

The Effect Of Psychological Contract Towards Deviant Behaviour, Employee Engagement And Employee Commitment

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Abstract: Psychological contract plays an important role in the human resource management of the organization. Development and technology can bring bright future to the organization but at the same time can disturb employee and employer relationship due to the wide use of technology replacing human labour which automatically reducing employee contribution in the work process. Therefore the purpose of this research is to measure the level of psychological contract, to determine there any relationship between psychological contract on deviant behaviour, employee engagement and employee commitment, and to examine the impact of psychological contract toward deviant behaviour, employee engagement and employee commitment among employee at MBXX. Quantitative research approach along cross-sectional research design has been used to collect 205 data from MBXX in target population through a self-administered questionnaire. The results of the current study provide empirical evidence on key issues related to psychological contract of employees at MBXX. Finding have shown, the deviant behaviour, employee engagement and employee commitment were in a high, moderate, and low level and there is positive relationship between the performance psychological contract, employee engagement ($r=0.331$), and employee commitment ($r=0.411$), while deviant behaviour is not significant ($r=-0.178$). This study also proved that psychological contract has significant effect towards deviant behaviour ($r^2=0.025$), employee engagement ($r^2=0.000$), and employee commitment ($r^2=0.00$). Conclusion, this research gives clear direction to organization the existing psychological contract employee for improvement of the deviant behaviour, employee engagement, and employee commitment at government sector or other private sectors.

Keywords: Psychological contract, deviant behavior, employee engagement, employee commitment.

Introduction

Malaysia government is very concerned about the quality of the service sector in the country. The statement had been supported by the speech from the former Prime Minister, Tun Dr. Mahathir Mohammad which launched the platform called “my Portfolio” to guide public servants in their work to improve the service quality from time to time. This platform able to help civil servants know what to do in performing their duties and parameter and the relationship between their responsibilities with other officers (Shamsul Abd Ghani, 2019). In Malaysia, the public service is found to be less service friendly and less efficient service delivery than the more customer-oriented private service. Some of the main factors that cause this to happen are lack of competition and profit motive, a little reward for success, and no negative impact on failure. Also, the large size of the organization as well as the bureaucracy and lower pay compared to the private sector has worsened (Hafiz, 2008; Imran, Ismail, Arshad, Zeb & Zahid, 2021).

Problem Statements

The psychological contract had been studied by many researchers and become a common issue in the organization. For this study, the psychological contract can be defined as to implement the concept of perceived employee obligation and inducement situation in between employee and organization this definition related to the author (Coyle-Shapiro & Conway, 2005).

Table 1.1: Country-specific psychological contract research in Asia (Kutaula, Gillani, Budhwar, 2018)

Country	Number of Studies	Rank
China	17	1
Philippines	11	3
India	15	2
Malaysia	2	7

The highest is in China with 17 studies and the lowest is in Pakistan and Singapore with 1 study only. Factor of labour market become one of the reasons why researchers more prefer to research in China compare to other countries. The Chinese labour market is getting more mature and have rapid economic growth (Lu, Shen, Zhao, 2015). Statistic from International Monetary Fund World Economic Outlook, (2019) shows China on second places in world GDP ranking followed by Japan, Germany and India. Table 1.1 discuss the review of psychological study in the Asian context, that why China become the most popular country which conducted this research scope. China can enhance their organization performance and efficiency by the result get from psychological contract research. But, if the researcher does not divert their focus

to study psychological contract not only in China, it will lead to the development of organization in order country lagging. For example in Malaysia, there are only 3 studies in psychological contract (Arshad & Sparrow, 2010; Arshad, 2016; Perera, Chew & Nielsen, 2018). Two of them discuss about psychological contract violation only one start to study psychological contract breach.

Another issue, Taiwan's Foxconn which is the successful electronics manufacturer company in China and become the major supplying products for Apple and Dell suddenly experienced a downfall in their business because of a series of 'sudden' suicides by the employee in the workplace (Peng, Wong, Song, 2016). The actual reason the 'sudden' suicides happened because of the front-line employee expect the company will treat them very well but in reality is different. As a result, employee become stress with the workload and depress with the service from the organization. Previous researcher believed this issue closely relate with psychological alienation, lack of social support and emotional exhaustion (Bloomberg News, 2012). Foxconn failed to full fill their promise to the employee.

