

## Psychological Contract Perspective on Organizational Citizenship Behavior and Its Effect on Employee Turnover Intention

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**[Abstract]** The Psychological contract is one of the vital aspects in determining the relationship between employer and employee; however, digital transformation has resulted in dearth of talent in organizations and, furthermore, an increase in employee turnover intentions, which is very expensive to any organization. The insurance sector is not an exception to it. The current study aims to examine the relationships between psychological contract (PC), organizational citizenship behaviour (OCB), and employee turnover intention (ETI), so as to develop inquisitiveness among managers in the insurance sector regarding the variables used in the study and to provide them with the implications to increase PC fulfilment, OCB, and to diminish their turnover intentions. A sample of 667 full-time employees from the Indian General Insurance Industry were selected; a linear structural equation model (SEM) was developed to examine the relationships. The results demonstrate significant positive relationship between PC and OCB and a negative relationship between PC and ETI and OCB and ETI. The study recommended organizations and their executives induce efforts to fulfil the PC of their employees and enhance OCB to retain the employees for longer duration.

**[Keywords]** employee turnover intention, Indian insurance industry, organizational citizenship behavior, Psychological contract and structural equation modelling

### Introduction

Statistics pertaining to turnover intention in the insurance sector specify that if an employer disregards and overlooks the employees, 40% of them will intend to leave, and if the employer only emphasizes the employee's mistakes, 120% of them will leave (Rawal, 2015). Turnover intention has been generally termed as a degree of estimated workplace turnover (Bigliardi et al., 2005; Price, 2001; Memon et al., 2016) and explains turnover intention as employees' will to readily and permanently withdraw from their contract of employment. A high level of employee turnover is expensive for any organization in regard to its adverse effects on the organization's overall success and effectiveness (Holtom et al., 2005; Zheng & Lamond, 2010; Anvari et al., 2014; Han et al., 2016;). Furthermore, there is panic among organizations when losing extremely skilled and talented employees, whereas employees who stay with the organization might just be there because they have not been able to secure a job somewhere else (Juhdi et al., 2013; Tanova & Holtom, 2008; Nadiriand Tanova, 2010). Losing skilled and talented employees can adversely affect the competitiveness of the organization, leading to lower morale and a decrease in efficiency and value of its output (Duxbury & Halinski, 2014; Juhdi et al., 2013; Holtom & Burch, 2016). In this globalization era, economy compelled by technology, the realisation of mutual obligations by the employee and the employer is fundamental to the sustainability of the organization.

The psychological contract is one of the vital aspects in determining the relationship among the employer and the employee (Rousseau et al., 2004). It actually serves as the basis for how an individual employee considers and respects the reciprocal contributions to the association with the employer in employment tenure (Coyle-Shapiro & Kessler, 2000), and it forms the basis of alleviating an employee's inclination to the company and, by this means, lowers the risk of disappointment and turnover (Shore

& Tetrick, 1994). Employees in the insurance sector have to cope with high pressure put forth by their supervisors due to tough competition and high sales targets. Conferring to the study Rawal (2015) highlighted that there is lack of certain crucial elements in the private insurance sector, like a sense of being taken care of by the employer and acknowledgement and appreciation that helps in elevating the employee's confidence. This attainment gap due to un-fulfilment of mutual obligations leads to high turnover intentions (Sejts & Crim, 2006). Turnley and Feldman (2000) have proved that when employees feel greater satisfaction at the workplace, they are likely to get retained with the organization and have faith in the organization only when their psychological contract is fulfilled. Alessandri et al. (2018) anticipated that a subsequent boost in psychological capital leads to an increase in employee engagement, which successively increases employee performance. Furthermore, it was also confirmed, eventually, that employee engagement acts as a mediator between psychological capital and employee performance. Psychological capital, including trust, resilience, value, and hopefulness, is an optimistic state related to performance, attitude, and behaviors. In contrast, when there is a breach of the psychological contract, employees are anticipated to perform inadequately, be involved in exploring jobs, and reducing their positive behavior, like OCB (Robinson & Rousseau, 1994). There is significant negative association between the psychological contract (PC) of the employee and employee turnover intention (ETI) (Shu-hsien Liao et al., 2016).

Furthermore, Alessandro Lo Presti et al., (2019) recommended that balanced and the relational psychological contract is positively associated with OCB and is a true determinant of OCB. Employers must pay attention and show their concern in the content of PC and the attitudes of their employees regarding career and job prospects, as they affect their readiness to demonstrate OCB, which further enhances their bond with the organization and leads to reduced employee turnover intention. OCB is described as a discretionary behavior of an individual, free and voluntary, not obligatory by the requirements of the job specifications. Explicitly, it does not receive any incentive or reward formally from the system, but its effectiveness, overall, fosters the growth and development of the organization (Podsakoff et al., 2000). Research has specified that OCB plays a crucial role among employees' intention to continue with the current organization; they continue displaying OCB until the situation changes (Bolino et al., 2015). Hence, procuring talented people and retaining them has been an important matter of concern and a challenge for the employer. This implies the need to examine the influence of OCB on employees' intention to continue with the current organization. Wang et al. (2017) affirmed that, based on their study, employee turnover intentions are negatively linked to OCB. In the service industry, impulsive and cooperative behavior of employees like OCB is crucial, which is only possible when there is fulfilment of mutual obligations between the employee and the employer leading to a strong emotional bond.

