Effect of Psychological Contract Fulfillment, Employee’s Job Satisfaction on Organizational Performance: Evidence from Ghana

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Received: July 28, 2019         Accepted: September 22, 2019         Online Published: November 8, 2019
doi:10.5539/ijbm.v14n12p32     URL: https://doi.org/10.5539/ijbm.v14n12p32

Abstract
This paper aimed at examining the effects of employees’ psychological contract fulfillment, employees’ job satisfaction on organizational performance from some selected companies on the Ghana Stock Exchange (GSE). Many Companies today have invested more into their organization to achieve Psychological Contract between them and their employees, and other important stakeholders of the company. Random sampling was used to select top employees from selected companies on the Ghana Stock Exchange. Structured questionnaires were used for the collection of data. Based on the analysis, the researcher realized that there is a significant positive relationship between psychological contract fulfillment and employee’s job satisfaction. It also revealed that there is a significant positive relationship between psychological contract fulfillment and organizational performance. Finally, the research revealed that, there is a significant positive relationship between employee’s job satisfaction and organizational performance.

Keywords: psychological contract fulfillment, employee’s job satisfaction, organizational performance, Ghana

1. Introduction
The most valuable assets of an organization’s is its workforce. An organization’s success depends on its relationship with its employees. To develop this relationship, there should be a contract between the employers and employees. A contract is an agreement between two parties in which the parties involved are legally bound to perform certain duties. Pittino, Visintin, Lenger, and Sternad (2016), suggested that, research in Psychological contract is important when defining employees’ interactions with their organizations and subsequent consequences, which includes work attitudes and employees outcome. Busser, Shulga, Kang, and Ramirez Molintas (2019) and Hotchkiss (2016), defined psychological contract as the promises (direct or indirect) two parties make to each other. An employee’s promise to work diligently after he/she has been promised job security and subsequent training can be said to be an example. This contract is termed psychological because it portrays each party’s thoughts of the relationship and promises involved. Muls et al. (2015), stated that the difference between psychological contract and legal contract is that, psychological contract is implicit. Psychological Contract Fulfillment (PCF), according to Karagonlar et al. (2016), is defined as the degree to which an organization fulfills its duties to its workers, considering the well-being of the workers. Psychological contract is influenced by the social element theory the social exchange element, which results to positive employee behaviors. Rodwell et al. (2015), also found out in their work that, PCF is also known to increase trust among stakeholders, lower levels of emotional fatigue and stress, increase job satisfaction, improve employee’s well-being, and organizational commitment. Employee satisfaction has become an essential corporate objective in recent years. Motivated and committed staff can be a determining factor in the success of an organization. Job satisfaction is known to be linked to how workers expectations of work are in congruence with their actual outcomes. Organizations cannot achieve their goals and aims if the employees do not feel satisfied. Employee job satisfaction is the thoughts and feelings employees have towards their job/work which motivate them to put up the best in performing their duties. Stamolampros, Korfiatis, Chalvatzis, and Buhalis (2019), proposed in their work that, for an organization to achieve its goals, it needs to understand what employees expect and must pay attention to fulfilling their expectations to fulfill organization’s side of the contract. Psychologically written agreement (contract) makes employee’s satified on their jobs. In the recent past, many scholars have investigated
the area of employee psychological contract on job satisfaction. Nguyen, Lu, Hill, and Conduit (2019), found the understanding of psychological contracts to yield significant increase in employee’s job outcome and their satisfaction. Organizational performance is defined as the process of comparing organizational goals to its objectives. When analyzing organizational performance, certain factors have to be considered, which include primary outcomes, market performance, shareholder value performance, and production capacity performance. Gurd and Helliar (2017), suggested that organizational output and competence can only be achieved when all the needs of employees both physiological and socio-emotional needs are satisfied.

However, the effect of employee psychological contract fulfillment on job satisfaction and organizational performance has not been examined thoroughly, and it appears that there is limited literature in that area of study. Therefore, the main aim of this paper is to bridge that gap by exploring the effect of employee psychological contract fulfillment on job satisfaction and organizational performance in some selected organizations in Ghana.