Deviant behaviour among the public service officers become a common issue in every organization or company. Different personality of the employee will build up different character each of them and created a different relationship to the organization. The failure to having positive deviant behaviour will bring implication to the group, individual and organization itself. For example in a group, the employee will having difficulty to cooperate with the other employee but easy to create conflict among them. The employee who has negative deviant behaviour will easy to give up, suffer from stress, lower productivity and other problem related to employee efficiency.

The previous study in Indonesia, explains about their inefficiency of public organization because of the public sector organization are engaged with the organization and interpersonal behaviour especially regarding the financial and human resources (Hastuti Noor Osman Zulkarnain Lubis, 2017; Imran & Ismail 2021). Impact from that, many studies and research will consider the individual factor in deviant behaviour. In the context of Malaysia, government servant bound with 12 Cardinal Work Ethic which consists of 12 work ethic such as the enjoyment of work, the respectful personality, the obligation to carry out duty, satisfaction and talent enhancement (Abdullah & Halim, 2016). Thus, deviant behaviour most often to measure because behaviour is unpredictable and complex.

According to Lin and Lee Ping (2016), stated that one out of two Malaysian employers deemed people issues as the top business challenge, emphasizing on the need for employee engagement to propel Malaysia to a high-income status. Figure 1.1 shows the statistic and trend of employee engagement from 2017 to 2018 in seven countries in Asian.



Figure 1.1: Trend in Global Employee Engagement Report, 2017-2018 (AON Corporation, 2017-2018)

The statistic from Trends in global employee engagement report 2018, shows Malaysia's employee engagement slowly improve in 2018 which is 63 per cent compare to 2017 which is 59 per cent or in other words among the worst in Asia. Despite the improvement by 4 per cent, but by ranking Malaysia still in worst places compare to other Asia country. For example, Indonesia, India and the Philippines already archive the good zone in the statistic. If Malaysia still on their comfort zone with the same pattern, maybe this will bring effect to the organization and employee itself. Low employee engagement discover many challenges to the organization which can lead to company downfall.

On the other side in employee commitment, the employee will cover either in emotional attachment, psychometric properties and service performance outcomes (Fayyazi & Aslani, 2015). The point when the employee capable to explore the meaning in their assigned role, they will bring their entire self, shows their full potential and act in a committed manner to materialize organization goals. Same like deviant behaviour and employee engagement. Employee commitment was also important to predict the tendency of an employee to leave the firm or improve their work performance (Gordon, 2020). The previous study in Nepalese Banking Industry and also banking sector of Pakistan, explain where they facing difficulty to maintain and retain the employees due to the shifting from manual technology to the computerized internet banking system (Gautam, 2017; Imran et al, 2021). Banking industry switch their concentration on valuable resources than manpower to increase performance and productivity. This situation like similar with Malaysia industry today. Employer enthusiasm to Industry 4.0 can affect their relationship with an employee if they move to drastic changes in the organization without considering the central issue to satisfy all employee. Even though,

some machine and technology is no manpower but in term of practical teaching, evaluation employee performance and human resource practice still demand for high manpower.

Working with citizen will experience the employee with a variety of human behaviour and level of satisfaction on their service efficiency parallel with Shared Prosperity Vision 2030. Thus, to achieve their goal as the city council they should have strong cooperation in each department. They need to have strong bonding in between employee and employer to influence them in positive behaviour and working environment. Measuring psychological contract help toward encouraging deviant behaviour, employee engagement and employee commitment which related to create a strong and positive relationship among the employees (Aliyu, 2019). The main burning issue on the psychological contract is to share mutual agreement between employees and their organization that are built on a set of shared values, mission or purpose the organization is believed to strive for (Thompson and Bunderson, 2003). Thus, this study focuses on determining the relationship for three variable such as deviant behaviour, employee engagement and employee commitment.

Research Objectives

- (i) To measure the level of psychological contract among employees at MBXX
- (ii) To determine is there any relationship between psychological contract towards deviant behaviour, employee engagement, and employee commitment among employees at MBXX
- (iii) To examine the effect of psychological contract towards deviant behaviour, employee engagement, and employee commitment among employees at MBXX

Literature Review

According to Sebastian and George (2015), defined it as simply a reciprocal relationship in which one person gives his services and receives some benefits as the result of his services. According to Kutaula (2019), in the context of Asia, psychological contract research mostly focused on understanding employee relationships in the Western organization but it changes after Asia appears as a significant economic area two-third of global growth. Different for Coyle-Shapiro & Conway (2005), they more toward defining psychological contract by conceptual distinctiveness of the psychological contract and perceived organizational support (POS).

