



SADC

2019 Human Resources Challenge

ATTRACTION - LOYALTY UNDERSTANDING THE PSYCHOLOGICAL CONTRACT AND COMMITMENT

© Professor: Jamal BEN MANSOUR, M.Sc., Ph.D., CRHA

Email: jamal.ben.mansour@uqtr.ca

(819) 376-5011, extension 3146

A brief biography...

Professor Jamal Ben Mansour (M.Sc, Ph.D., CRHA) is a professor in the HRM Department at the École de gestion de l'UQTR and a regular researcher with the INRPME (small and medium-sized business research institute). He has acquired more than eight years of professional experience as a consultant in various fields (public administration, the banking sector, SME) prior to earning a joint interuniversity doctorate (UQAM, HEC, Concordia and McGill) in human resources management. He teaches leadership, human capital management, HR analytics and research methodology courses at the graduate and undergraduate levels and has cutting-edge expertise in qualitative, quantitative and mixed methods, particularly longitudinal specifications. He deals with matters on issues relating to the entry into an organization (talent management, the commitment process at work, attitude change over time, the organizational and professional socialization of newly hired employees, plural leadership) along with very successful HRM practices. His research findings have been published in scientific publications for the layperson (e.g. *Attirer, Retenir, et Fidéliser les Ressources Humaines ; L'entrée Organisationnelle des Jeunes Diplômés ; Les PME, d'Hier à Demain ; Comportement Organisationnel V3*), dans différentes revues savantes (e.g., *International Journal of Environmental Research and Public Health ; Journal of Human Resources Management and Labor Studies*), and press releases in several national and international conventions (e.g., *AIPTLF ; ASAC ; EAWOP , Conference on Commitment ; Academy of Management Conference*).

Starting question



What are your indicators of employee LOYALTY?

- 1. Average seniority*
- 2. Breakdown of turnover rate*

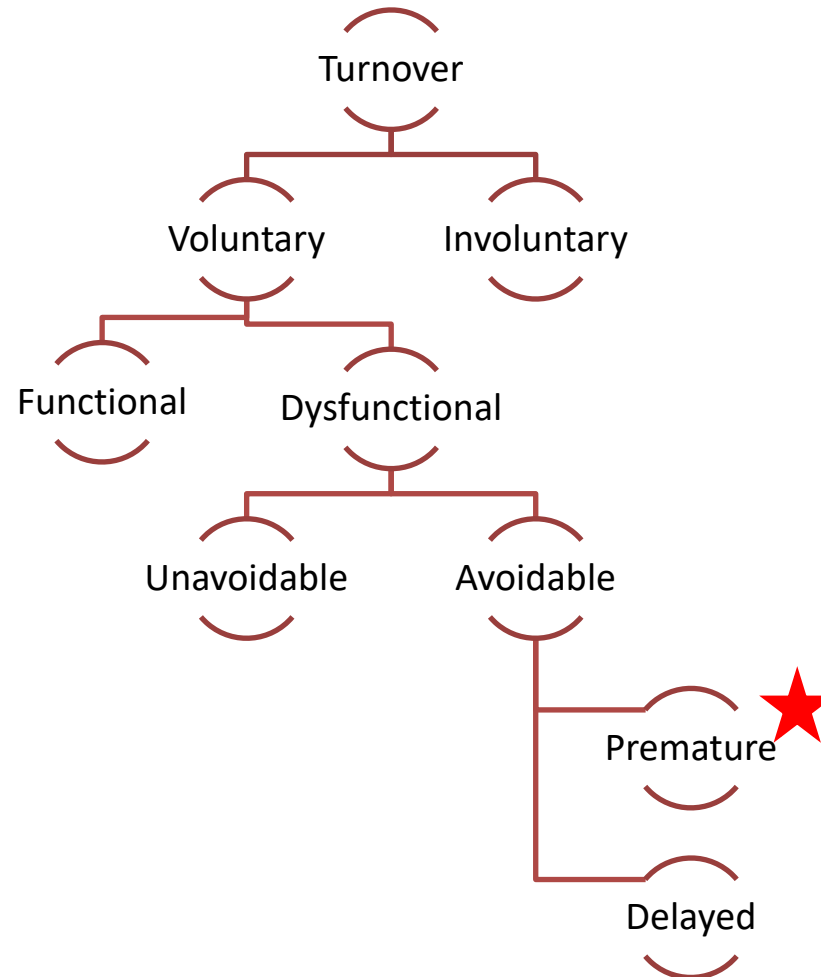
Starting question



What are your candidate ATTRACTION indicators?

