

A Study of Effect of Organizational Socialization on Psychological Contract — Verification of Mediating Effects of Job Stress

Hung-Wen Lee and Yu-Cheng Wei

Abstract—The purpose of this research article is to investigate the correlation among organizational socialization, job stress, and psychological contract based on employees' viewpoint. Convenience sampling is used in this study. The questionnaires were distributed to employees in different organizations. Total number of questionnaires distributed was 380; 285 returned and 25 invalid. Total number of valid questionnaires is 260, total 68% valid returned rate. Questionnaire survey and multi regression were used for analysis. The findings include: Job stress is negatively influenced by organizational socialization. Psychological contract is negatively influenced by job stress; psychological contract is positively influenced by organization socialization; job stress plays a role of mediating effects between organizational socialization and psychological contract. In sum, employees' psychological contract is indeed influenced by organizational socialization and job stress. Based on the result, employees' future expectation has significant influence on job stress and psychological contract, indicating if a company can provide a clear view of their future, reasonable promotion and reward mechanism, complete and clear rules or norms, employees' insecurity and uncertainty about their future will be lowered, their negative feelings caused by job stress will be reduced, and they will have higher organizational commitment. In the long term, the interaction between employees and the organization will be more positive, consistent, and harmonic.

Index Terms—Organizational socialization, job stress, psychological contract.

I. INTRODUCTION

According to the Resource-based Theory, human resource can bring long lasting competitive advantage to organizations (Wright & McMahan, 1992) [1]; therefore, cultivating organization talents is one of the important tasks for organizations. No matter new or senior employees, the influence of their organizational socialization is deep and wide, and is a key factor for business management.

French, Rodgers, & Cobb (1974) [2] proposed “person-environment fit model”, which indicates that stress forms when a person does not fit the environment. When a new employee joins a new environment, he or she might encounter job stress when his/her capability or skills do not meet the job requirement. Job stress might cause negative

symptoms such as insomnia, anxiety, agitation, or depression (Caplan, Cobb, French, Van Harrison, & Pinneau, 1975). [3] Therefore, job stress affects an organization's fundamentality, and “people” are a key factor in business management.

Rousseau (1989) [4] pointed out that psychological contract is the mutual agreement between employees and employers based on mutual benefit. Therefore, when employee's expectation about their responsibilities in the organization is different, unsatisfied feelings occur.

Based on above motives, our study planned to investigate the relationship among organization socialization, job stress, and psychological contract.

II. LITERATURE REVIEW

A. Organizational Socialization

Ostroff & Kozlowski (1992) [5] also suggested 4 factors for organizational socialization, namely “task”, “role”, “group”, “knowledge of organization”. The result shows that new employees learn “task” the most, and “knowledge of organization” the least.

Taormina (2004) [6] proposed OSI model and completed it and proved its feasibility in 2004. This study indicated that organizational socialization is a long lasting and continuous procedure. In this model, “employee training”, “knowledge of organization”, “support from organization members”, and “future expectation” are factors used to measure organizational socialization.

The definition of organizational socialization in this study refers to the mechanism through which new employees acquire the necessary knowledge, skills, responsibility, and behaviors to obtain insiders' support and become effective organizational members. The 4 factors proposed by Taormina (1994) [7] were used to measure employees' organizational socialization in this study.

Siegrist (1996) [8] proposed an “effort-reward” model which explains the correlation between job effort and job reward. Job effort includes intrinsic effort and extrinsic effort. The former one refers to the excessive workload which associated to personal characteristics, job motivations, and job stress. The definition of job stress in this study refers to workers' adjusted response when work environment cannot sustain workers' demand or cannot meet workers' expectation. Employees feel that their efforts are not rewarded appropriately. Furthermore, employees might feel stressed about the possibility of being laid off in the future. Therefore, we think “effort-reward” imbalance model proposed by Siegrist (1996) [8] fits the current work

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environment the best.

B. Psychological Contract

Rousseau (1995) [9] argued that employees' psychological contract was influenced by organizational and social factors and individuals' knowledge and preference of information they receive externally.

MacNeil (1985) [10] was the first scholar who classified psychological contract into transactional and relational contract. Transactional contract refers to the responsibility to be completed during a certain contract period of employment. On the other hand, the period of relational contract is long and variable. Rousseau & Parks (1993) [11] furthered psychological contract with a concept of "Contract continuity" and proposed 5 characteristics of psychological contract including stability (stable /flexible), certainty of requested performance, scope, concerns, and contract period.