- (a) Inducement. Inducement is payments by the organizations to participants, independent of utility. The organization was seen as an exchange system in which inducements are exchanged for work. The employee will remain and stay in the organization if they perceive the inducement as more extensive than their work contribution. From a previous study, the higher the perceived employer inducement, will cause an increased level of perceived

organizational support but lower the perceived employee obligation (Coyle-Shapiro & Conway, 2005).

- (b) **Obligation.** Perceived employee obligation is one of the employment relationships which examined considered the employee side of the exchange relationship. Employer obligations include two aspects. First, involving in the delivery of inducements such as competitive compensation, support, and developmental opportunities. Second, involving behavioural contributions such as performing job duties, accepting new roles, and assisting co-workers. Besides, the level of obligation can be measure in which the employee and employer feel obligated to fulfil particular terms of the contract.

Deviant behaviour

According to Griffin and Lopez (2005) deviant behaviour is a kind of behaviour in which employees deliberately violate the norms of the organization. Other researchers like Bennett and Robinson (2000), describe deviant behaviour both in terms of organizational deviance and interpersonal deviance while Wu, Zhang, Chiu, Kwan, He (2014) only focusing on one aspect. Deviant behaviour also involving voluntary behaviour among employees who either lack of motivation to comply or are motivated to violate social norms (Bennett and Marasi, 2015).

- (a) **Interpersonal.** Interpersonal deviant is a destructive action that originates from employees or directed against fellow employees in the first instance (Lucky and Henry, 2018). This type of deviant more focusing on deviant acts directed towards individuals within the organization, such as coworkers, managers, and subordinates. According to Corina, Magley, Wiliam, and Langhout (2001), interpersonal deviant has detrimental consequences for both target individuals and organizations because it is associated with lower psychological well-being and increased stress. The negative interpersonal behaviour and conflict will associate positively with reduced information-sharing and task performance.
- (b) **Organizational.** According to Neves (2016), organization deviant is defined as voluntary actions that violate significant organizational norms as prescribed by formal and informal policies, rules, and procedures that will threaten the well-being or reputation of the organization itself or its members. This type of deviant is directed and targeted on an organization such as lying, stealing, voluntary absenteeism, sabotage, fraud, corruption, and violence in the workplace. Past researchers found out that a significant percentage of employees have engaged in, involve, or been one of the victims of organization deviant.

The previous study, Hastuti, Noor, Osman, Zulkarnain Lubis (2017), mention that it is the importance of considering personality traits during employee recruitment processes to minimize deviant workplace behaviour. According to Abdullah and Halim (2016), the productivity of an organization is closely linked to the hard work of its members. The negative work behaviour that happens in an organization will result in a decrease in productivity, and the long run will harm the organization. The negative work behaviour can destroy the future of

an organization if not prevented. According to Malik, Bakri, Ajmal, Malik (2019), there is a positive relationship between breach of psychological contract and deviant workplace behaviour towards organizations. When employer/boss of any organization does not fulfil the promises/agreement, he has made with employees get annoyed and aggressive, and resultantly they perform such activities that are harmful not only for the organization but for other employees as well.

Several studies by Yildiz (2019), Azim, Hassan, Zaid & Daud (2020), Itzkovich & Heilbrunn, (2016), Kurt and Demirbolat (2019), and Biswas (2016) showed that there is a positive relationship, as well as significant effect between psychological contract and deviant behavior.

According to Kahn (1990), engaged employees to represent him/herself emotionally, physically, and cognitively through his/ her job performance. This about similar with (Truss, Katie, Soane, Emma, Edward, Christine Yvonne, Wisdom, Karen, Croll, Adrew and Burnnet, Janie, 2006) opinion which explain in term of passion toward work. Emotional and cognitive (intellectual) commitment and viewed as a sign of engagement (Baumruk, 2004; Richman, 2006). According to Schaufeli, Salanova, Gonzalez-roma, and Bakker (2002), employee engagement related to the energetic and effective connection among employees with their work activities and at the same time build their ability to deal with the demand of the job.