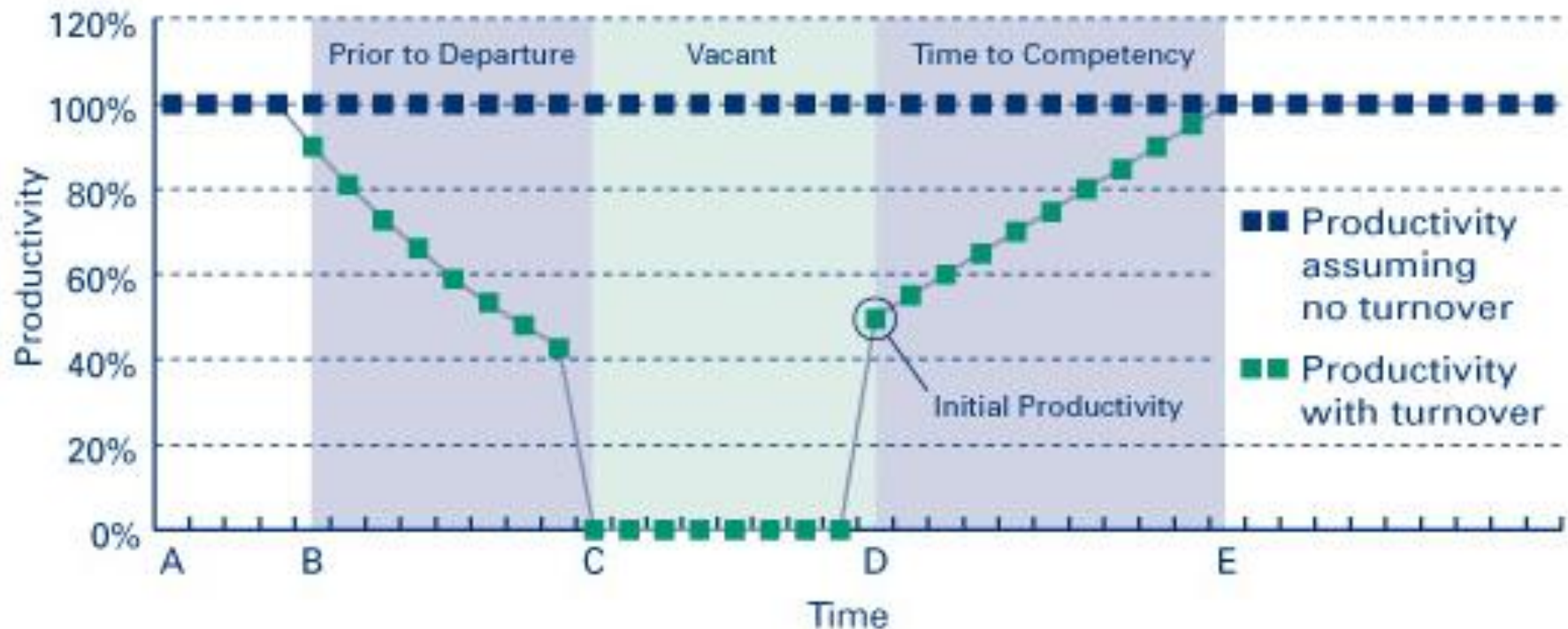
- 1. Cost of recruiting each candidate hired*
- 2. Job posting to resume ratio*
- 3. Vacancy periods (total vacancy days / number of positions that have been vacant)*
- 4. Perceived organizational attributes*
- 5. Perceived attributes of the position*

Turnover, proposed model



Turnover and loss of performance...

Productivity in a Position Over Time



Source: *Maximizing the Return on Your Human Capital Investment: The 2005 Human Capital Index Report.*

Exit interview...

➤ What is an exit interview?

