Furthermore, suitable performance based reward should be offered accompanied by objective and fair performance management system.

- Line managers can play an important role in developing a positive psychological contract and avoiding breach of such contract. So line managers should be properly trained and evaluated in this regard.
- Overall, call centre should develop a positive and healthy work environment which can lead to avoidance of psychological contract breach.
- Since career growth including promotion plays an important role in shaping a positive psychological contract so the call centre organization should provide suitable career opportunities and career development plan for employees.
- Internal promotion can be a big motivator for employees so call centres should focus on developing policies for internal promotion.

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