Work-Family Psychological Contract,
Job Autonomy and Organizational Commitment

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Abstract: Problem statement: With the increase in dual-career couples in the workforce and absence of adequate legal contracts in the form of work-family policies, employees may hold expectations regarding employer’s obligation based on what has been promised by the organization regarding work-family benefits. Employees’ expectations of obligations from an employer may depend on psychological mechanisms or psychological contracts rather than formalisms arising from laws. Despite the existence of earlier studies on psychological contract, the contract has been studied as a global concept. Approach: This study had applied the global psychological contract concept to a more specific concept that was work-family psychological contract. Since earlier studies had established the relationship between psychological contract and organizational commitment as well as the effect of job autonomy on this contract, this study examined the mediating role of work-family psychological contract in the relationship between job autonomy and organizational commitment. Using self-administered data were collected from 307 employees in media organizations in Malaysia. Results: Results of correlation analyses revealed that job autonomy was correlated to work-family psychological contract and organizational commitment and work-family psychological contract was related to organizational commitment. The results also indicated that work-family psychological contract partially mediated the relationship between job autonomy and organizational commitment. Conclusion/Recommendations: Employees with greater freedom to make their own decisions at work would have stronger beliefs that the organization can fulfill promises regarding work-family benefits and they can in turn be more committed to the organization.

Key words: Job autonomy, work-family psychological contract, organizational commitment

INTRODUCTION

The dynamic change in demography of the workforce including the increase in the participation of women means that more couples are juggling both work and family roles (Zoharah and Aminah, 2010). This situation may result in employees’ expectations that their organizations could help them in integrating work and family demands (Conway and Briner, 2005). Employees may hold perceptions regarding an organization’s obligation based on what has been promised by the organization regarding work-family benefits. Conway and Briner (2005) argued that previous studies of psychological contract have focused only on certain core areas and neglected work-family issues.

Psychological contract is a useful mechanism to understand an employee’s expectation of entitlement to work-family benefits (Smithson and Lewis, 2004). Indeed, it has been argued that employees establish a positive psychological contract if the organization takes care of their work-life balance or integration (Coussey, 2000). However, work-family benefits are seldom included in psychological contract research and hence merit much more attention (Smithson and Lewis, 2004; Ahmad and Omar, 2010).

Rousseau (1989) conceptualized psychological contract as an individual’s belief regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party. In this study, Work-Family Psychological Contract (WFPC) deals with the pattern of unwritten beliefs held by employees regarding what has been promised to the employees by the organization with respect to work-family demand. Unlike the formal work-family policy or contract that sets out explicit terms and conditions, the WFPC is ‘cognitive-perceptual’ in nature. In other words, WFPC is implicit and reflects the individual’s perceptions regarding the organization’s obligation and...
employee expectation based on what has been promised by the organization regarding work-family benefits.

Employees who are not able to handle work and family demands successfully because of discerrments related to insufficient time and energy, tend to have lower organizational commitment (Haar and Spell, 2004; Rothbard et al., 2005). Therefore, an organization should provide work-family benefits including the autonomy given to employee to schedule work and decide how it should be carried out (Premeaux et al., 2007; Voydanoff, 2004), as an indication that the organization cares about work-family integration (Zoharah and Aminah, 2010; Instrand et al., 2010).

High job autonomy was also linked to less psychological contract breach (Oeij, 2006). In addition, psychological contract plays a key role in influencing employees’ organizational commitment (Sturges et al., 2005). It should be emphasized that the granting of job autonomy to employees and the perception of contract fulfillment could contribute to organizational commitment. Hence, the purpose of this study is to investigate the mediating effect of WFPC in the relationship between job autonomy and organizational commitment.

Review of literature: Psychological contract theory relies on the norm of reciprocity (Gouldner, 1960), which may provide a useful mechanism in explaining consequences of employee attitude and behavior (Coyle-Shapiro and Conway, 2005). Psychological contract theory (Rousseau, 1995) suggests that women and those with family responsibilities may negotiate new psychological contracts that include family responsive benefits. Guest (2004) notes that Human Resource (HR) practices play an important role in the psychological contracting process between employees and employers. In this study, providing job autonomy can be seen as an HR practice that can play an important role in the psychological contracting process between employees and employers. Since psychological contract refers to “beliefs that individuals hold regarding promises made, accepted and relied upon between themselves and another” (Rousseau and Wade-Benzoni, 1994), it is the perception of whether the employees have job autonomy that drives the psychological contracting process. Oeij (2006) found that higher job autonomy was associated with less psychological contract breach. Other findings also revealed that job autonomy had a significant relationship with psychological contract (Ang et al., 2006; Ramamoorthy et al., 2005). Driven by these findings, employees who have greater freedom to arrange how they can perform their work would have more positive perceptions of WFPC fulfillment. Based on the literature review the following hypothesis was formulated.

