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Contract and Job embeddedness**  
**“An empirical study on banking sector employees”**  
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## **ABSTRACT**

This study examined the relationship between Psychological Contract and Job embeddedness. The research adopted the philosophy of positivism, the deductive approach, and the method of quantitative analysis as the research methodology.

Based on established measurement scales, a questionnaire-based deductive approach was used to collect data from a quota sample of 318 employees from The Banking Sector Employees in Kafrelsheikh Governorate. The results indicated that Psychological Contract is positively related to Job embeddedness and also showed that Psychological Contract is positively related to Job embeddedness dimensions (fit, link, and sacrifice). Theoretical and practical implications as well as limitations and venues for future research are presented.

**Keywords:** Psychological Contract, Job embeddedness, fit, link, and sacrifice.

## الملخص

يهدف هذا البحث إلى التعرف على تأثير العقد النفسي على الرسوخ الوظيفي في مجال التطبيق وهو موظفي القطاع البنكي بمحافظة كفر الشيخ. تبني البحث فلسفة المنهج الإستنتاجي، وطريقة التحليل الكمي كمنهجية للبحث. وكانت الأداة المستخدمة في جمع البيانات هي الاستبيان. ونتيجة لذلك، تم جمع ٣١٨ استبياناً صالحاً للاستعمال إلكترونياً من موظفي القطاع البنكي بمحافظة كفر الشيخ باستخدام العينة العشوائية الطبقية. بالإضافة إلى ذلك، وباستخدام برنامج Amos، تم استخدام تحليل المسار لاستكشاف العلاقة السببية بين متغيرات البحث. وأظهرت النتائج وجود تأثير معنوي إيجابي للعقد النفسي على الرسوخ الوظيفي، وكذلك وجود ارتباطاً إيجابياً بأبعاد الرسوخ الوظيفي (الملائمة، الربط، التضحية). بالإضافة إلى ذلك، فإن هذا البحث له أيضاً آثار عملية وإرشادات للقطاع البنكي، وأثار نظرية للباحثين المهتمين بمتغيرات البحث.

الكلمات المفتاحية: العقد النفسي، الرسوخ الوظيفي، الملائمة، الربط، التضحية

### 1. Introduction

The desire to be competitive has been regarded in organizations giving many measures for financial control (Coyle-Shapiro and Kessler, 2000). in various changes introduced, benefits introduced in the traditional exchange relationship such as

lifelong job security, guaranteed pay raises and assured career opportunities have been withdrawn (Singh, 1998). In the employment scenario that has come into view, employees no more gain secure jobs in exchange of offering loyalty, but instead exchange resilience and hard work for just having a job. These changes have caused warning the traditional fabric of employee-employer relationship based on the edifice of reliability, loyalty commitment and long-term relationship (Herriot et al., 1997). nowadays, it has a remarkable participation in strengthening organizational competitiveness, adding to this it has several roles for enhancing growth and development of the organization. It has been a crucial necessity in any organization to develop psychological contract as both employers and employees are in a great need to improve relationships inside the organization (Sonnenberg et al., 2011). Ng and Feldman (2008) argued, employees are encouraged to be committed to organizations to hold on to their PC deals psychological contracts (PC) gives adequate proof of an association between PC and portability to quit (Clinton & Guest, 2014; Guzzo, Noonan, & Elron, 1994; Robinson & Morrison, 1995). Likewise, Nguyen, Taylor, and Bergiel (2017) stated that perceived organizational support (POS) would motivate JE Understanding the relationship between unmet employee expectations and engagement holds the promise of giving organizations the ability to create and manage an engaged workforce because previous studies indicate important links between these expectations and employee attitudes and behavior (e.g. Conway and Briner 2005; Rigotti 2009). Clearly, the nature of employee organization relation has been different in the past one decade and both parties are