Rousseau (2000) [12] pointed out that any type of psychological contract is located between transactional contract and relational contract. Hart & Thompson (2007) [13] also suggested that most psychological contract includes at least one type of psychological contract. In addition, the proportion of transactional contract and relational contract between organizations and employees would affect business management and organizational structure. Therefore, Rousseau & Parks' (1993) [11] classification of psychological contract –transactional and relational contract- was used as the groundwork of this study.

C. The Correlation among Organizational Socialization, Job Stress, and Psychological Contract

Since "effort-reward" imbalance model focused on the fairness and rationality and indicated that job stress was formed when effort made by employees is higher than the reward they receive. In another word, when employees perceive betrayal of organization or their expectation is too much different from reality, they would feel the relationship is unfair or unreasonable (Lester, Turnley, Bloodgood, & Bolino, 2002) [14] and then the job stress occurs. If the organization happens to be passive about the psychological contract, employees' job stress will combine this negative feeling of being betrayal. Therefore, we assume job stress is negatively correlated to psychological contract.

III. RESEARCH METHOD

Based on the purpose and literature review, we proposed the following research framework for this study, as shown in Fig. 1.

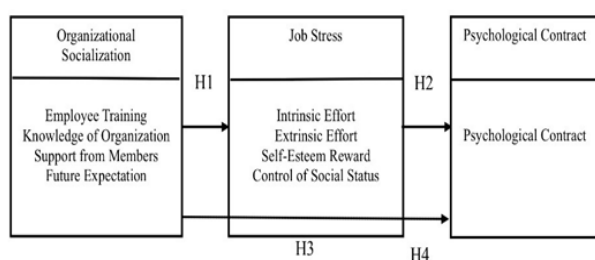


Fig. 1. Research framework.

A. Hypothesis

According to worldwide literature review, there are correlations among organizational socialization, job stress, and psychological contract. Therefore, we proposed the following hypotheses based on the purpose and framework of this study.

H1: Organizational socialization has negative influence on job stress

H2: Job stress has negative influence on psychological contract

H3: Organizational socialization has positive influence on psychological contract

H4: Job stress has mediating effects between organizational socialization and psychological contract.

B. The Operational Definition of Variables and Measurement Design

1) Organizational socialization

The four factors including "employee training", "knowledge of the organization", "support from the organization members", and "future expectation", proposed by Taormina (1994) [7], were adopted and modified in our study to measure organizational socialization.

2) Job stress

Siegrist's (1996) [8] modified "effort-reward" imbalance model was adopted as the measurement in this study. It includes "intrinsic effort", "extrinsic effort", "financial reward", "self-esteem reward", and "control of social status". Financial reward was combined in "control of social status" in this study; therefore, the measurement include "intrinsic effort", "extrinsic effort", "self-esteem reward", and "control of social status" for job stress

3) Psychological contract

This study adopted Rousseau & Parks' (1993) [11] classification of psychological contract - transactional contract and relational contract and modified the measurement of psychological contract proposed by Raja, Johns, & Ntalianis (2004) [15] to evaluate employees' psychological contract. Based on the purpose of our study, we combined transactional and relational contract into a sole factor – psychological contract.

C. Questionnaire Distribution and Sampling Design

The purpose of this study is to investigate the correlation among organizational socialization, job stress, and psychological contract. Convenience sampling is used in this study. The questionnaires were distributed to employees in different organizations. Total number of questionnaires distributed was 380; 285 returned and 25 invalid. Total number of valid questionnaires is 260, total 68% valid returned rate.

IV. RESULT

A. Multiple Regression Analysis

Verification of H1 - Organization socialization has negative influence on job stress: We analyzed the influence of organizational socialization on each factor of job stress. $F=2.061$ ($p < 0.05$), 2.963 ($p < 0.01$), 4.555 ($p < 0.001$),

5.247 ($p < 0.001$), all showed significance. Employee training has significant influence on extrinsic effort ($p < 0.05$), but not on other factors;

The F value of multiple regression analysis is 3.343, indicating highly significant ($p < 0.001$), and the adjusted R^2 is 0.051, indicating job stress can be explained by organizational socialization by 5.1%, which proves organizational socialization has significant/negative influence on job stress ($\beta = -0.223$).

Verification of H2 - Job stress has negative influence on psychological contract: in the analysis between job stress and psychological contract, F value = 3.302 ($p < 0.01$), indicating significance. Intrinsic effort significantly influences psychological contract ($p < 0.01$). Extrinsic effort, self-esteem reward, and control of social status have no significant influence on psychological contract.