2. Literature and Hypotheses Development

2.1 Employees Psychological Contract Fulfillment and Its Relationship with Employee’s Job Satisfaction

According to Chen, Leung, and Evans (2016), job satisfaction refers to the attitude and feelings people develop about their work. He also explained that positive attitudes lead to higher job satisfaction and negative attitude leads to a lower level of job satisfaction. When workers are satisfied with their job, they show Confident and encouraging attitudes towards their job. On the other hand, dissatisfied workers will show undesirable and disapproving attitudes towards their job. According to Krausert (2017), he explained in his work that, a strong positive association exists between an individual worker’s emotions and the job he/she provides (productivity). Coetzee and Stoltz (2015), also suggested that breach of the contract as obliged by the employer for services rendered such as salaries and promotions subsequently lead to reduction in productivity. A psychological contract is said to be based on the rule of reciprocity, and it can be incidental that an employee will reciprocate fulfilled promises with loyalty or lower turnover intentions.

Theory on breach of psychological contract as stated by Spasojevic, Lohmann, and Scott (2019) in the context of organizational leadership, confirms that when an employee observes an unfavorable change in the promises made between the employee and the organization, less work is done on their part (productivity) with an increase in absenteeism and turnover. When this happens such employees may engage in behavior such as destructive rumors, thievery and rendering of poor services that are counter-productive. These counter-productive conducts subsequently causes financial loss to the organization (loss of productivity and replacement cost). Dogru, McGinley, Line, and Szende (2019), in his study found out that job satisfaction is subjective to series of factors and these factors include the type of work, income improvement opportunities, management, psychological contract, workgroup, and work conditions. Li and Wu (2018), explained in their study that, employees who are known to be dissatisfied mostly suffer depression, anxiety, fatigue, restless sleep pattern and muscle and joint stiffness. These significantly affect the psychological and physical health of the employees which subsequently lead to indirect financial loses to the organization as employee performance decreases. Turnea (2018), stated in his work that, Psychological Contract theory explained that employees who are family men/women and medical insurance might agree on contracts that have causes that benefit their families like flexible work hours. Among the 160 managers examined in a cross-sectional study, results reveal higher levels of job satisfaction on perceived psychological contract fulfillment. Nishanthi and Mahalekemge (2016) used 50 executive level employees in an apparel company in Sri Lanka to investigate the impact of psychological contract on employees outcome of job satisfaction and organizational commitment. They found that there is a positive relationship between psychological contract and employee job satisfaction and organizational commitment. Based on the above assertion by other researchers, it is important to hypothesize that:

H1: Employees Psychological Contract Fulfillment has a direct positive relation with Employees Job satisfaction

2.2 Employees Psychological Contract Fulfillment and Its Relation with Organizational Performance

Liu, Lin, and Shu (2017), in his study, found out that, breaching of psychological contract affects job performance, job satisfaction, and employee’s commitment. Huang, Huang, and Zhang (2019), also explained that a psychological contract has an effect on workers job outcomes, such as job satisfaction and employee commitment, which subsequently affects the performance of the organization. When a psychological contract is breached, it will affect employee’s commitment and performance critically and will also lead subsequently to organizational failure. Organizations must therefore, improve the psychological contract fulfillment to its workers.

Arthur and kolson (2017), used a mixed method to collect data from 188 employees of Asanko gold mines to study psychological contract fulfillment and its implications on employee performance. The result shows that, strong
psychological contract policy will help improve employee performance. Thus, when employees are motivated, they arrive to work early, work effectively, meet expected deadlines, increase productivity, etc.

However, organizational success or performance does not have direct rewards or benefits on employees. Vuori, Törnroos, Ruokolainen, and Wallin (2019); Durst, Moore, Ritter, and Barkema (2018), stated in their work that, HR policies helps to improve psychological contract that leads to increase in organizational performance. Psychological contract with HR practices and policies have been examined to have a positive relationship with organizational performance (Suh, Shim, & Button, 2018). This implies that improved HR practices can lead to higher psychological contracts fulfillment, which will intend to bring out improved employee attitudes and will increased organizational performance (Adhikari, Choi, & Sah, 2017). We, therefore, hypothesize that:

**H2: Employees Psychological Contract Fulfillment would have a positive effect on Organizational Performance**

2.3 Employee’s Job Satisfaction and Its Relationship with Organizational Performance

Turnea (2018) and Bufquin, DiPietro, Orlowski, and Partlow (2017), in their study, found out that there is a positive correlation between job satisfaction and individual performances. According to Wang and Lang (2019), in his work, found out there is a positive association between job satisfaction and organizational performance. On the other hand, Ibrahim, Boerhannoeddin, and Kazeem Kayode (2017), did not find any statistically significant relationship between job satisfaction and organizational performance. Pittino et al. (2016), also examined in his research that companies with more satisfied workers tend to be more productive than companies with dissatisfied workers. Huang et al. (2019), found out that there are positive correlations between workers job satisfaction and organizational performance which were measured by productivity, profit, employee turnover, employee accidents, and customer satisfaction.

Falola et al. (2018), in their studies, suggested that, there is a positive relationship between job satisfaction and job performance, which increases organizational performance. Durst et al. (2018), suggested that, job satisfaction has a positive impact on organizational performance. Thus, when employees are satisfied with their job, they are motivated to perform better and their turnover intention is low. Bakotic (2016) conducted an empirical study on 40 large and medium sized Croatia companies to examine the relationship between job satisfaction and organizational performance. The study aimed to examine the connection between the two variables, the direction and the intensity of the relationship. The result of the study showed a clear connection between employee’s job satisfaction and organizational performance in both directions. There was a strong connection between employee’s job satisfaction and organizational performance but weak connection between organizational performance and employee’s job satisfaction.

Oludayo, Akanbi, Obot, Popoola, and Atayero (2018), in their work, suggested that Employee satisfaction is a predictor of an organizations efficiency and performance. Salem and Abdien (2017), also examine the relationship between organizational performance and employee satisfaction and found a positive association between them. Carter, Dudley, Lyle, and Smith (2019), in their study to investigate employee job satisfaction and organizational performance found that, when conflicts are well managed in an organization, employees are encouraged to participate in decision-making and it is positively related to employee job satisfaction and organizational performance.

Initial studies have explained that employee’s attitudes have a relationship with organizational performance outcomes and workers job satisfaction. Based on the above evidence and support of the relationship between the above variables, the following will be hypothesized:

**H3: Employee’s job satisfaction will positively influence Organizational Performance**
3. Methodology

The main objective of this study is to examine the effect of employee psychological contract fulfillment on job satisfaction and organizational performance in some selected organizations in Ghana. A random sampling method was used to select respondents from some selected companies on the Ghana Stock Exchange (GSE) in terms of population and business presence. Three hundred (300) participants were selected; however, 200 responses were received and were found to be useable after the initial screening and data cleaning. A Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree was used. The questions were adapted from other researchers who used the questions in similar studies. The questionnaire was in three (3) parts. The first part has to do with the demographics; the second part had to do with the measurement of construct for the independent variable while the third part sought for the dependent variables.

The questionnaire consisted of closed-ended questions for the constructs, five-point Likert scales, and socio-demographic data. The scale for the measurement of job satisfaction was adopted from J. F. Hair, Risher, Sarstedt, and Ringle (2019), Lomax and Schumacker (2004), Schumacker (2017) whiles Henseler, Ringle, and Sarstedt (2015), proposed that for the measurement of psychological contract just as Hair Jr, Hult, Ringle, and Sarstedt (2016), did for the organizational performance measurement.

The data collected were analyzed through the help of SPSS version 22 and SmartPLS v. 3. Descriptive analysis was used for demographic variables, and hypotheses were tested using structural equation modeling (SEM) and Stata version 12. Content and construct validations were made. Confirmatory and Exploratory factor analysis was also used to purify the measures, assess the unidimensionality of the scale items, and assess discriminant validity among the constructs.

From the questionnaire, the following demographic data were collected for the study: gender, age, and level of education.

Table 1. Gender demographics of respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Male</td>
<td>132</td>
<td>66.3</td>
<td>66.3</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>67</td>
<td>33.7</td>
<td>33.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>199</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Response from table 1 above shows that 132 respondents were males representing 66.3%, and 67 respondents representing 33.7% are females. This means that majority of the respondents were males.