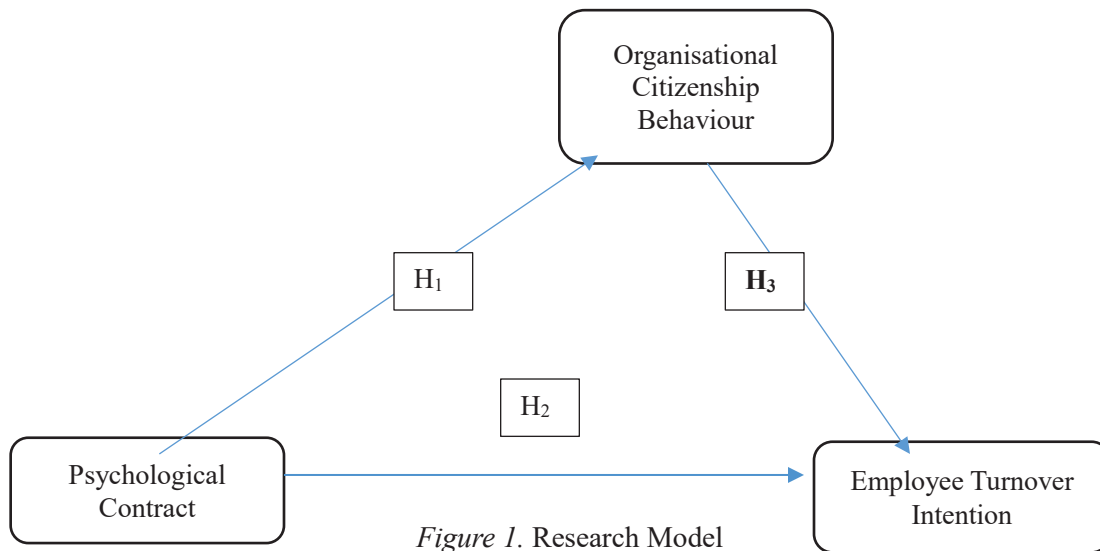
The novelty of this paper entails studying the relationship between PC and OCB and its influence on employee turnover intention in the insurance sector. There is a scarcity of studies and investigation of PC, OCB, and ETI, specifically in the insurance sector, in spite of the high probability of its implications for both employees and employers. Turnley and Feldman (2000) revealed that PC fulfilment leads to greater job satisfaction for the employees, willingness to remain with the organization and trust the employer. On the contrary, when there is PC violation, employees have a propensity to execute tasks poorly, involve themselves in job hunt activities and restrain themselves from productive and positive behavior such as OCB (Robinson & Rousseau, 1994). Lo and Aryee (2003) recommended that the PC breach has a direct and positive association with turnover intention. Furthermore, to cope with the challenges ahead in this sector, strategic dealing with employee-employer relationship is deliberated as the only solution (Cheng et al., 2020; Javed et al., 2017). Moreover, theoretical foundation and reinforcement on examining the nexus between PC, OCB, and ETI also complements the exclusivity of this study. Based on the above-stated research problem of the study, the following cited research question is addressed: *"What is the relationship between the PC, OCB, and ETI for the employees working with the private sector insurance companies?"*

The current study intends to examine these relationships to develop inquisitiveness among managers in the insurance sector regarding the variables used in the study and to provide them with the implications to increase PC fulfilment, OCB, and to diminish their turnover intentions. This study will help to consider how PC helps in enhancing OCB and reducing ETI, and it can illuminate insights to managers on coping

with heavy sales pressures while simultaneously motivating employees to achieve them. The subsequent section presents an exhaustive literature review of PC, OCB, and ETI, which will help in structuring a hypothesis for this study. Succeeding sections include the research methodology is deliberated in another section followed by data analysis, results, findings, conclusion and managerial implications.

### Literature Review, Hypothesis Development and Research Model

The key purpose of this study was to investigate the relationship between PC, OCB, and ETI in the private insurance sector in India. In conformity with the research objective, the research structural diagram was developed as shown in Figure 1.



The following framework displayed in Figure 1 is examined in the research paper.

Numerous researchers have even argued that research on PC fulfilment and its subsequent outcomes have been represented (Conway & Coyle-Shapiro, 2012). Researchers have recommended that fulfilment of PC is a significant antecedent of extra-role behavior, such as OCB, in the workplace (Chang et al., 2013). Ifzal Ahmad and Mueen Aizaz Zaffar (2018) revealed that fulfilment of PC has a direct and positive influence on perceived organizational support and OCB. Also, the partial mediation effect of POS is confirmed between PC and OCB in the study. Alessandro Lo Presti et al. (2019) recommended that balanced and a relational psychological contract is positively associated with OCB and is a true determinant of OCB. Employers must pay attention and show concern in the content of PC and the attitudes of their employees regarding career and job prospects, as they affect their readiness to demonstrate OCB.