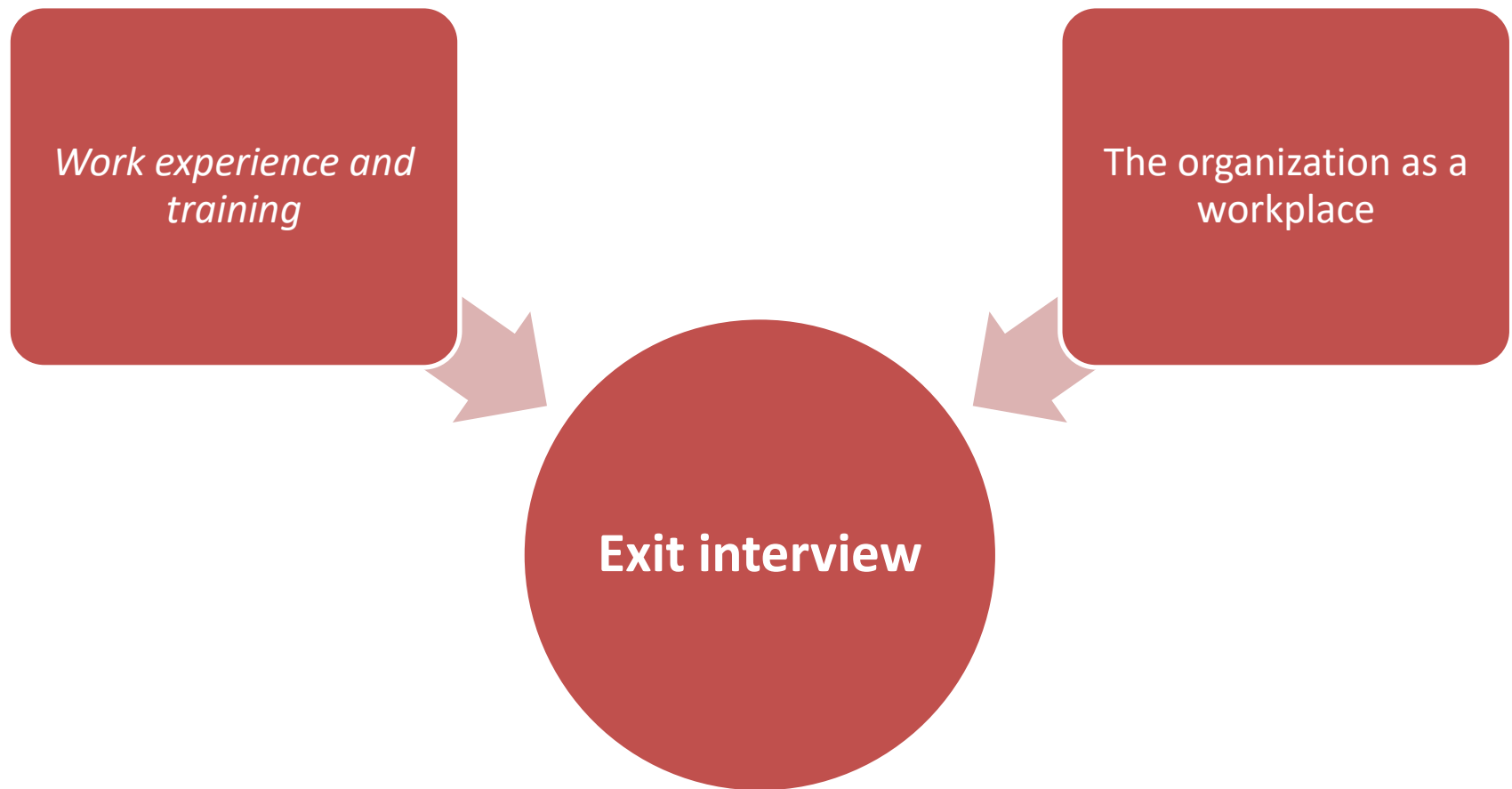
- It is a data collection tool that allows the employer to determine, understand and address employee retention issues.