Table 2. Age demographics of respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25 years</td>
<td>40</td>
<td>20.1</td>
<td>20.1</td>
<td>20.1</td>
</tr>
<tr>
<td>26-33 years</td>
<td>96</td>
<td>48.2</td>
<td>48.2</td>
<td>68.3</td>
</tr>
<tr>
<td>Valid</td>
<td>134</td>
<td>67.2</td>
<td>67.2</td>
<td>67.2</td>
</tr>
<tr>
<td>34-41 years</td>
<td>59</td>
<td>29.6</td>
<td>29.6</td>
<td>96.8</td>
</tr>
<tr>
<td>42 years and above</td>
<td>4</td>
<td>2.0</td>
<td>2.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>199</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The results of the study in the above table 2 shows that 40 respondents representing 20.1% were between the ages of “18-25 years”; 96 respondents representing 48.2% were between the ages of “26-33 years”; 59 respondents representing 29.6% were between the ages of “34-41 years” and 4 respondents representing 2% were “40 years and above”.

This means that majority of the respondents were between the ages of 26 – 33 years. Response from table 3 above, shows that 5 respondent represent 2.5% are from High School, 13 respondent represent 6.5% are doing diploma course, 56 respondent represent 28.1% are holders of first degree, 117 respondent represent 58.8% are graduate students, 8 respondent represent 4% are from other levels of Education. This means that majority of the respondents were graduate students.
Table 3. Educational background of respondents

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>high school</td>
<td>5</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Diploma</td>
<td>13</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td>undergraduate</td>
<td>56</td>
<td>28.1</td>
<td>28.1</td>
</tr>
<tr>
<td>Graduate</td>
<td>117</td>
<td>58.8</td>
<td>58.8</td>
</tr>
<tr>
<td>Others</td>
<td>8</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Total</td>
<td>199</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

3.1 Measurement Model of Reliability and Validity

Construct reliability weighs how consistent internal variables are and evaluated via item factor loading with an acceptable value of 0.70 and Cronbach’s alpha with the acceptable level of 0.7 (J. Hair, Ringle, & Sarstedt, 2011; Ringle, Wende, & Becker, 2015). Moreover, in Table 4, all the variables recorded Cronbach alpha levels beyond 0.70; this is to say that the measurement of each construct relies very much on these multiple measures. Construct validity assesses the level to which a measures symbolise and are associated with observed eventualities of the construct through the principal theory (Fornell & Larcker, 1981a). This is evaluated through convergent validity and discriminant validity (Ringle et al., 2015). Convergent validity was considered adequate since the average variance extracted (AVEs) and composite reliability (CR) satisfied the minimum of 0.50 and 0.70 respectively (Fornell & Larcker, 1981b; Ringle et al., 2015).

Table 4. Item loading and construct reliability

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>FL</th>
<th>CA</th>
<th>rho_A</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPCF 1</td>
<td>0.795</td>
<td>0.842</td>
<td>0.844</td>
<td>0.888</td>
<td>0.613</td>
</tr>
<tr>
<td>EPCF 2</td>
<td>0.813</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPCF 3</td>
<td>0.749</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPCF 4</td>
<td>0.784</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPCF 5</td>
<td>0.774</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EJS 1</td>
<td>0.826</td>
<td>0.731</td>
<td>0.735</td>
<td>0.848</td>
<td>0.650</td>
</tr>
<tr>
<td>EJS 2</td>
<td>0.804</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EJS 3</td>
<td>0.788</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OP 1</td>
<td>0.733</td>
<td>0.673</td>
<td>0.678</td>
<td>0.822</td>
<td>0.606</td>
</tr>
<tr>
<td>OP 2</td>
<td>0.832</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OP 3</td>
<td>0.767</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes. EPCF - Employees Psychological Contract Fulfilment, EJS – Employee’s Job Satisfaction, OP – Organizational Performance, FL – Item Loadings, CA – Cronbach’s Alpha, CR- Composite Reliability, AVE – Average Variance Extracted.

Discriminant analysis requires a factor to correlate higher than with any other construct on its scale (Messick, 1988).