One of the main antecedents of organizational success and a key challenge of the service industry is the quality of delivery service (Ma & Qu, 2011). Employees in the service sector have to interact with three different categories of people: colleagues, customers, and supervisors (Ma & Qu, 2011). Extreme uncertainty, fluctuations in seasonal demands, and varied needs of the customers are some of the important features of the service industry (Raub, 2008). In this situation, significance of extra-role behavior, which is beyond the formal requirement (OCB), increases the probability of meeting such challenges (Ozduran & Tanova, 2017).

As demonstrated and confirmed by the existing literature and previous studies, PC fulfilment is directly and positively associated with OCB: the higher the extent of PC fulfilment, the greater is the display of OCB in the organization. As per the arguments presented above, we propose the first hypothesis of the study as follows:

*Hypothesis 1 (H1): There exists a significant influence of the psychological contract on organizational citizenship behavior for employees working in the private general insurance sector.*

Moreover, existing literature reveals a positive association between the breach of PC, PC violation, and employee intention to leave (Guzzo et al., 1994; Tekleab et al., 2005). Also, a study by Turnley and Feldman (2000) proposed that violation of PC is positively associated with an employee's intent to involve themselves in job-search activities. Turnley and Feldman (2000) hypothesize that violation of PC leads to employees' intention to leave instead of resulting in negligence of the job role and responsibilities, since employees are not prone to adverse consequences for job-search activities but would have to bear negative repercussions for neglecting their employment obligations. Rosalie Van Stormbroek and Rob Blomme (2017) explained that PC fulfilment is a significant influencer and determining factor for both turnover intention and the intention to work independently. Cathy et al. (2019) proposed that challenging job tasks that increase responsibility, self-sufficiency and opportunity to develop and utilize skills and abilities is significant.

Sawatzky et al. (2015) likewise recognized responsibility and job control as a prime influencing component in the prediction of employee retention. Employees specifically seek out tasks and job role responsibilities in which they can experience increased control and autonomy in the workplace. The existing literature on the psychological contract revealed that employees value skill advancement opportunities, challenging job tasks, a social environment in the workplace, monetary rewards, and work-life balance (Carter & Tourangeau, 2012; DeVos & Maganck, 2009). As far as PC is concerned, non-fulfilment of employer obligations leads employees to reduce their contribution and commitment, and it increases their turnover intentions (Rousseau, 1989; Robinson et al. 1994; Turnley & Feldman, 2000). When employers are unable to exhibit their obligations, employees feel a violation of PC (Morrison & Robinson, 1997).

On the contrary, a strong feeling of PC fulfilment results in employees' engagement in the workplace, reducing their intentions to leave the current organization (Zhao et al., 2007). The association between PC fulfilment and employee turnover intention has been studied earlier, and there is empirical proof that the PC has an impact on employee turnover and intentions of turnover (Guchait et al., 2015; Montes & Zweig, 2009; Robinson, 1996; Schalk et al., 1998; Tekleab et al., 2005; Turnley & Feldman, 1999). Mohamed Behery et al. (2016) examined that the relational aspect of PC plays a significant influence in nurturing powerful employer-employee relationships and diminishing employees' intent to leave the organization. As demonstrated and confirmed by existing literature and previous studies, PC fulfilment is directly and negatively associated with ETI; i.e., the higher the extent of PC fulfilment is, the less the employee's intent to leave the organization is. As per the arguments presented above, we propose the second hypothesis of the study as follows:

*Hypothesis 2 (H2): There exists a significant influence of the psychological contract on employee turnover intention for the employees working in the private general insurance sector.*

Due to the dynamic competitive scenario, employers essentially look for more energetic, versatile, and specialized talent in order to outshine the competition and move ahead. Employers are investing to retain talented and knowledgeable employees; however, employees often quit, leaving employers in great difficulties. OCB leads to employees continuing with the current organization (Lavelle, 2010). OCB has a strong influence on employee turnover intentions (Podsakoff et al., 2009). Meera Shankar (2018), on the basis of regression analysis findings, affirmed that there is a positive association between OCB and employee intention to continue with the current organization. Research has specified that OCB plays a crucial role among employees' intention to continue with the current organization; they continue displaying OCB until the situation changes (Bolino et al., 2015). Wang et al. (2017) affirmed, based on their study, that employee turnover intentions are negatively linked to OCB.

Shareef and Atan (2019) found that there is a positive association of ethical leadership with OCB and a negative association with the employee turnover intentions. Hence, procuring talented people and retaining them has been an important matter of concern and a challenge for employers. This implies the need to examine the influence of OCB on an employee's intention to continue with the current organization.

As per the arguments presented above, we propose the third hypothesis of the study as follows:

*Hypothesis3 (H3): There exists a significant influence of organizational citizenship behavior on employee turnover intention for the employees working in the private general insurance sector.*

## Methodology

### **Questionnaire Design**

The questionnaire used in the study was self-developed using scales of the psychological contract, organizational citizenship behavior, and employee turnover intention used by different research scholars. PC were measured by use of a PC scale developed by Millward and Hopkins (1998) and modified by Raja et al. (2004). OCB were measured using a scale developed by Bakhshi and Kumar (2009). Employee turnover intentions were measured from the scale adopted from the Michigan Organizational Assessment Questionnaire developed by Seashore et al. (1982). The instrument for data collection is developed and includes relevant questions related to the insurance sector with minor modifications in the statements. PC was studied with two dimensions, transactional and relational contract (Rousseau, 1995, 2001); (Raja et al., 2004). PC was measured using a seven-point scale, ranging from 1 “strongly disagree” to 7 “strongly agree.” Each of the two dimensions of transactional and relational contracts were measured using nine statements. Transactional contract, for example, used the following statements: “I work only for number of hours stipulated in my employment contract and not beyond that”. Relational contract, for example: “I am looking forward to get promoted in my insurance company with the span of service and endeavour to achieve goals.”