➤ A few exit interview principles

1. Invariability
2. Standardization
3. Completeness
4. Neutrality
5. Confidentiality

Source: D. Dubois et al. (2009)

Content of the exit interview

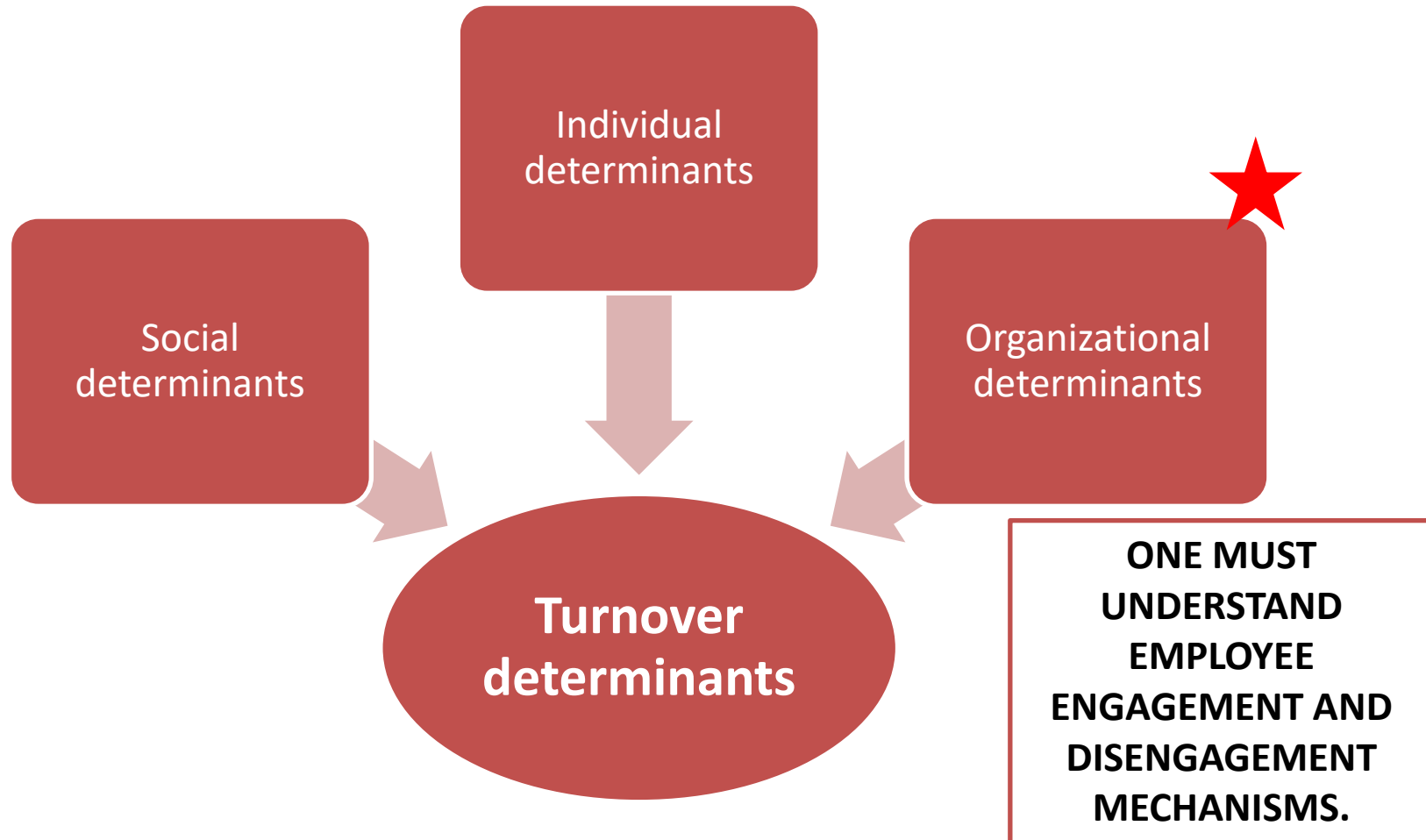


Turnover rate by industry

Annual Voluntary Turnover (2013)	Industry Average %	100 Best %	Difference %
Manufacturing & Production	10.5	5.8	-4.7
Financial Services & Insurance	12.6	10.3	-2.3
Information Technology	16.2	8.0	-8.2
Healthcare	17.1	6.0	-11.1
Construction & Real Estate	19.4	8.7	-10.7
Professional Services & Consulting	25.9	10.4	-15.5
Hospitality	38.0	24.5	-13.5

Source: Great Place to Work® Institute (2013)

Labour turnover determinants





ORGANIZATIONAL COMMITMENT

WHAT IS COMMITMENT ?