Table 5. Discriminant validity

<table>
<thead>
<tr>
<th></th>
<th>EJS</th>
<th>EPCF</th>
<th>OP</th>
</tr>
</thead>
<tbody>
<tr>
<td>EJS</td>
<td>0.806</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPCF</td>
<td>0.662</td>
<td>0.783</td>
<td></td>
</tr>
<tr>
<td>OP</td>
<td>0.515</td>
<td>0.394</td>
<td>0.779</td>
</tr>
</tbody>
</table>

Notes. EPCF - EJS – Employee’s Job Satisfaction, Employees Psychological Contract Fulfillment, OP – Organizational Performance.

From table 5 above, it is clear that all the factors loaded higher than any other factor on their scales. Employees Job Satisfaction on its scale had a value of about 0.8, which is higher than any other construct on that scale. Employees Psychological Contract Fulfillment has a value of (0.7) and OP (0.7).

4. Empirical Results

To determine the significance of t-statistics, regression weights, t-values and p-values were evaluated so as to simulate the structural model (Chin, 2010; Ringle et al., 2015). The results of the structural model for testing the
research hypotheses are presented in Table 4.

![Figure 2. Path Analysis](image)

5. Result of Hypothesis

We carried out a test of hypothesis on the effect of psychological contract fulfillment, Employee’s Job Satisfaction and Organizational Performance using Smart PLS software. Three out of the three variables tested showed a positive and significant relationship with the dependent variable. In the first model, we tested the effect of psychological contract fulfillment on employee’s job satisfaction. EJS (β = 0.234; t= 7.21; p < 0.000) and this led to the acceptance of H1. This means that the effect of psychological contract fulfillment has a greater effect on employee’s job satisfaction. In addition, the Beta shows that when the effect of psychological contract fulfillment increase by 1% employee’s job satisfaction increases by 23.4%. Thus the more employers fulfill their side of the contract; employees will be satisfied and performed better on the job.

Table 6. Hypothesis testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Beta</th>
<th>T-value</th>
<th>P-Value</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>EPCF → EJS</td>
<td>0.234</td>
<td>7.21</td>
<td>0.000</td>
</tr>
<tr>
<td>H2</td>
<td>EPCF → OP</td>
<td>0.167</td>
<td>2.29</td>
<td>0.024</td>
</tr>
<tr>
<td>H3</td>
<td>EJS → OP</td>
<td>0.884</td>
<td>7.22</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Notes. EPCF - EJS – Employee’s Job Satisfaction, Employees Psychological Contract Fulfillment, OP – Organizational Performance.

This finding supports earlier findings by Nishanthi and Mahalekemge (2016) and Brikend (2011).

Furthermore, we tested the effect of psychological contract fulfillment on Organizational Performance. OP (β = 0.167; t= 2.29; p < 0.024) and this led to the acceptance of H2. This means that the effect of psychological contract fulfillment has a greater effect on Organizational Performance. In addition, the Beta shows that when the effect of psychological contract fulfillment increase by 1% on Organizational Performance increases by 16.7%. Thus the more employers fulfill their side of the contract, employees will be satisfied, and they will work well to achieve the organizational objective. This finding supports earlier findings by Arthur and Kolson (2017) and Yalabik (2014).

Finally, the effect of employee’s job satisfaction on organizational performance was also tested. OP (β =0.884; t= 7.22; p < 0.000) and this led to the acceptance of H3. This means that the effect of employee’s job satisfaction has a greater effect on Organizational Performance. In addition, the Beta shows that when the effect of psychological contract fulfillment increases by 1% on Organizational Performance increases by 88.4%. Thus the more employees are happy and satisfied with their job, the more the organization will achieve its stated objective thus (Performance). This finding supports earlier findings by Latif et al., (2013) and Bakotic (2016).