concerned about the direction in which it is moving (Rousseau, 1995; Welch and Hood, 1992). PC has been put forward as an explanation for examining and understanding these modifications in the dyadic nature of the employment relationship (Shore and Tetrick, 1994). Psychological contract shows the chance to examine the fundamental side of organizational life, the employee-employer relationship. Interest in understanding the psychological contracts of employee has blossomed thanks to its potential to describe, understand and expect the results of changes happening in the employment relationship. PC as a construct offers an account of the reasons for difficulties in employment relationship currently being experienced by organizations and its implications on individual and organizational behavior. Aggarwal, U., & Bhargava, S. (2009) adding to this, the primary explanation for staying were high (as opposed to low) levels of job satisfaction, organizational commitment, and job involvement, which are concepts that dominated the turnover research for many years too (Holtom et al. 2008). over the last decade, researchers have paid a great attention to the construct of job embeddedness (Mitchell, Holtom, Lee, Sablinski, & Erez, 2001), focusing on how perceptions of employee–organization fit, links with other employees and work activities, and sacrifices connected to potential employment changes can embed employees in their jobs. In conclusion, researchers have found empirical encouragement for the relationship between high embeddedness and low voluntary turnover (Crossley, Bennett, Jex, & Burnfield, 2007; Mitchell et al., 2001).

## **2. *Theoretical Background***

### **2.1 *Psychological Contract***

Social exchange theory is about employees when they have been treated well by the organization. An exchange happens when both parties between employees and organizations can offer each other something based on trust (Fung, 2015). In recent years, the concept of psychological contract has achieved remarkable prominence as it improves our understanding of employment relationships. A psychological contract is a person's perception taking in regard the reciprocal exchange relationship that is between an employee and an employer (Hui et al., 2004). Adding to this, Psychological contract is also known as perception about the mutual commitments and the promises made by one party another (Anderson & Schalk, 1998; Antonaki & Trivellas, 2014). Morrison and Robinson (2000) stated that psychological contract refers to employees' beliefs regarding reciprocal obligations between employees and their organization, where these obligations are based on promises that the two sides in the company perceive and are not aware of are crucial. while (Rousseau, 1989) sated that psychological contract includes expecting employees to believe in their behavior and how they expect the company to reimburse them. as Psychological Contract primarily relays on the conditions and nature of employment. The employer expects the employees to achieve above the benchmark, while on the other hand employees expect better working conditions, better pay, and fair treatment (Conway & Briner, 2005). The psychological contract shows the mutual beliefs, perceptions, expectations and informal obligations

between an employer and an employee (Saurombe and Barkhuizen, 2020). It declares the unwritten rules that govern the reciprocal social dynamics regarding the relationship between the two parties and defines the tasks to be completed in practical terms (Gordon, 2020). as the psychological contract is informal, the literature assumes that it should not be overlooked as it sets the scene for the employer-employee relationship (Bussin, 2021; Holland and Scullion, 2021; Mmamel et al., 2021). based on research on psychological contracts, employees' expectations related to their engagement in an organization include transactional elements, as salary and benefits, and bonus equity, or relational elements, such as support, fairness, job autonomy, decision making, supportive work culture and growth promotions, compared to others (Robinson & Morrison, 2000) researchers like Rousseau & Parks (1993), Macneil (1985), Shore & Tetrick (1994), and many others have divided psychological contract into three general categories viz., Transactional, Relational, and Transitional Psychological Contract. However, Rousseau and some of the other researchers also have discussed about Balanced Psychological Contract (Rousseau D.M., 2000; Hui, Lee, & Rousseau, 2004; Sims, 1994). The Transactional Psychological Contracts are with a high focus on promises and are highly specific with a narrow focus on the fulfilment of obligations. Transactional contracts are restrictively constrained, based on short-time goals, and both the sides keeping possibilities to reconfigure the contract and maintain great flexibility. (Rousseau & Parks, 1993). On the other hand, a Relational PC is an open-ended contract without a clear limited amount of time. Relational Contract mostly

has incomplete or not clear performance requirements. (Rousseau D.M., 1995; Macneil, 1985). Meanwhile The Transitional Contract itself is not a form of psychological contract and is merely a cognitive case that reflects the results of possible organizational changes and transition with the previously established employment arrangement (Rousseau D.M., 2000). Transitional contract is a stage of a halt in the psychological contract and states the absence of obligations regarding future employment or performance willingness. Simultaneously, in transitional contracts, there are hardly explicit performance demands or contingent incentives provided by the employer (Hui, Lee, & Rousseau, 2004).