- “[...] *The relative strength of an individual’s identification with and involvement in a particular **organization**.*” (Mowday, Porter and Steers, 1982, p.27)
 - *Belief in the values*
 - *Willingness to make an effort for the good of the organization*
 - ***Strong desire to remain a member of the organization***
- “[...] *A psychological state that (a) characterizes the employee’s relationship with the **organization** and (b) has implications for the decision to continue or discontinue membership in the organization.*” (Meyer and Allen, 1991, p.67).
- “[...] *A psychological state characterizing the employee’s relationship with the **organization** and having implications for the decision to continue membership in the organization.*” (Meyer and Allen, 1997, p.93)

WHAT IS COMMITMENT?

➤ A psychological state

- that characterizes the employee's relationship with the organization
- that has implications for the decision to continue or discontinue membership in the organization

➤ Commitment as an **attitude**, a **relationship** and a **force**

➤ Significant evolution: from a unidimensional to a **multidimensional** concept

Forms of commitment (continued)

↘ **Affective commitment**

- Defines an emotional identification with and commitment to an organization
- Commitment by identification,
- Commitment to values, meaning a strong belief in and acceptance of the objectives and values
- A sustained desire to maintain a relationship

Forms of commitment (continued)

- **Normative commitment** (obligation or moral responsibility)
 - Represents a loyal attitude towards the organization
 - Moral obligation to the organization
 - Need for reciprocity
 - Psychological contract (expectations, trust, etc.)

Forms of commitment (continued)

↳ **Continuance commitment** (cost-based)

- Based on the costs related to severing ties with the organization
- Impact of lost professional investments
- Personal sacrifice
- Weak alternatives

Forms of commitment (continued)

➤ Affective commitment

- **Emotional commitment**

- I identify with my organization.

- I feel like a member of the family.

➤ Normative or moral commitment

- **Moral debt that obligates me to stay**

➤ Calculated or rational commitment

- **Protecting what has been acquired**

- I have too much to lose by leaving this organization.

- It is impossible to find as good a job elsewhere.

I want to stay.

I must stay.

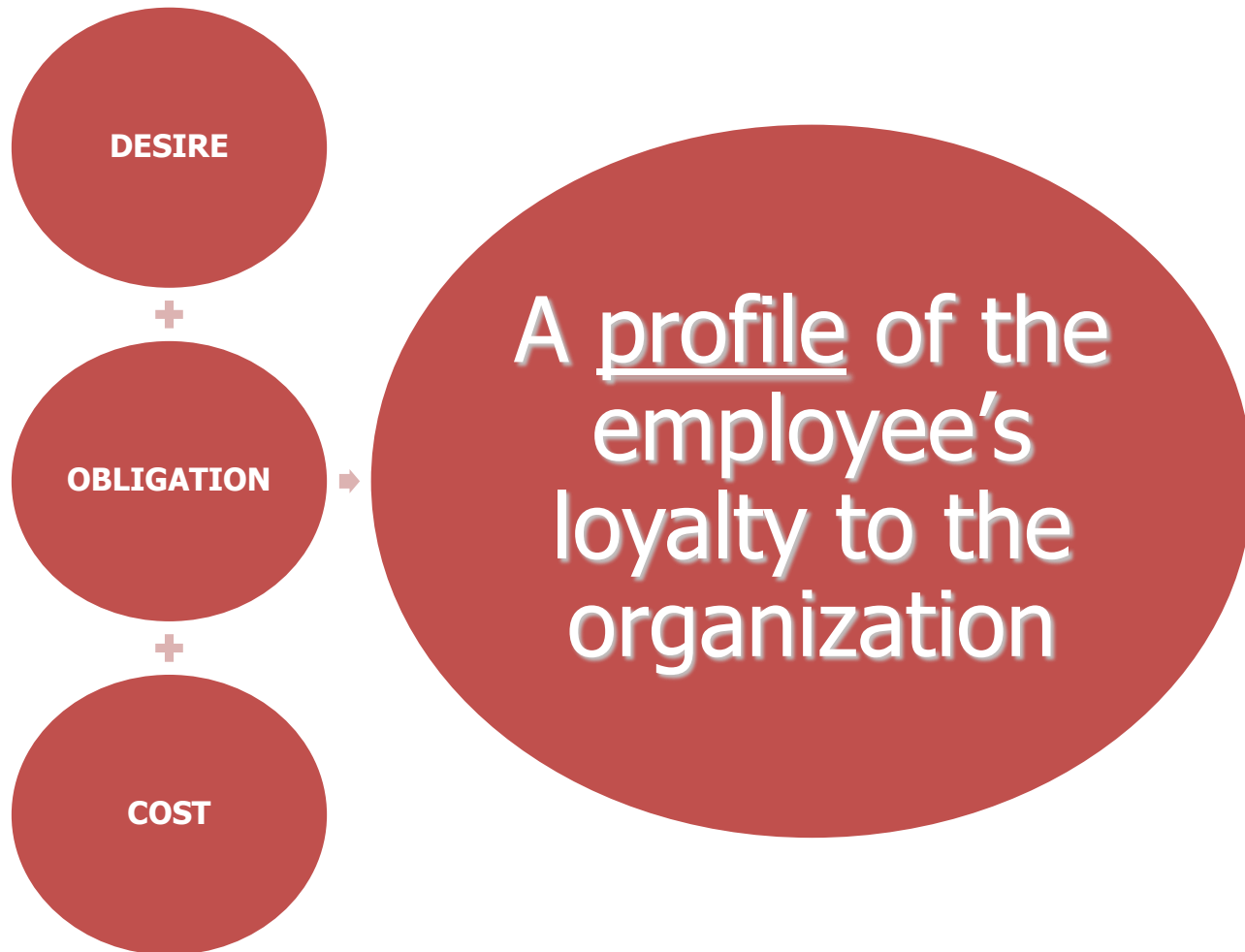
I need to stay.