A scale developed for OCB measured the five significant dimensions of OCB. There were 30 items encompassing five dimensions: altruism, courtesy, conscientiousness, civic virtue, and sportsmanship (Organ et al., 2006). These statements were assessed on a seven-point scale ranging from 1 “strongly disagree” to 7 “strongly agree.” Altruism, for example stated the following: “I extend my helping hand to my colleagues to solve work related matters.” Courtesy included the following example: “I like to utilize my personal belongings to help my insurance company.” Conscientiousness, for example, included the following: “I always read and follow all memos, notices, and announcements given by my insurance company and consider it as important too.” Civic virtue used the following example: “I perform and execute the stated rules and regulations of my insurance company.” Sportsmanship, for example, included the following: “I generally find mistakes with what my insurance company is doing.”

Generally, employee retention was considered and measured through the “intention to quit” viewpoint, which was negatively associated with the “intention to stay” (Black & Stevens, 1989). Many scholars follow single-item scales to measure the “intention to stay” (D’ Amato & Herzfeld, 2008; Quinn, 2011). However, employee turnover intention in this study was measured using 10 items in the measurement scale. These statements were rated on a seven-point scale ranging from 1 “strongly disagree” to 7 “strongly agree.” For example, the following statements apply: “I feel that I would easily go emotionally attached to any other insurance company as I am to my current insurance company”; “If I get an impressive job offer from any other insurance company, I would definitely take the job.”

### **Data Collection**

The data is collected from employees working in the insurance sector, and they belong to the four major metro cities of India: NCR, Mumbai, Hyderabad, and Kolkata.

### **Sampling Design**

The non-probability judgmental sampling design is used for selecting the employees working with the insurance company. Out of the aggregated, targeted population of 3481 employees in the major four metro cities considered for the study. In the selected six private general insurance companies, questionnaires were mailed to respective HR managers. The 667 completely-filled questionnaires were included for the hypothesis testing.



**Statistical Methods**

The PC is assumed to be an exogenous construct, and its effect on OCB and ETI is examined. The different structured model is developed and tested using covariance based on the structural equation modelling (SEM) approach. The SEM model is applied using IBM AMOS software, version 23.

**Findings****Sample Demographics**

The demographic details of the sample chosen for the study are mentioned below in Table 1.

Table 1

*Demographic Information of the Respondents*

Gender	Male	467 (70%)
	Female	200 (30%)
Age	Below 30	300 (44.97%)
	Between 30-40	200(29.98%)
	Above 40	167(25%)
Work Experience	Less than 10 Years	375(56.22%)
	Between 10-20 Years	240(35.98%)
	Above 20 Years	52(7.79%)
Workplace Designation	Up to Deputy Manager (Middle Managers)	390(58.47%)
	Up to Deputy Vice President (Upper Middle Managers)	235(35.23%)
	Up to CXO(Senior Managers)	42(6.29%)

The aggregate of respondents in the table mentioned above is 667. As per the statistics mentioned in the table above, it is found that 70% of the respondents are male and 30% are females. It is further found that 44.97% respondents are less than 30 years of age, 29.98% of the respondents are in the age group 30-40 years, and 25% are above 40 years of age. From the above table, it is also found that 56.22% respondents have work experience less than 10 years, 35.98% of the respondents have experience of 10-20 years, and 7.79% of the respondents have experience of 20 or more years in the system. Further, it is found that 58.47% of the respondents are in middle management positions, 35.23% of the respondents belong to upper middle management positions, and 6.29% belong to senior, top management positions in the selected insurance companies for the study.

**Reliability and Validity Analysis**

This section discusses the results of internal consistency reliability and constructs validity of the measurement scale. The internal consistency reliability of the *psychological contract, organizational citizenship behavior and employee turnover intention* is measured using the Cronbach alpha, which is expected to be more than 0.7. The Cronbach alpha of all the factors is shown in Table 2. Table 2 depicts that the Cronbach alpha of all the included factors ( transactional contract 0.914, relational contract 0.904, employee turnover intention 0.927, altruism 0.870, courtesy 0.860, sportsmanship 0.860, conscientiousness 0.855, and civic virtue 0.861) is found to be more than 0.7, indicating the presence of internal consistency reliability in the responses. The construct validity of the measurement scale

representing the factors of PC, OCB, and ETI is examined using confirmatory factor analysis (CFA). The construct validity of the measurement scale representing PC, OCB, and ETI includes convergent validity along with discriminant validity. The convergent validity is measured using construct loadings (should be greater than 0.7), composite reliability (CR) (required to be greater than 0.7), and average variance extracted (AVE) (required to be greater than 0.5). Whereas the discriminant validity of the measurement scale is examined with the help of comparing the AVE value of each construct with its maximum shared variance (MSV) and Fornell- Larcker criteria ( comparing the square root of AVE of each construct with its correlation with the remaining construct.) The CFA diagram is presented below in Figure 2.