## **2.2 *Psychological Contract Dimensions***

Rousseau and McLean Parks 1993 list dimensions which they label stability, scope, tangibility, and time-frame.

### **1) *Stability***

Rousseau and McLean Parks (1993) suggested that temporary employment contracts would be more immutable and less dynamic than those of longer-term employees. dynamic or malleable contracts give the prospect for building trust in the relationship (Mayer et al., 1995) Having a temporary job for some workers, it goes without doubt that such jobs are designed to avoid abstruseness and make it easy to get employees in and out of the job (Pfeffer and Baron, 1988). Stability is known as the degree to which the psychological contract is bounded in terms of its ability to improve and change without an implied renegotiation of the terms (McLean Parks et al., 1998).



## 2) *Scope*

The scope of the psychological contract goes from very narrow to quite comprehensive and pervasive (Rousseau and McLean Parks, 1993). McLean Parks (1990) suggested that narrow scope is attested by factory workers: when it comes to the end of their official work hours, the workers are free from the point of view of the organization; on the contrary, the commitments of a police officer spill over into their private lives, as they have to enforce the law even if they are not actively on duty. scope is defined as a rigid partition between work and personal life (Belgium: Sels et al., 2000; Netherlands: Freese & Schalk, 2000). A broader scope is expressed through employers' concern for the employees' family situation (Israel: Krausz, 2000; Mexico: Diaz-Saenz & Witherspoon, 2000). scope refers to the extent to which the limit between one's employment relationship and personal life is viewed as permeable (McLean Parks et al.) the extent to which the employee understands the terms of the contract as obviously defined, explicitly specified and clearly observable for third parties (Rousseau & McLean Parks, 1993; McLean Parks et al., 1998).

## 3) *Tangibility*

McLean Parks and Smith (1993; 1998), stated that the tangibility of the contract is highly crucial in the context of monitoring. A tangible contract, if observed by others outside, can be relatively unambiguously interpreted. It is relatively easy for an observer to discern the terms of the contract in an exchange of money. However, in an employment relationship, it is less easy for an observer to define the terms of the exchange, and whether or not the exchange has been fair. according to MacNeil's

(1985) contractual continuum, tangibility is defined as the degree that the employee understands the terms of the contract as unambiguously cleared, explicitly cleared and highly observable for third parties (Rousseau & McLean Parks, 1993; McLean Parks et al., 1998). Reviewing the 13 nations study, tangible employment relationships occur through formal laws and many written labor agreements (Netherlands: Freese & Schalk, 2000) or through selected job descriptions, explicit performance needs, and unambiguous evaluation criteria (United States: Rousseau, 2000). Indicators of intangible relationships are depending on trust (Hong Kong: Lee, Tinsley, & Chen, 2000; India: Shah, 2000)

#### **4) *Time frame***

According to current workforce trends and rhetoric, the time frame of the relationship between employer and employee is intuitively a differentiating feature of not only the 'new' employment contract (e.g., Kissler, 1994) Rousseau and McLean Parks (1993), time was used to report the long- or short-term nature of the contract. Time frame as psychological contract dimension refers to the perceived period of the employment relationship (MacNeil, 1985; Rousseau & McLean Parks, 1993). This dimension is considered a remarkable criterion in differentiating several types of employment relationships, such as a relational or transactional contract (Rousseau, 1995) Reviewing the cross-national study, indicators of a long-term relationship indicate job security, closed internal labor markets, promotion depending on seniority, and little external mobility (Belgium: Sels et al., 2000; France: Cadin, 2000). On the other hand, Indicators of a short-term perspective refer to the

principle of 'employment at will,' job mobility, a few numbers of open-ended contracts (United States: Rousseau, 2000)