$F = 4.789$ on multiple regression analysis model, indicating highly significant ($p < 0.001$). In addition, the adjusted R^2 is 0.081 which indicates psychological contract can be explained by job stress by 8.1%. In short, job stress has significant/negative influence on psychological contract ($\beta = -0.255$).

Verification of H3: Organizational Socialization has positive influence on psychological contract- in the analysis between organizational socialization and psychological contract, F value = 2.078 ($p < 0.01$), indicating significance. The influence of future expectation is significant on psychological contract ($p < 0.05$). The influences of employee training, knowledge of organization, and support from organization members are not significant on psychological contract.

In addition, in the multiple regression analysis model, $F = 3.538$, indicating significance ($p < 0.01$). The adjusted R^2 is 0.056; indicating psychological contract can be explained by organizational socialization by 5.6%. In another word, organizational socialization has significant/positive influence on psychological contract ($\beta = 0.201$).

Verification of H4: Job stress has mediating effects between organizational socialization and psychological contract. The criteria proposed by Baron & Kenny (1986) [16] for mediating effects was adopted in this study. We used multiple regression analysis to verify job stress's mediating effects. It has to qualify the following four conditions to prove its mediating effects between organizational socialization and psychological contract: (1) Organizational socialization must have significant influence on psychological contract; (2) organizational socialization must have significant influence on job stress; (3) when organizational socialization and job stress both are predictors, job stress must have significant influence on psychological contract in regression analysis; (4) in the third regression, the regression coefficient of organizational socialization must be smaller than that of the analysis between organizational socialization and psychological contract alone.

Condition 1, 2, and 3 are proven to be true through the verification of H1, H2, and H3. Next, when organizational socialization and job stress both are set as dependent variables, the entire regression coefficient of organizational socialization is smaller ($\beta = 0.152$) than that of the analysis between organizational socialization and psychological contract alone ($\beta = 0.201$). In addition, the explanatory power R^2 increased from 5.6% to 9.9%, therefore, condition

4 is proven to be true. In conclusion, job stress has mediating effects between organizational socialization and psychological contract, thus, H4 is proven to be true. In the sub-factors analysis, $F = 3.070$ ($p < 0.001$), indicating significance. Intrinsic effort has significant/negative influence on psychological contract ($\beta = -0.183$).

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusions

According to the result, each hypothesis and its sub-constructs are proven to be partially true. In addition, that job stress has mediating effects between organizational socialization and psychological contract is proven to be true. It shows employees with higher organizational socialization have lower job stress and better psychological contract.

As for the organizational socialization and job stress, the result shows that employee training has significant influence on extrinsic effort, indicating employees can learn their responsibilities and job details better through employee training. Besides, support from organization members has significant influence on intrinsic effort and self-esteem effort, indicating employees would make more effort and become more committed at work when they feel they are supported by the organization members. They can easily appreciate the spirit reward from the organization. In addition, the influences of future expectation on each factor of job stress are all significant, indicating if employees have positive expectation about the company and their job, they will be gladder to make efforts to the company.

B. Discussions

For the employees' job stress and psychological contract, the result indicating employees with excessive workload have lower organizational commitment. They tend to finish their tasks without making any extra effort. Any type of psychological contract should be located between transactional and relational contract (Rousseau, 2000). [12] When employees sense their excessive workload has causes their life unbalanced, they tend to change to transactional contract with shorter period, more economic, and "give and take" relationship.

For the employees' organizational socialization and psychological contract, the result shows that future expectation has significant influence on psychological contract, indicating if employees have clearer view of company's future and job promotion, they tend to have better organizational commitment, enjoy sharing their information and knowledge inside the organization, making more effort for the organization's future plan.

C. Suggestions

Based on the result, employees' future expectation has significant influence on job stress and psychological contract, indicating if a company can provide a clear view of their future, reasonable promotion and reward mechanism, complete and clear rules or norms, employees' insecurity and uncertainty about their future will be lowered, their negative feelings caused by job stress will be reduced, and they will have higher organizational commitment. In

the long term, the interaction between employees and the organization will be more positive, consistent, and harmonic.

CONFLICT OF INTEREST

The authors declare no conflict of interest.

AUTHOR CONTRIBUTIONS

Dr. Hung-Wen Lee conducted the research, Mr. Yu-Cheng Wei collected and analyzed the data; Both of them discussed, wrote the paper and approved the final version together.

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