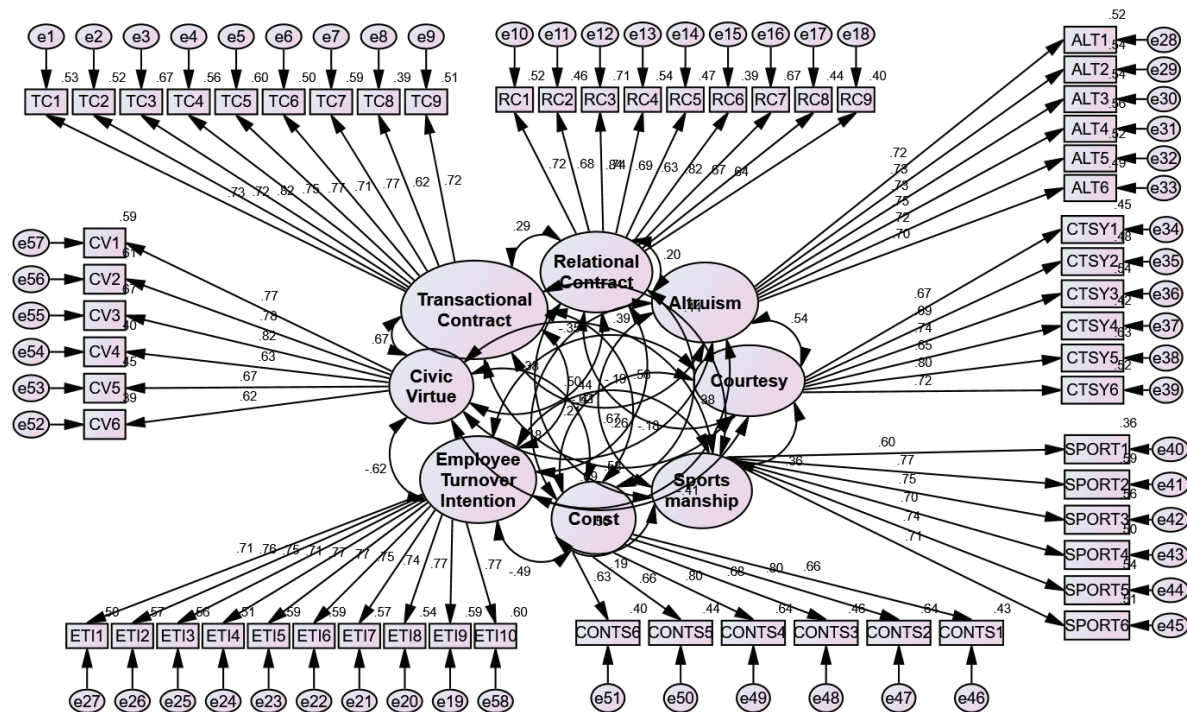


Figure 2. Confirmatory Factor Analysis

Source: Output from AMOS

Table 2

Reliability and Validity Analysis

Item Code		Construct Name	Construct Loadings	Composite Reliability (CR)	Average Variance extracted (AVE)	Maximum Shared Variance (MSV)	Cronbach Alpha	Critical Ratio
TC1	<---	Transactional Contract	.726	0.914	0.541	0.477	0.914	
TC2	<---		.724					18.425
TC3	<---		.817					20.879
TC4	<---		.751					19.115

Item Code		Construct Name	Construct Loadings	Composite Reliability (CR)	Average Variance extracted (AVE)	Maximum Shared Variance (MSV)	Cronbach Alpha	Critical Ratio
TC5	<---		.772					19.698
TC6	<---		.705					17.918
TC7	<---		.768					19.590
TC8	<---		.625					15.810
TC9	<---		.717					18.225
RC1	<---	Relational Contract	.723	0.904	0.513	0.147	0.904	
RC2	<---		.676					16.895
RC3	<---		.845					21.169
RC4	<---		.736					18.420
RC5	<---		.685					17.125
RC6	<---		.628					15.668
RC7	<---		.818					20.492
RC8	<---		.666					16.636
RC9	<---		.635					15.846
ETI10		Employee Turnover Intention	.774	0.928	0.562	0.383	0.927	21.01
ETI9	<---		.767					
ETI8	<---		.736					19.884
ETI7	<---		.753					20.430
ETI6	<---		.769					20.940
ETI5	<---		.767					20.888
ETI4	<---		.713					19.168
ETI3	<---		.750					20.330
ETI2	<---		.758					20.589
ETI1	<---		.707					18.967
ALT1	<---	Altruism	.719	0.870	0.528	0.452	0.870	
ALT2	<---		.733					17.703
ALT3	<---		.732					17.666
ALT4	<---		.748					18.040
ALT5	<---		.722					17.441
ALT6	<---		.703					16.989
CTSY1	<---	Courtesy	.672	0.861	0.508	0.477	0.860	
CTSY2	<---		.694					15.705