- (a) Vigour. Vigour refers to the employees displaying elevated levels of energy and resiliency in the workplace and the willingness to invest effort (Shaufeli & Bakker, 2004). A previous study found that employees with higher levels of involvement in an organization's goal-setting process will have higher vigour engagement scores than employees with lower levels of involvement in their organization's goal-setting process (Reed, 2016).
- (b) Dedicational. Dedication refers to being invested in and feeling a sense of pride in one's work and feeling inspired or challenged (Shaufeli & Bakker, 2004). A previous study, states that employees with higher levels of involvement in an organization's goal-setting process will have higher dedication engagement scores than employees with lower levels of involvement in their organization's goal-setting process (Reed, 2016).
- (c) Absorption. Absorption is described by being fully engrossed in one's job such that time often passes by quickly and having trouble detaching oneself from their work (Shaufeli & Bakker, 2004). From a previous study, mention that employees with higher levels of involvement in an organization's goal-setting process will have higher absorption engagement scores than employees with lower levels of involvement in their organization's goal-setting process (Reed, 2016).

The concept of engagement is generally related to positive organizational behaviour. There are four conclusions related to work engagement that found from the previous study (Soares and Mosquera, 2019). First, the higher the extent to which employees experience a relational

contract, the higher their work engagement. Second, the higher the extent to which employees experience a balanced contract, the higher their work engagement. Third, the higher the extent to which employees experience a transactional contract, the lower their work engagement. Fourth, the higher the extent to which employees experience a transitional contract, the lower their work engagement. According to Thampi (2020), there is a positive relationship between employee engagement and the psychological contract. The results show that there is a significant positive relationship between the psychological contracts (transactional contract, relational contract, employer obligation, employee obligation) with employee engagement. Long term contract or relational contract is more predicted behaviour to exhibit employee engagement. Thus, a firm should try to ascertain long term psychological or relational contract fulfilment of employees to enhance the level of employee engagement.

Several studies Thampi (2020), Lin and Lee Ping (2016), Soares and Mosquera (2019), Naido, Abarabtyne, and Rugimbana (2019), and Rai & Agarwal (2017), showed that there is a positive relationship, as well as significant effect between psychological contract and employee engagement.

From a previous study, Gould-Williams (2007) found that employee commitment is a set of behavioural intentions, a motivating force, or an attitude, influences many behavioural outcomes. According to Allen and Meyer (1990), employee commitment divided into three dimensions which are affective commitment (feeling-based), normative commitment (obligation-based), and continuance commitment (cost-based). Affective commitment proved as the most robust commitment construct compare the others to understand employee behaviour

- (a) Effective. Affective commitment is about emotional attachment and organizational involvement (Nawaz, Usman, Qamar, Nadeem, and Usman, 2020). It is the extent to which employees feel to have emotional linkage, identification, and involvement with their current organization and consequently develop the desire and the need to remain in the organization (Mouhamadou, 2015).
- (b) Continuance. Continuance commitment is about the perceived cost of leaving the organization (Nawaz, Usman, Qamar, Nadeem, and Usman, 2020). Employees will experience when they feel they cannot leave their jobs because they have no other options. This is manifested when an individual maintains a commitment to the organization because he or she is unable to match salary and benefits with another employer (Chung, 2013).
- (c) Normative. Normative commitment is about the sense of obligation to stay within the current organization (Nawaz, Usman, Qamar, Nadeem, and Usman, 2020). It is associated with an employee's personal feelings of the necessity to reciprocate a good deed accorded to him or her by the employer (Mouhamadou, 2015).

The relational component of psychological contracts plays a significant role in developing strong employer-employee relationships and reducing employee intentions to leave the organization (Behery, Abdallah, Parakandi, and Kunkunuru, 2016). Employees' affective organizational commitment was found to fully mediate the negative relationship between generalized reciprocity and turnover intentions and fully mediate the positive relationship between negative reciprocity and turnover intentions (Quratulain, Khan, Crawshaw, Arain, & Hameed, 2018). Psychological contract congruence and distributive justice interact to explain variance in both affective commitment and occupational commitment. As a result, employees' and employers' mutual expectations, as well as justice perceptions in the allocation of resources, shape everyone's future in the organization as well as their professional paths (Kim, Laffranchini, Wagstaff, and Jeung, 2017).