### **2.3 Job Embeddedness**

over the last decade, researchers have paid a great attention to the construct of job embeddedness (Mitchell, Holtom, Lee, Sablinski, & Erez, 2001), focusing on how perceptions of employee–organization fit, links with other employees and work activities, and sacrifices connected to potential employment changes can embed employees in their jobs. In conclusion, researchers have found empirical encouragement for the relationship between high embeddedness and low voluntary turnover (Crossley, Bennett, Jex, & Burnfield, 2007; Mitchell et al., 2001). Job embeddedness was defined by Mitchell and his colleagues (2001) as an adhering by employees to stay in their job and a person's level of job embeddedness, is determined by the sum of all the things that keep them in their current positions. Job embeddedness (JE) is described as a group of psychological, social, and financial influences on employee retention (Mitchell et al., 2001; Yao, Lee, Mitchell, Burton, & Sablinski, 2004). Job embeddedness (JE) is a collection developed to explain the reason that people prefer keeping their jobs for (Mitchell, Holtom, Lee, Sablinski, & Erez, 2001). Job embeddedness is explained as the range to which employees are involved or entrenched within, engaged, attached, or linked to their job which makes them stay at their jobs (Mitchell et al., 2001; Yao et al., 2004). On-the-job embeddedness refers to the degree to which an employee feels linked or attached to

an organization, also known as organizational embeddedness (Halvorsen, Treuren, and Kulik 2015). An employee who experiences organizational embeddedness would find it hard to leave the job (Mitchell et al. 2001). Job embeddedness as an interpretation of the process by which social relations affect and restrict economic action (Granovetter, 1985; Uzzi, 1997). Job embeddedness (JE) shows a wide aggregating of effects on employee retention (Mitchell, Holtom, Lee, Sablinski, and Erez, 2001).

#### **2.4 *Job Embeddedness Dimensions***

Mitchell et al. (2001b) state that the link aspects of embeddedness are formal or informal links between an employee and other parties on the organization. As the number of these connections' increases, the higher the likelihood becomes that an employee will stay in the organization (Holtom, Mitchell & Lee, 2006). 'Fit' refers to an employee's perceived compatibility with the organization as well as with his or her job; therefore, a greater fit shows higher embeddedness (Holtom et al., 2006). Finally, 'sacrifice' has to do with perceived costs of benefits, whether material or psychological, that may be lost by quitting the job. Consequently, the greater the perceived cost, the greater the embeddedness is going to be (Halbesleben & Wheeler, 2008; Holtom et al., 2006) job embeddedness construct addressed clearly the way people fit in their positions (e.g., personal skills are well fit in the work assigned) and community (e.g., they like the amenities a community provides); the interpersonal links they have on and off the job (e.g., their number of links to people and groups); and what they would have to give up or sacrifice in quitting their job of employment

or community (e.g., what opportunities they would sacrifice). To conclude, job embeddedness involves many individual-level factors that link employees to their jobs, and various studies have shown it to be a good predictor of an employee's tendency to quit (Allen, 2006; Crossley, Bennett, Jex, & Burnfield, 2007; Holtom, Mitchell, & Lee, 2006; Holtom & O'Neill, 2004; Lee, Mitchell, Sablinski, Burton, & Holtom, 2004; Mitchell et al., 2001; Van Dijk & Kirk-Brown, 2003; Zatzick & Iverson 2006).

### 1) *Fit*

is defined as "an employee's perceived consistency or comfort with an organization" (Mitchell et al., 2001, p. 1104); as employees are having this perception they will act professionally and have a strong connection to their organization. The meaning of fit to an employee's feeling of belonging to the organization and surrounding atmosphere (Lee et al., 2004; Mitchell et al., 2001). Good person-organization fit happens when an employee's personal values, career aspirations, knowledge, skills, and ability are consistent with the organizational culture, and with the needs of his or her job. In addition, a person will consider to which degree he or she fits with factors of the community and surrounding environment such as climate, weather conditions, religious beliefs, and entertainment activities (Mitchell et al., 2001). JE theory supposes that the stronger the fit between the organization and the environment around the better the linkage with the organization. (Lee et al., 2004; Mitchell et al., 2001).

## 2) *Link*

includes the formal or informal ties between a person and the organization or other people around (Mitchell et al., 2001, p. 1104).