Forms of commitment (continued)

↘ To summarize

- ***Affective commitment***: involvement and identification with the values of the organization
- ***Normative commitment***: feeling of moral obligation towards the organization
- ***Continuance commitment***: feeling that leaving would be too costly

State of total commitment



The multitarget perspective

↳ The multitarget perspective on commitment

- **Multiple forms** of commitment (AC, NC, CC) and **multiple targets**
- **Varied commitment profiles**
- **Basis of commitment**
- **Compatibility/conflict** among targets (distribution, intensity)
- **Entrenched targets**

Commitment targets

21



Effects of commitment

	Affective Commitment	Normative Commitment	Continuance Commitment
PERFORMANCE	+++	+	-
ABSENCES	--	-	+
COOPERATION	+++	++	--



COMMITMENT WHEN THE EMPLOYEE FIRST JOINS THE ORGANIZATION



WHAT CAN ORGANIZATIONS DO?

...during the selection process

- Avoid the organizational **seduction** process
- Avoid empty **promises**.
- Favour **realistic or semi-realistic** hiring interviews.
 - Paradox in the context of the “war for talent?” Not necessarily: consistency between what the company says and does is essential to establishing a company’s brand.

...when welcoming employees

↘ Avoid disappointment within the first few days of work!

- The supervisor is not there.
- The office/computer is not ready.
- No one knows which tasks to entrust you with.
- ...

↘ Some numbers:

- Half the time, no **written information** is provided to the employee upon hiring.
- In Canada, only 6.6% of money reserved for training activities is spent on programs aimed at welcoming new employees.



Assessing your commitment profile

Measuring affective commitment...

➤ **On a scale of 1 to 5, indicate your level of agreement or disagreement with each of the following statements:**

1. I really feel a sense of belongingness to my organization.
2. My organization means a lot to me.
3. I am proud to belong to this organization.
4. I do not feel emotionally attached to my organization. (-)
5. I do not feel like a “member of the family” within my organization. (-)
6. I take my organization’s problems to heart as if they were my own.

Measuring normative commitment...

➤ **On a scale of 1 to 5, indicate your level of agreement or disagreement with each of the following statements:**

1. It would not be morally right to leave my current organization at this time.
2. It would not be right to leave my current organization, even if it were to my benefit.
3. I would feel guilty if I left my current organization at this time.
4. I would betray the trust placed in me if I left my current organization at this time.
5. I would not feel it was right to leave my current organization at this time, even if I were offered a position in another organization.
6. I would not leave my organization at this time because I feel obligated to certain people who work there.

Measuring continuance commitment...