Hypothesis 1: There is a positive relationship between job autonomy and WFPC.

Employees who perceive that the organization’s offering of autonomy is a representation of the organization’s concern for work and family demands have a greater intention to remain in the organization (Aube et al., 2007; Zhang and Liu, 2011). Job autonomy at the workplace may increase employee loyalty due to positive feelings associated with working for an organization that visibly cares about the well being of its employees. Job autonomy is capable of stimulating high levels of employee commitment to organization (Ahuja et al., 2007), specifically affective organizational commitment that is employee’s willingness to maintain membership in organization and to work and help organization accomplish its goal (Meyer and Allen, 1991). This is further supported by results from the study of Galletta et al. (2011) concerning the attractive working environment characteristics which showed that job autonomy perceived by workers was among the most important factors related to retention. Other studies also reported that job autonomy had a significant relationship with organizational commitment (Liu et al., 2010; Chu and Lai, 2011). Based on the above argument, the following hypothesis was formulated.

Hypothesis 2: There is a positive relationship between job autonomy and organizational commitment.

Employees may form a set of expectations on organization’s obligation regarding how their psychological needs will be met in handling work and family responsibilities. Employee’s who perceive that their expectations have been met, would feel more obligated and this would have an impact on organizational commitment. Sturges et al. (2005) found that psychological contract plays a key role in influencing employees’ organizational commitment. McInnis et al. (2009) found that psychological contract, in terms of fulfillment of the promises, contributed to organizational commitment. Parzefall (2008) found that the perception of contract fulfillment has a significant relationship with organizational commitment. Thus, it seems reasonable to postulate that employees’ perceptions that organizations would fulfill their obligations would contribute to their organizational commitment.

Hypothesis 3: There is a positive relationship between WFPC and organizational commitment.
In line with this theoretical perspective, perceptions of job autonomy may result in increased attachment to the organization. This is because of employees’ perceived that the organization’s autonomous job offer represents the organization’s concern for work and family integration. Job autonomy allows employees to have increased control over their lives due to the opportunity to work during times more suited to personal needs and freedom in scheduling their work. Highly autonomous employees are in a position to organize their work in a manner that is most efficient, thus potentially reducing problems in integrating work and family demands (Dinger et al., 2010). Therefore, it can be argued that because autonomous employees have the freedom to arrange how they perform their work, it may increase an employee’s belief that the organization fulfills its obligation in integrating work-family demand, consequently increasing the employees’ organizational commitment. Based on this argument, the following hypothesis was formulated.

**Hypothesis 4:** Work-family psychological contract mediates the relationship between job autonomy and organizational commitment.

**MATERIALS AND METHODS**

The current study focused on the experience, perceptions, and behavior of executives and professionals, because employees in these job categories experience more job autonomy (Dinger et al., 2010). Meanwhile, Schieman and Glavin (2011) found that the executives and professionals in these categories experience more difficulty in integrating work-family demand compared to other job categories. The sample was drawn from 15 media organizations in Malaysia including broadcasting, advertising, publishing and public relations organizations. The sample consists of 307 employees. Data were collected using self-administered questionnaires. Results showed that males represented (50.2%) and females (49.8%) of the respondents in this study. The mean age of respondent was 33.96 years (SD = 8.15), the mean work experience was 7.90 years (SD = 7.96) and the mean income was 4291.52 (SD = 3319.28).

**Measurement:** Organizational commitment was measured using four high-loading items (loadings from 0.76-0.86) from Bond et al. (1998). Job autonomy was measured using three high-loading items (loadings from 0.76-0.86) from Bond et al. (1998). Job autonomy refers to the degree to which the employee is granted freedom, independence and discretion in scheduling the work and in determining the procedures to be used in carrying it out (Hackman et al., 1975). A sample item is “It is basically my own responsibility to decide how my job gets done”. This measure has a Cronbach’s alpha value of 0.86.

WFPC was measured using three high-loading items (loadings from 0.71-0.83). This measurement is similar to that of Coyle-Shapiro and Conway (2005), which asks participants to check from a list, facilities and work arrangements that they believe the organization has promised to provide. They are then asked to indicate the extent to which the organization has fulfilled the obligations checked. A sample item is “Leave early to attend to family matters”.