Several studies Gautam (2017), Nawaz, Usman, Qamar, Nadeem, and Usman (2020), Gupta, Agarwal & Khatri (2016), and Moodley (2019), showed that there is a positive relationship, as well as significant effect between psychological contract and employee engagement

Research Methodology

In this study, quantitative method will be applied and conducted in order to identify the effect of psychological contract towards deviant behaviour, employee engagement, and employee commitment at MBXX Data for this study was obtained from the employees of MBXX There are 149 local government in Malaysia for every state which had divided into the city council, municipal council and district council. Iskandar Puteri, which is located in Johor Bahru district and well-known as Malaysia's third-largest urban agglomeration, was selected as the target population. As a result, adequate data can be collected for analysis with minimum utilization of resources. MBXX has 10 departments and more than 20 divisions.

The data being analyses using reliability and validity assessment. Both are the most important and fundamental aspect of the evaluation of any measurement instrument or tool for a good result in research (Imran, Arshad & Ismail, 2021). According to Altheide and Johnson (1994), reliability illustrates the stability of findings while validity representing the truthfulness of findings. IBM Statistical Package for Social Science (SPSS) Version 25 was used to analyze the data collected from the survey in this study. First, the reliability test was conducted by using SPSS software analysis to ensure the quality of data in this study. Next, a few tests were conducted through descriptive analysis to get the mean, variance, variance, and standard variance for each variable to measure the level of psychological contract among employee at MBXX While on the other hand, to determine is there any relationship between psychological contract on deviant behaviour, employee engagement, and employee commitment, the study using Spearman correlation.

Results and Discussion

In this research, there is total 254 survey questionnaires were distributed to the respondents through Google Form and by hand. Fortunately, there were 205 respondents participated in this research, which achieved less than the expected sample size number that have been set by Krejcie & Morgan (1970)'s table. Various response facilitation methods were also applied in addition to enhancing the response rate of this survey. The prominent one was timing (preliminary and follow-up efforts) and approached such as the length of items, the order of instruments and anonymity. A response rate above 50% is acceptable in business and behavioural sciences research (Saunders et al., 2016). Therefore, the return rate of this research was 80.71%.

When the data had been key in SPSS software, the process of data cleaning as undertaken to detect the error in data (Kumar, 2019). As a human, it is very easy to make mistakes when entering data. The cleaning process in research is very important to make sure the data able to use for the next analysis step. Thus, before starting to conduct the analysis, spend the time checking for the mistakes initially rather than trying to repair the damage later. Data cleaning and data screening include missing data, normality, linearity, outliers, multicollinearity and homoscedasticity. Based on the result in

Demographic Analysis of Respondents

The characteristics of the respondent based on the demographic information including gender, age, race, marital status, education, experience, job status and department. From 205 valid respondents, 104 were males (50.7%), and 101 were females (49.3%) which also shows the value is quite balance even though males employee become the highest value. Data form Department of Statistic Malaysia 2019, mention that the employment to population of male is 80.8% while females only 55.6%. In term of race group, the majority of respondents is Malay with (97.6%), followed by Indian (2.0%) respondents and Chines with (0.5%) respondents. Malay respondents become the majority as the community of MBXX also consists of Malay employees. Malaysia's population in 2020 is estimated at 32.7 million and Bumiputera recorded (69.6%) compared to Chinese (22.6%), and Indians (6,8%) (Department of Statistic Malaysia, 2020).

With regard to education (32.7%) respondents have diploma, (42.4%) have degree, (2.0%) have master, (1.0%) respondents have polytechnic certificate, (2.4%) respondents have STPM and (19.5 %) respondents have SPM. The minimum education level of government employee in service sector is either diploma or SPM but depends also on their employment grade (Public Service Commission of Malaysia, 2020). Job-status also was included in the demographic part. Based on the result, (77.6%) is a permanent employee, (19.5%) is a contract employee and only (2.9%) is a student who was having their industrial practical. According to the survey by HR Asia (2019), employers in Malaysia have greatest rise of non-permanent staff for a purpose (11 per cent in 2018 to 28 per cent in 2019). But this value cannot bet the percentage of permanent employee in MBXX.

Objective 1: The first objective for this research is to measure the level of psychological contract among employee at MBXX Hence, descriptive analysis was conducted in SPSS in order to obtain the data and achieve the objective.

Table 4.2: Level of Psychological Contract

Level	Frequency	Percentage (%)
High	144	70.2
Moderate	61	29.8
Low	0	0
Total	205	100.0

The study use frequency, mean score and percentage to be more cleared. Based on Table 4.2 , most of the respondents are having a higher level of the psychological contract of their companies because the value of 3.00 that indicated a high level of psychological contract scored the highest frequency with 144 respondents. Meanwhile, the moderate level becomes the second higher value with 61 respondents. There is no low level in this case. Grimmer and Oddy (2007), describes the psychological contract as, individual personal beliefs regarding the specific provisions of the employment exchange relationship between the individual and his organization. The psychological contract in this research is about to implement the concept of perceived employee obligation and inducement situation in between employee and organization (Coyle-Shapiro and Conway, 2005).