The more links that link an employee with other employees in his or her web, the more the employee becomes “linked” or tied to the job and the organization as leaving the organization might make it hard to keep those ties established. JE theory assumes that a number of links attach an employee and his or her family in a social, psychological, and financial community that has co-workers and non-work friends, groups, and the community in which he or she lives. There are different links such as links to entities in the organization, like a group of work colleagues in one's working team, and there are links to entities in one's society, such as relatives, friends and social groups. The greater the number of links between the individual and the surrounding environment and the more important those links are, the more a worker is tied to the job, the manager and groups in the organizations such as teams (Lee et al., 2004; Mitchell et al., 2001).

## 3) *Sacrifice*

is characterized as “the perceived cost of material or psychological benefits that an employee has to afford by leaving a job” (Mitchell et al., 2001, pp. 1104-1105). People who believe they would sacrifice valuable things if they leave are also encouraged to perform well (Halbesleben and Wheeler, 2008; Harris et al., 2011;

### **3. Research Gap**

This study aims to close some gaps and contribute to several streams of research regarding literature and empirical studies on Psychological Contract and Job embeddedness. Several researchers have assumed positive relationship between PCV and turnover intention (Robinson and Rousseau, 1994; Turnley and Feldman, 2000). Unlike other constructs in the present research, turnover and turnover intentions have been explored from a cultural lens. Abrams, Ando and Hinkle (1998) The interesting part of the findings was that for Japanese, employee's opinions of significant others have significant bearing on their turnover, decision as compared to their UK counterparts. However, the relationship between the PC and Job embeddedness, especially in the era of economic down turn, has not been explored so far, that too in public and private sector organizations; therefore, the present research is an attempt to fill this gap.

### **3. Research questions**

The research is trying to answer the following questions:

- 3.1 what is the relationship between the research variables (Psychological Contract, Job embeddedness)?
- 3.2 What is the impact of psychological contract on job embeddedness?
- 3.3 Are there any differences in the employees' Awareness of the research variables (Psychological Contract and Job embeddedness) according to their demographic variables (gender, education, years of experience, and marital status)?

#### 4. Research objectives

The research aims to:

4.1 Determine the nature of the coefficient relationship between all research variables (Psychological Contract, Job embeddedness).

4.2 Measure the effect of Psychological Contract on Job embeddedness.

4.3 Investigate the differences of employees' awareness towards the research variable (Psychological Contract, Job embeddedness) according to the difference of demographic variables (gender, education, years of experience, and marital status).

#### 5. Research Hypotheses

Hypotheses statement:

H1. There is a significant coefficient between all the research variables (Psychological Contract, Job embeddedness).

**H<sub>1a</sub>**: There is a significant effect of Psychological Contract on fit

**H<sub>1b</sub>**: There is a significant effect of Psychological Contract on on link

**H<sub>1c</sub>**: There is a significant effect of Psychological Contract on on sacrifice

H2. There is significant effect of Psychological Contract on Job embeddedness.

H3. There are significant differences of employees' awareness towards the research variables (Psychological Contract, Job embeddedness) according to the difference of demographic variables (gender, education, years of experience, and marital status).



## 6. Research importance

the importance of this study is divided into:

### a- Scientific importance

the scientific importance of the study is to fulfill the research gap by studying and analyzing the relationship between Psychological Contract and Job embeddedness.

### b- Practical importance

The practical importance of the current study is highlighted by:

- Inform banks' management how to build psychological contract with their employees.
- keep the positivity in the workplace to enhance employees' embeddedness
- Drew the attention of managers of banks in the study to the importance of psychological contract to their employees.

### *Conceptual Framework for the Relationships between Research Variables Psychological Contract and Job embeddedness*

Kohyar Kiazad et al. (2009) stated that psychological contract fulfillment embeds employees in the organization by raising the costs of leaving and this in exchange encourages their extra-role performance

the afforded cost of material or psychological benefits that may be lost by quitting a job (Mitchell et al., 2001: 1105). Indeed, as Ng and Feldman (2008) argued, employees are encouraged to be committed to organizations to hold on to their PC deals psychological contracts (PC) gives adequate proof of an association between PC breach and portability to quit (Clinton & Guest, 2014; Guzzo, Noonan, & Elron, 1994;