6. Discussion

This study has reviewed a lot of theoretical implications due to the little research done on psychological contract fulfillment in Ghana. The purpose of this study is to examine the outcome of psychological contract fulfillment, employees’ job satisfaction on organizational performance, and this relationship has been positively established. The study revealed that when an employer or organization manages psychological contract fulfillment between
them and their employees or staffs, thus pay attention to fulfilling the organization’s side of the contract. Paying
the agreed salary, insurance, and so on, the employee tends to be happy and make sure he/she will work with his
whole heart leading to employee performance leading to increase in organizational performance. The study was
able to confirm the study of Jam & Fathima (2006). The gap between this study and most studies on
psychological contract is that most studies are on the breach of psychological contract neglecting the fulfillment
aspect of the contract.

Secondly, Hypothesis one (H1); revealed a positive relationship between employees psychological contract
fulfillment and employee’s job satisfaction. This findings show that the more employers fulfill their side of the
obligations, the more the employees will be happy (job satisfaction) and will be motivated to do more. This was
also supported by the work of Rodwell et al. (2015) and that of Dogru, McGinley, Line and Szende (2019).

Hypothesis two (H2), showed a positive relationship between psychological contract fulfillment and
organizational performance. This finding indicates that, the more organizations spend on their employees’
psychological contract fulfillment the more successful it becomes. This is in line with Eugenio Proto of
University of Bristol, UK, and IZA, Germany’s report on Google workers, where it was reported that Google
invested substantial amount on the well-being of their employee, which today is translating into performance for
the company. The theory of Yalabik (2014) confirm that psychological contract have effect on organizational
performance. It was also supported by the work of Huang, Huang, and Zhang (2019).

Hypothesis three (H3), showed a positive relationship between employee’s job satisfaction and Organizational
Performance. The findings revealed that the more employees are satisfied with their jobs, the more they will
provide better services to the Satisfaction of their customers who will subsequently remain loyal to the company
and spend more in buying product and service of such companies. This is in line with Cogsburn, Battaglion &
Bradbury (2014) suggestion. They explained that when conflicts are well managed, employees become satisfied
in the company, leading to organizational performance. The work of Falola et al. (2018), Durst et al. (2018) and
Wang and Lang (2019) also supported this hypothesis.

7. Contributions
This research contributes to industry and research related areas on psychological contract fulfillment and
employee’s job satisfaction on organizational performance. Concerning the industry players, the results of the
study can potentially help businesses and other service providers better understand psychological contract
fulfillment so that they can deal with their employees without any problem. The findings of the study indicate
that when organizations are able to motivate and fulfill the psychological contracts of their employees, the
employees are more likely to be committed to the organization and are satisfied with their jobs. To achieve
successful empowerment, employee’s perception about their supports from their organization/employers must be
considered (Raub and Robert 2013). Thus, organizations must engage in delegations, interactions, employee
well-being, engage employees in decision making to help increase employees perception of psychological
contract fulfillment.

The research will also provide managers further evidence which will help them engage in good human relation
practices and effective communication. It will help make clear expectations. Employees and employers will be
able to make open communications about their expectations to avoid misunderstanding of the employment
relationship. Practitioners, professionals, and researchers needs to explore the response of employees concerning
psychological contract fulfillment from the developing country context.

8. Conclusion and Implications
This study paid attention to the effect of psychological contract fulfillment, employee’s job satisfaction on
organizational performance. Findings with regards to the psychological contract fulfillment, employee’s job
satisfaction in an organization shows that psychological contract fulfillment influences employee’s job
satisfaction, therefore neglecting the above variable will lead to a total dissatisfaction of employees which will
lead to the collapse of an organization. It is very vital for management, shareholders and board of directors of
to take into consideration psychological contract fulfillment as part of their pillar especially when
dealing with Human resources management. Considering this can lead the organization to perform better, as in
the case of Google, where the company invested so much to make the employees happy. Today, we all can attest
to the fact that Google is one of the leading search engines in the world.

This study also revealed that psychological contract fulfillment influences organizational performance. What this
means is that the more employers fulfill their side of the contract, employees will be satisfied and perform better
on the job. Employees will thus be willing to do more for the organization, which will lead to better performance in
terms of job performance and overall organizational performance.

Additionally, companies should find out about issues that affect employee’s satisfaction and find ways of addressing them. Failure to do so would mean that employees would not commit themselves to the organization fully and would find excuses not to be productive. This would lead to underperformance by employees, which would have a negative effect on the performance of the organization.

References


40


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