**Confirmatory Factor Analysis (CFA):** The overall satisfactory fit of a measurement model was determined by the Confirmatory Factor Analysis (CFA). A satisfactory fit of the measurement model must be obtained before proceeding to test the general model as a whole (Hoyle, 1995). The overall model fit reported in RMSEA coefficient of 0.08 is normally taken as indicative of a satisfactory model fit and one of 0.05 is a very good fit (Steiger, 1990). Researchers suggest the chi/df index as a useful ratio for assessing model fit rather than using chi-square alone (Marsh and Hau, 1996). This index is the minimum discrepancy (the chi-square value) divided by the degree of freedom. If this statistics is less than the value of 5, the model fits reasonably well and a ratio close to 2 indicates a good fit. For the GFI, IFI, TLI and CFI, coefficients of 0.90 but preferably higher are normally taken as indicative of model fit (Byrne, 2001). Meanwhile, for PGFI, parsimony fit indices within the region of 0.50 or above suggests a good model fit (Mulaik et al., 1989). The overall model fit reported in Table 1 shows that the overall fit indices for the CFA model are acceptable.

<table>
<thead>
<tr>
<th>Index</th>
<th>Cited</th>
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<tr>
<td>$\chi^2$</td>
<td>73.505</td>
<td>32.000</td>
<td>&gt;0.05</td>
<td>0.000</td>
</tr>
<tr>
<td>$\chi^2$/df</td>
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<td>1.00 - 5.00</td>
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<td>Yes</td>
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<tr>
<td>RMSEA</td>
<td>Steiger (1990)</td>
<td>&lt;0.80</td>
<td>0.065</td>
<td>Yes</td>
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<tr>
<td>GFI</td>
<td>Joreskog and Sorbom (1992)</td>
<td>&gt;0.90</td>
<td>0.954</td>
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</tr>
<tr>
<td>IFI</td>
<td>Bollen (1989)</td>
<td>&gt;0.90</td>
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<td>Yes</td>
</tr>
<tr>
<td>TLI</td>
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<tr>
<td>CFI</td>
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<td>0.979</td>
<td>Yes</td>
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<td>PGFI</td>
<td>James et al. (1982)</td>
<td>&gt; 0.50</td>
<td>0.555</td>
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</table>

**Note:** $\chi^2$ = Chi Square, DF = Degree of Freedom, RMSEA = Root mean square error of approximation, GFI = Goodness-of-fit, IFI = Increment fit Index, TLI = Tucker-Lewis coefficient Index, CFI = Comparative-fit-Index, PGFI = Parsimonious Goodness-of-Fit Index.
RESULTS

Correlation analysis: Table 2 shows results regarding the means, standard deviations and reliability and correlation coefficients. The Cronbach alpha reliability coefficients for all the three latent variables exceed .7, indicating good internal consistency of the measures (Hair and Anderson, 2010). In addition, the size of factor loadings was also examined to test the convergent validity of the measures (Hair and Anderson, 2010). High loadings (at least 0.50) on a factor indicate that the items converge at some common points (Hair and Anderson, 2010). There were two items measuring organizational commitment and eight items measuring WFPC with factor loadings less than 0.5. These items were excluded from the analysis.

Structural model analysis: Direct and indirect effect coefficients for the path model are illustrated in Table 3. According to Mathieu and Taylor (2006), for testing mediation, two structural models namely only direct and indirect models comparison to determine the best fit model. In this study, results of the test for goodness-of-fit conformed to the criterion suggested by researchers. The fit of the model was assessed by eight indices. The chi-square test was used to test the model. Because the chi-square test is sensitive to sample size, the ratio of chi-square to degree of freedom was used as another fit index. The results show that the indirect model is most likely to replicate and hence it represents a better model (Kline, 2010; Ho, 2006).

This indicates that the indirect model provides a better fit to the data than the direct model, thereby suggesting that WFPC plays an important mediating role in the hypothesized model. Hence, the indirect model, as illustrated in Fig. 1, was retained as the preferred model. In addition, Fig. 1 and 2 also show the regression analysis results using SEM method. The regression analysis for the relationship between job autonomy and organizational commitment has an $R^2$ of 0.14. Adding WFPC to the model increases the value of $R^2$ to 0.26. Thus, the change in $R^2$ associated with adding WFPC is 0.12. The inclusion of WFPC in the model accounts for an additional 12% of the variance in organizational commitment. Accordingly, it suggests that WFPC is an important variable that could generate employees’ organizational commitment.