Objective 2: The second objective is to determine is there any relationship between psychological contract on deviant behaviour, employee engagement and employee commitment among employee. To know the relationship between the variables, the researcher has used the Spearman correlation. Spearman correlation test was used as the p-value (Sig.) of all items has mix value or not consistent, which there is below 0.05 and above 0.05.

Table 4.3: Correlation coefficient of Psychological Contract towards Deviant Behaviour

			Deviant Behaviour	Psychological Contract
Spearman's rho (r_s)	Psychological Contract	Correlation Coefficient	-0.178**	1.000
		Sig. (2-tailed)	0.11	
		N	205	205
	Deviant Behaviour	Correlation Coefficient	1.000	-0.178**
		Sig. (2-tailed)		0.11
		N	205	205

Based on Table 4.3, the relationship between psychological contract and deviant behaviour by using the Spearman correlation test. The Spearman's correlation coefficient shows a negative relationship and negligible relationship between psychological contract and deviant behaviour which is -0.178. In addition, the value of p (0.11) which is shown as Sig. in the table is more than 0.01. Therefore there is no significant relationship between variables more than 0.01 level of significance. These findings were not equal with the previous study Fayyazi and Aslani (2015), Kaul and Kaul (2017), Malik, Bakri, Ajmal, Malik (2019), Yildiz (2019), Azim et al., (2020), Al-Abrow, Alnoor, Ismail, Eneizan & Makhamreh (2019), Saba, Ashfaq & Ali (2019), Pada & Kismono (2020), Aliyu (2019), and Hussain, Gul, Usman, Islam (2016) which indicated that deviant behaviour was associated with the psychological contract. This study has shown that deviant behaviour was not directly influenced by the psychological contract. The implementation does not depend on the interpersonal and organizational elements in the context of behaviour. One of the factor that make this happened is because of abnormal psychology. Abnormal psychology is a division of psychology that studies people who are "abnormal" or "atypical" compared to the members of a given society in terms of culture, context and situation, historical context, age and gender (McLeod, 2018).

Table 4.4: Correlation coefficient of Psychological Contract towards Employee Engagement

			Employee Engagement	Psychological Contract
Spearman's rho (rs)	Psychological Contract	Correlation Coefficient	0.331**	1.000
		Sig. (2-tailed)	0.000	
		N	205	205
	Employee Engagement	Correlation Coefficient	1.000	0.331**
		Sig. (2-tailed)		0.000
		N	205	205

Based on Table 4.4 the relationship between the psychological contract and employee engagement by using the Spearman correlation test. The Spearman's correlation coefficient shows a positive relationship and weak relationship between psychological contract and employee engagement which is 0.331. In addition, the value of p (0.00) which is shown as Sig. in the table is less than 0.01. Therefore there is a significant relationship between variables at 0.01 level of significance. These findings was equally with the previous study Lin & Lee Ping (2016), Rahman et al., (2017), Soares and Mosquera (2019), Naido, Abarabtyne & Rugimbana (2019), Thampi (2020), Isaac & Mohan (2020), Gordon (2020), and Mentari & Ratmawati (2020), which indicated that employee engagement was associated with the psychological contract. This study has shown that employee engagement was directly influenced by the

psychological contract. The implementation of is depends on the vigour, dedication and absorption elements in the context of engagement.

Based on Table 4.5, the relationship between the psychological contract and employee commitment by using the Spearman correlation test. The Spearman's correlation coefficient shows a positive relationship and moderate relationship between psychological contract and employee commitment t, which is 0.411. Besides, the value of p (0.00), which is shown as Sig. in the table is less than 0.01. Therefore there is a significant relationship between variables at 0.01 level of significance. These findings were equally with the previous study Behery, Abdallah, Parakandi and Kunkunuru (2016), Gautam (2017), Anggraeni, Dwiatmadja & Yuniawan (2017), Nawaz, Usman, Qamar, Nadeem & Usman (2020), Nor, Mohamed, Mohamed & Hassan (2020), Kamau Maranga & Mugambi (2020), Estreder, Rigotti, Tomás & Ramos (2020), Ali, Mehta, Sair, Bilal & Kaleem (2020), which indicated that employee commitment was associated with the psychological contract. This study has shown that employee commitment was directly influenced by the psychological contract. The implementation of is depends on the affective, continuance and normative elements in the context of commitment.