Item Code		Construct Name	Construct Loadings	Composite Reliability (CR)	Average Variance extracted (AVE)	Maximum Shared Variance (MSV)	Cronbach Alpha	Critical Ratio
CTSY3	<---		.738					16.550
CTSY4	<---		.647					14.783
CTSY5	<---		.796					17.605
CTSY6	<---		.720					16.207
SPORT1	<---	Sportsmanship	.604	0.861	0.510	0.193	0.860	
SPORT2	<---		.766					15.061
SPORT3	<---		.749					14.845
SPORT4	<---		.704					14.240
SPORT5	<---		.736					14.674
SPORT6	<---		.713					14.363
CONTS1	<---	Conscientiousness	.656	0.857	0.501	0.316	0.855	
CONTS2	<---		.801					17.176
CONTS3	<---		.677					15.044
CONTS4	<---		.799					17.139
CONTS5	<---		.661					14.748
CONTS6	<---		.634					14.232
CV6	<---	Civic Virtue	.624	0.863	0.516	0.450	0.861	15.946
CV5	<---		.667					17.160
CV4	<---		.631					16.132
CV3	<---		.817					21.467
CV2	<---		.778					20.368
CV1	<---		.767					

Source: Output from AMOS

Table 2 reported that the construct loading of each statement is found to be more than 0.7 (greater than 0.6 in few of the statements). The CR estimate of all the constructs is found to be more than 0.7 (TC=0.914, RC =0.904, ETI = 0.928, ALT = 0.870, CTSY = 0.861, SPORT = 0.861, CONTS = 0.857 and CV =0.863) and the AVE of every construct is found to be more than 0.5 (TC= 0.541, RC =0.513, ETI=0.562, ALT = 0.528, CTSY = 0.508, SPORT = 0.510, CONTS = 0.501, and CV = 0.516). Thus, the required conditions of convergent validity are fulfilled. After ensuring the presence of convergent validity, the discriminant validity of the measurement scale is also examined. The table reported that the AVE estimate of each construct is found to be greater than its MSV estimate. The discriminant validity is also examined using Fornel-I-Lacker criteria. In Fornel-I-Lacker criteria, the square root of the AVE estimate of each included construct is compared with the correlation of the construct with remaining constructs. Table 3 reported that the Fornel-I-Lacker criteria is satisfied by all the constructs. Thus, it can be concluded that both the convergent

and discriminant validity are fulfilled for the measurement scale. The measurement scale indicating the factors of PC, OCB and ETI satisfies the required conditions of construct validity.

Table 3

*Fornell-Lacker Criteria for Discriminant Validity*

	Civic Virtue	Transa- ctional Contract	Relational Contract	Altruism	Courtesy	Sports manship	Const	Employee_ Turnover_ Intention
Civic Virtue	<b>0.718</b>							
Transactional Contract	0.671	<b>0.736</b>						
Relational Contract	0.206	0.289	<b>0.716</b>					
Altruism	0.584	0.672	0.198	<b>0.726</b>				
Courtesy	0.500	0.691	0.259	0.539	<b>0.713</b>			
Sportsmanship	0.385	0.439	0.179	0.405	0.365	<b>0.714</b>		
Const	0.499	0.562	0.383	0.380	0.442	0.186	<b>0.708</b>	
Employee Turnover Intention	-0.619	-0.617	-0.177	-0.410	-0.354	-0.192	-0.495	<b>0.750</b>

Source: Output from Stats Tools Package

The statistical fitness of the model is estimated and found that the CMIN/Df of the model is found to be 2.584, which is lower than the required value of 3; GFI is found to be 0.814, which is more than the required value of 0.8; CFI is found to be 0.901, which is more than the required value of 0.9; TLI is found to be 0.902, which is more than the required value of 0.9; NFI is found to be 0.827, which is more than the required value of 0.8; and RMSEA is found to be 0.049, which is lower than the required value of 0.08. Thus, the statistical fitness of the measurement model is acceptable, and the results of the statistical analysis can be generalized.

#### **Common Method Bias**

The common method bias in the measurement scale is examined using the Harman Single Factor method in which the exploratory factor analysis (EFA) on the selected statement is estimated with the restricted assumption of a single factor. The Harman Single Factor method reported that only 27.48% of the variance was described by the single factor. Since the estimated value is lower than 50%, it can be concluded that the measurement model is also free from common method bias problem.

### **Results and Discussion**

The hypothesis framed in the study is examined using PLS SEM. The structural model (fig 3) is developed in the paper. Table 4 reported the results of the PLS SEM analysis.