The results in Table 4 show the standardized regression weights. There are significant positive relationships between job autonomy and WFPC ($β = 0.252$, p>0.001) job autonomy and organizational commitment ($β = 0.337$, p>0.001) and WFPC and organizational commitment ($β = 0.512$, p>0.001) thus supporting Hypothesis 1, 2 and 3.

Fig. 1: Estimated path coefficients of indirect model

Fig. 2: Direct relationship model
This suggests that WFPC mediates the influence of job commitment. Other researchers (Liu et al., 2010) have also reported that job autonomy is a significant predictor of organizational commitment. The findings of this study show that employees with more job autonomy tend to report positive perceptions of WFPC fulfillment and this would in turn increase their levels of organizational commitment. Theoretically, the findings have shown that the psychological contract theory (Rousseau, 1995) which relies on the norm of reciprocity could help explain the model, whereby job autonomy tend to increase the employee’s belief that the organization will fulfill their obligation in helping employees integrate work and family demands, which in turn tend to increase the employee’s organizational commitment.

Further, the findings show a significant path from job autonomy to WFPC and WFPC to organizational commitment. The effect of job autonomy on organizational commitment shrinks upon the addition of WFPC (the mediator) to the model ($\beta = 0.271$, p<0.01). This suggests that WFPC mediates the influence of job autonomy on organizational commitment, supporting Hypothesis 4.

**DISCUSSION**

The findings of this study show that employees who perceive that they have more job autonomy, in terms of freedom, independence and discretion in scheduling the work and in determining work procedures, exhibit higher levels of organizational commitment. Other researchers (Liu et al., 2010; Chu and Lai, 2011; Galletta et al., 2011) have also reported that job autonomy is a significant predictor of organizational commitment. With regard to job autonomy and its association with WFPC, this study found that an increase in job autonomy led to an increase in WFPC. These findings are consistent with the findings of Oeij (2006) and Ramamoorthy et al. (2005). In other words, employees who perceived that their organization granted freedom to them in terms of work arrangement would have more positive perceptions of WFPC fulfillment.

The significant relationship between psychological contract and organizational commitment is consistent with the results reported by McInnis et al. (2009). Parzefall (2008) also reported similar findings. The results indicate that individuals who report higher fulfillment of WFPC tend to report higher levels of organizational commitment. Employees’ expectations of organizational obligation regarding how their psychological needs are going to be met in handling work and family issues play an important role in increasing organizational commitment.

With regard to the mediating effect of WFPC in the relationship between job autonomy and organizational commitment, the results show that employees with more job autonomy tend to report positive perceptions of WFPC fulfillment and would in turn increase their levels of organizational commitment. The findings of this study have important implications for organizations. The findings demonstrate that employees’ job autonomy is an important factor that is related to WFPC and organizational commitment. Due to the lack of formal work-family policies in Malaysia, employers should take proactive steps in developing work-family programs that are sensitive to employees’ family needs to assist employees in managing work and family roles more successfully. Employers should have a better understanding of the situation faced to enable human resource practitioners take constructive action in integrating work and family demands of employees and thus obtain employees’ organizational commitment.

Several limitations of this study should be noted. First, a significant limitation of the present investigation is the sample size that was utilized. The results reported here may only be generalized to executives and professionals working in media organizations located in the Klang Valley, Malaysia. Second, caution must be exercised in generalizing the findings from this sample to employees in other organizations such as manufacturing organizations. There is also a need for future researchers to examine job autonomy and its effects on employees’ psychological contract and commitment in other industries such as the manufacturing industry, which is another important industry in Malaysia.

Third, this study used the composite measurement of work-family psychological contract instead of the global measurement adapted for work-family benefits. This composite measurement requires employees to respond to a list of work-family content areas which they believe the organization has promised to provide. The global measurement does not refer to specific content areas but directly assesses the subjects’ overall...
perceptions of how much the organization has fulfilled or failed to fulfill its obligations or promises. Zhao et al. (2007) found that the global measurement had larger effect sizes than composite measures. So, future research should adapt the global measurement for work-family related obligations so that a better measurement of work-family psychological contract can be made.

CONCLUSION

Job autonomy is an important antecedent of organizational commitment and WFPC is a mediator in this autonomy-commitment relationship. Employees who perceive that their organization has granted them greater job autonomy, would have stronger beliefs that the organization will fulfill the promises regarding their work-family benefits and would in turn be more committed to their organization.

REFERENCES