➤ **On a scale of 1 to 5, indicate your level of agreement or disagreement with each of the following statements:**

1. I would not want to leave my current organization because I would have a lot to lose.
2. Leaving my current organization would have more disadvantages than advantages for me personally.
3. I continue to work for this organization because I don't think any other organization would offer me the same advantages.
4. I have no choice but to remain with my current organization.
5. I am staying with my current organization because I do not see where else I could go.
6. I feel my choices are too limited to leave my current organization.



THE PSYCHOLOGICAL CONTRACT

Psychological contract

➤ What is the psychological contract?

- “An individual’s beliefs regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party. Key issues here include the **belief that a promise** has been made and a consideration offered in exchange for it, binding the parties to some set of **reciprocal obligations**.” (Rousseau, 1989, p. 123).

Psychological contract

↘ Economic versus social exchange...

- An **ECONOMIC exchange** has a specific nature and uses a formal contract to ensure both parties respect their specific obligations.
- The **SOCIAL exchange** includes unspecified obligations, that Blau (1964, p. 93) defined as: *“Favors that create diffuse future obligations, not precisely specified ones, and the nature of the returns cannot be bargained about but must be left to the discretion of the one who makes it.”*

Source : T. DULAC (2005)

Psychological contract

➤ Assessing the psychological contract

- **The psychological contract is BREACHED** when the employee perceives that the organization failed to respect one or more obligations regarding previous promises. (Morrison and Robinson, 1997).
- **The VIOLATION of the psychological contract** reflects the employee's emotional and affective responses, such as anger, anxiety or betrayal, resulting from the interpretation of a breach.

Source : T. DULAC (2005)

Psychological contract

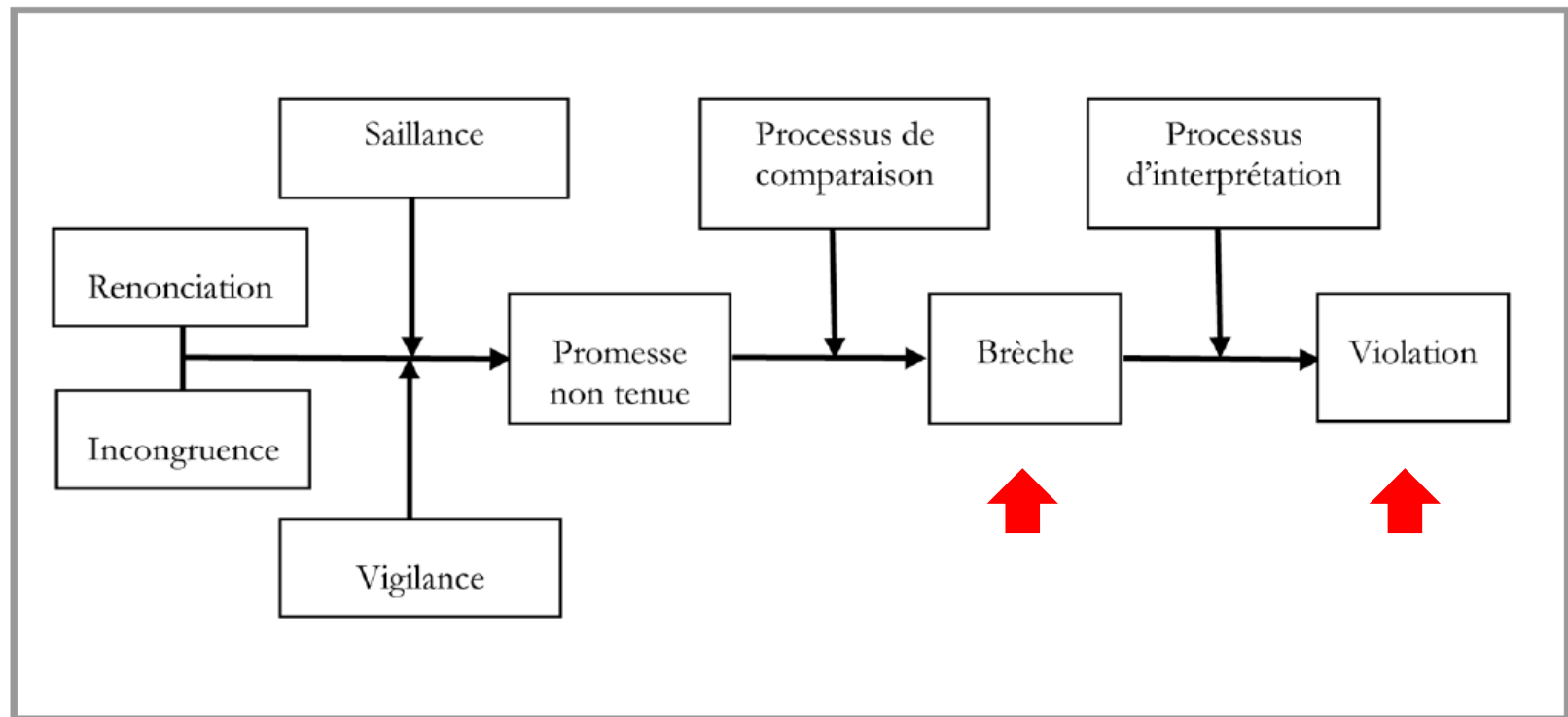
➤ The development of a breach and violation