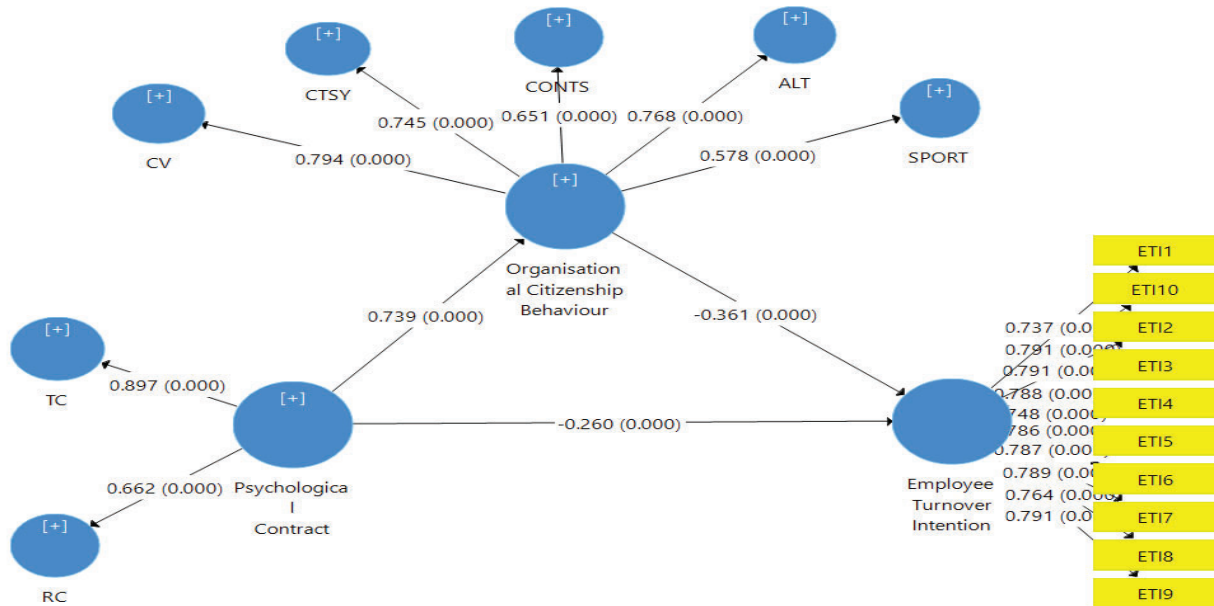


Figure 3. Results of PLS SEM analysis

Source: Output from PLS SEM

Table 4

Results of PLS SEM Analysis

Hypothesis	Endogenous construct	Exogenous construct	Path Coefficient	Standard Error	T statistics (p value)	Conclusion
H1	OCB	PC	0.739	0.0018	41.406 (0.000)	Accepted
H2	ETI	PC	-0.260	0.045	5.717 (0.000)	Accepted
H3	ETI	OCB	-0.361	0.046	7.758 (0.000)	Accepted

Source: Output from PLS SEM

Hypothesis 1 “There exists a significant influence of the psychological contract on organizational citizenship behavior for the employees working in the private general insurance sector”

Table 4 reported the results of PLS SEM analysis and supports the hypothesis that “PC has a positive influence on the OCB of the employees working in the insurance sector.” When employees perceive fulfilment of PC, they tend to display OCB, promoting and advancing both the people and the organization. Organizations should expand their training programs, including self-oriented training to develop their employees. As their personal development needs are fulfilled, employees will become more sensitized to the growth of the organization and, thereafter, increase their devotion and commitment to their work (Tracy Tsui-Hsu Tsai & Arthur Jing Lin, 2014). Employees who obtain positive behavior from others tend to reciprocate with similar behavior (Blau, 1964). Such reciprocity generally responds through OCB (Ma & Qu, 2011). Ifzal and Mueen (2018) stated that the vital sources of perception building for the employees are the psychological contract. Hence, managers must fulfil their obligations as promises made. Managers must be aware of the genuine inducements rather than the promised ones, as it will have an influence on

the contributions by the employee towards the organization. If the promises as made by the employers are fulfilled, employees will be more confident and willing to devote their time and energy, and they will contribute positively in advancing reciprocity of the relationship within the organization (Cheung & Chiu, 2004). Researchers have proved that when employees observe their managers as being helpful and sympathetic, they perceive it as fulfilment of PC and recognize it as support from the organization; thereafter, they are willing to support their organization by going beyond the formal contractual employment relationship (Guchait et al., 2015).

*Hypothesis 2 “There exists a significant influence of the psychological contract on employee turnover intention for the employees working in the private general insurance sector.”*

Table 4 reported the results of PLS SEM analysis and supports the hypothesis that “PC has a significant influence on the ETI of the employees working in the insurance sector.” Advanced growth opportunities, challenging job tasks, a supportive atmosphere, monetary rewards, and work-life balance are some of the obligations on the part of the employers; these obligations are valuable to the employees (Carter & Tourangeau, 2012; DeVos & Maganck, 2009). Fulfilment of obligations by the employer in these areas has an influence on the fulfilment of the psychological contract of the employees, as argued by Chenevert et al. (2016) and Guerrero et al. (2017) and may further have an impact on reducing the employees’ intent to leave the current organization. Cathy Sheehan et al. (2019) argued that challenging job tasks that lead to new responsibilities, self-sufficiency, and opportunities to develop and utilize skills and abilities are significant, and when these obligations on the part of the employers are not met, employees make the decision to leave the current organization.

Santhanam et al. (2017) stated that in spite of favorable perception of training sessions and other human resource practices, strong violation of the psychological contract results in turnover intentions. Although employers offer appropriate and advanced trainings to their employees, the results of violation of PC adversely influence their behavior and attitudes and, thereafter, arouse their intent to leave the current organization. As a result of the violation of the psychological contract, such violations lead employees to reduce their faith and reliance on the benefits of enduring and continuing the formal employment contract. Consequently, employees will be prone to and intend to leave the current organization (Arshad, 2016).