Table 4.5: Correlation coefficient of Psychological Contract towards Employee Commitment

			Employee Commitment	Psychological Contract
Spearman's rho (r_s)	Psychological Contract	Correlation Coefficient	0.411**	1.000
		Sig. (2-tailed)	0.000	
		N	205	205
	Employee Commitment	Correlation Coefficient	1.000	0.411**
Sig. (2-tailed)			0.000	
N		205	205	

Objective 3: The third objective is to examine the effect of psychological contract toward deviant behaviour, employee engagement and employee commitment as shown in table 4.6.

a) Results of regression analysis between psychological contract and deviant behaviour show the p-value is 0.025 which is less than 0.005. So, deviant behaviour is significantly effect on the psychological contract. According to Alias, Wai, Ahmad & Azim (2018), found out that the study expanded the knowledge base with empirical evidence about the organizational-related factors that influence deviant behaviour. Deviant behaviour cannot be fully eradicated, but at the same time, can be controlled with suitable measures being taken. At the same time, psychological contracts become partially mediate in the relationship between organizational

trust and deviant behaviour (Azim, Hassan, Zaid and Daud, 2018). This means that psychological contract is an important factor in reducing deviant behaviour.

b) Result of regression analysis between psychological contract and employee engagement show the p-value is 0.000 which is less than 0.005. So, employee engagement significantly effects on the psychological contract. According to Thampi (2020), the engagement level will be higher when a relational contract is fulfilled. The employee engagement has significantly predicted organizational commitment. The relationship between engagement and commitment had been explained using social exchange theory in which the employees involve themselves in their roles at varying degrees depending on the resources they receive from the organization (Lin & Lee Ping, 2016).

Table 4.6: Test Statistics

	Deviant Behaviour	Employee Engagement	Employee Commitment
Kruskall-Wallis H	29.223	9.360	20.158
Df	3	3	3
Asymp.Sig	0.000	0.025	0.000

c) Shows the result of regression analysis between psychological contract and employee commitment show the p-value is 0.000 which is less than 0.005. So, employee commitment significantly effects on the psychological contract. The relational component of psychological contracts plays a significant role in developing strong employer-employee relationships and reducing employee intentions to leave the organization. The company may consider building an ethical work climate if they want to promote employees' affective commitment and proactive customer service performance and curtail reward system politics (Lau, Tong, Lien, Hsu, Chong, 2017).

Based on the analysis outcome from Spearman's correlation coefficient and Kruskal-Wallis test, it can be concluded that the psychological contract has positive relationship and significant effect towards the deviant behaviour, employee engagement, and employee commitment. The result can be supported with past study by Kutaula (2019), in the context of Asia, psychological contract research mostly focused on understanding employee relationships in the Western organization. Still, it changes after Asia appears as a significant economic area two-third of global growth. The changes in psychological contracts have occurred from the 20th century to the 21st century, followed by the changes in today business landscape. In the 20th century, the issue was about the organization promising to the employee, such as job security, opportunities of promotion, pension vesting, and other privileges (Torres-coronas &

Arias-oliva, 2008). But today, the globalization and technological aspect has driven the employment relationship in the new economy different from the previous situation. Most employees appear to have developed a positive psychological contract even though some employees having discord in the employment relationship (Naido, Abarabtyne, and Rugimbana, 2019).

Conclusion

In In conclusion, the objective and hypothesis in this research were answered well by the overall result and findings. The purpose of this study to measure the level of the psychological contract, to determine is there any relationship between psychological contract on deviant behaviour, employee engagement, and employee commitment and to examine the effect of psychological contract towards deviant behaviour, employee engagement, and employee commitment.

The outcome of the result has shown that employee engagement and employee commitment have a positive correlation with psychological contract except for deviant behaviour. But, deviant behaviour, employee commitment, and employee engagement is significantly effect on the psychological contract. From that, we can conclude that psychological contact plays an important role in employee engagement and employee commitment of the employee. This research was conducted on the Iskandar Puteri City Council located in Skudai of Johor, therefore this study expected to help them improve the relationship of employee and employer among them. It was very important to an organization to have a good relationship between employee and employer because the success of their relationship will contribute many goals for the organization.

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