- A **BREACH** occurs when an agent of the organization recognizes the existence of an obligation but is unable or unwilling to meet it.
- **INCONGRUENCE** occurs when the employee and the organizational agent have a different understanding of the psychological contract.

Source : T. DULAC (2005)

Psychological contract

➤ The development of a breach and violation



Source: Morrison and Robinson (1997)

Assessing the breach of a psychological contract...

➤ METHOD 1:

- **Based on my personal experience, I feel that...**
 1. I have not received everything I was promised in exchange for my contributions at work.
 2. My employer broke several promises even though I met my work obligations.
 3. My employer fulfilled the promises made to me when I was hired.

➤ METHOD 2: gap between anticipated expectations and experience (see below)



Criteria for choosing an employer

Criteria for choosing an employer

➤ Criteria for choosing an employer

1. Corporate culture
2. Career opportunities
3. Job tasks (ex.: challenges)
4. Training offered
5. Work arrangements (e.g., flexibility, balance)
6. Monetary compensation
7. Benefits
8. Location
9. Vacation times
10. Job security

Criteria for choosing an employer

➤ Criteria for choosing an employer

11. Size of the business
12. Reputation of the business
13. Skills/job balance
14. Cooperation with colleagues
15. Development of strong relationships at work (e.g., friendships)
16. Acquisition of knowledge and new abilities at work
17. Presence of challenges at work
18. Opportunity to explore and invent new ways of performing the work
19. Involvement in decision making
20. Empowerment

Criteria for choosing an employer

➤ Criteria for choosing an employer

- 21. Top-down and upward communication
- 22. Performance-based compensation
- 23. Stimulating work
- 24. Long-term job security
- 25. Maintenance of abilities
- 26. Employability
- 27. Employee initiative
- 28. Shared responsibility with regards to corporate success
- 29. Not working in a floating team
- 30. Learning opportunities

Criteria for choosing an employer

➤ Criteria for choosing an employer

- 31. Variety of activities
- 32. Warm, sociable and competent colleagues
- 33. Opportunity for rapid career advancement
- 34. Autonomy
- 35. Job title
- 36. Opportunity for travel
- 37. Corporate social responsibility
- 38. Support from the immediate supervisor

Link between criteria for choosing an employer and loyalty of new recruits...

↘ Results of a 3 year longitudinal study:

- Overall, newly hired employees experience the greatest disappointment with regards to their most significant expectations.
- Organizational commitment increases significantly among new employees who do not experience disappointment with regards to their expectations.
- Organizational commitment declines significantly among new employees who experience more disappointment with regards to their expectations.



Implementing a 4-step loyalty program

Loyalty program...



- **STEP 1: ANALYZE STAFF RETENTION**
- **STEP 2: DEVELOP AN EMPLOYEE LOYALTY PROGRAM**
- **STEP 3: IMPLEMENT THE PROGRAM**
- **STEP 4: ASSESS THE PROGRAM AND TAKE CORRECTIVE MEASURES**



THANK YOU FOR READING!!!
Contact me for any collaboration or additional information.

© Professor: Jamal BEN MANSOUR, M.Sc., Ph.D., CRHA
Email: jamal.ben.mansour@uqtr.ca
(819) 376-5011, extension 3146