*Hypothesis 3 “There exists a significant influence of organizational citizenship behavior on employee turnover intention for the employees working in the private general insurance sector”*

Due to the dynamic, competitive scenario, employers essentially look for more energetic, versatile, and more specialized and talented employees in order to outshine the competition and move ahead. Employers are investing to retain talented and knowledgeable employees; however, the employees often quit, leaving employers in great difficulties. OCB leads to employees to be retained by the current organization (Lavelle, 2010). Altruistic OCB enhances technical and ethical support to the colleagues whenever they require and can uplift their morale, feeling of belongingness, and team cohesiveness, which leads to increased organizational performance and assists them in procuring and retaining good employees (Organ et al., 2006). OCB has a strong influence on employee turnover intentions (Podsakoff et al., 2009). In addition to that, it was also confirmed through studies that helping behavior, sportsmanship, and civic virtue were associated with employee turnover intentions (Khalid & Ali, 2005). Leaders’ impartial behavior leads to OCB, since a mutual exchange and reciprocal relationship builds relationship between the employees and the organizational leaders (Organ, 1988). Employees’ feelings regarding justice and fairness in the organization influence their intention to remain with the current organization (Sweeney & McFarlin, 1993). Research has indicated that OCB plays a crucial role among employees’ intentions to remain with the organization; they continue displaying OCB until the situation changes (Bolino et al., 2015). Wang et al. (2017) affirmed, based on their study, that employee turnover intentions are negatively related to OCB. Hence, procuring talented people and retaining them has been an important matter of concern and challenging for employers; this implies the need to examine the influence of OCB on employees’ intention to remain with an organization.

### **Limitations and Directions for Future Research**

This study predominantly focuses on validating the research framework of PC from the employees' perspective only. There is a huge scope to authenticate the study from the employers' perspective, too. Consequently, the ability to generalize from a wide perspective is limited. Likewise, there is a possibility to study OCB as a mediating variable between PC and employee turnover intention. Also, there might be other possible mediating paths that affect employee turnover intention through the psychological contract. However, this study embraced a quantitative approach that restricts the responses of the employees to a restricted range. Forthcoming studies may embrace a qualitative approach (i.e., focus group interviews, etc.) for advanced comprehensive examination of the challenges faced by the executives and managers of the insurance sector to fulfil the psychological contract and reduce employee turnover intention.

### **Conclusion**

This study was able to exemplify and illustrate empirically that the psychological contract influences the behavior and attitude of employees in organizations through OCB and their intent to leave the current job. The hypotheses developed in the study are accepted from the research carried out. Moreover, unlike previous studies, this study has incorporated a multidimensional (with reference to constructs) model contributing to the psychological contract by indicating an apparent perspective and robust verification of data on how the psychological contract influences OCB and employees' turnover intention in the current organization. Additionally, it was also directed to demonstrate the influence of OCB on turnover intention. The study revealed the direct correlation of PC with OCB and employee turnover intention. Increase in PC fulfilment leads to reduced employee turnover intention. The study emphasized the significance of fulfilment of the psychological contract in stimulating discretionary favorable employee behavior through OCB and a falling employee turnover intention rate. Employees intend to remain with the organization that displays concern for them and their well-being and values them for their individual offerings. Realizing and executing sympathetic and favorable measures by an employer may help employees develop positive belief in PC fulfilment. Eisenberger and Stinglhamber (2011) revealed that an employer has a significant role in inducing positive PC fulfilment belief by emphasizing fulfilment of the socio-economic needs of the employee, as well as accentuating their individual well-being at work. In addition to this, the study is supportive of the existing literature, which recommends a direct, positive association between PC fulfilment and OCB and displaying PC fulfilment as a significant antecedent of extra-role behaviour, such as OCB at the workplace (Chang et al., 2013). Moreover, consistent with Shareef and Atan (2019), this study highlights the strong influence of OCB on employee turnover intention. Organizations and their executives cannot ignore this chain of sequence. Henceforth, it is imperative for managers and executives to focus on employee PC fulfilment.

### **Managerial Implications**

A high level of employee turnover is expensive for any organization in regard to its adverse effects on an organization's overall success and effectiveness. Furthermore, there is panic among insurance companies when they lose extremely skilled and talented employees. In practice, insurance companies should emphasize fulfilling the psychological contract of their employees. Employees' beliefs in regard to PC fulfilment should be monitored periodically, and concerned issues should be addressed proactively to realize the requirements of the employees. Furthermore, the study realized the role of OCB in reducing employee turnover. It has been found that employees, when treated fairly, tend to comply with policies and practices of the organization, display additional conscientiousness, and conduct themselves altruistically towards others in the workplace, which will further help in reducing employee turnover intention. Henceforth, to retain competent employees in the insurance sector and in order to reduce employee turnover intention, the insurance industry should emphasize fulfilling the psychological contract of the employees and enhancing organizational citizenship behavior. This will pave the way for the insurance companies to retain their employees for the longer duration.



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