Robinson & Morrison, 1995). Likewise, Nguyen, Taylor, and Bergiel (2017) stated that perceived organizational support (POS) would motivate JE Understanding the relationship between unmet employee expectations and engagement holds the promise of giving organizations the ability to create and manage an engaged workforce because previous studies indicate important links between these expectations and employee attitudes and behavior (e.g. Conway and Briner 2005; Rigotti 2009). Michael E. Clinton and David E. and as a result “employees embedded in their job and community do not extremely seek for another job.” Lang, Kern, and Zapf (2016, 1548)

Guest (2014) stated that if employers are able to fulfil their obligations to their employees, then employees are less likely to leave the organization. in addition, Hom, Mitchell, Lee, and Griffeth (2012) stated that ‘reluctant stayers’ can be ‘enthusiastic leavers’ if exit barriers are eliminated, which may arguably include obligations to stay created by the PC in addition Sims (1994) cleared the importance of psychological contract as a balanced psychological contract is essential for a continuing, harmonious relationship between the employees and the organization

### ***Conceptual Framework for the relationships between research Variables***

Based on the Literature, and the research hypothesizes, *Figure 1* shows the Conceptual Framework for the Relationships between Research Variables.

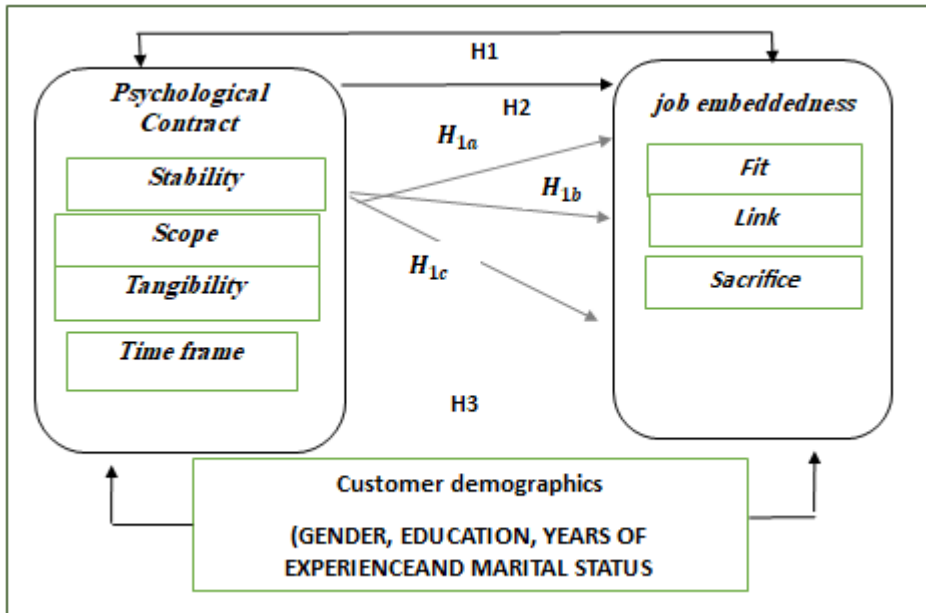


Figure 1 Conceptual Framework for the Relationships between Research Variables.

Source: By researcher depending on Literature and Research hypotheses.

## 7. Research Methodology

### 7.1 Sample and Procedures

Population is defined as the all cases which are characterized by a specific phenomenon, so for facilitating the analysis the researchers rely on a sample representative of the whole Population (Saunders, et al., 2009). Sampling strategies enable researchers to get data from a subset of the population or census instead of the entire population or census. Kothari (2004) emphasized that employing samples has various advantages, involving the capacity to save time and money and apply the

results to the entire population. A suitable sample size is required for the study to generalize the sample results to the entire population. This type of generalization considerably contributes to the study's external validity. The current study's population consists of bank employees. There are two types of sampling strategies, according to Acharya et al. (2013): probability sampling (representative sample) and non-probability sampling. The probability sampling technique was used in the current investigation. According to probability sampling, each item in the population has an equal and known chance of being chosen. Accordingly, probability sampling enables findings to be generalized to the entire population. As a result, probability sampling is the most commonly used sampling technique in survey-based research. The sampling unit used in the current study is the bank employees in Kafrelsheikh governorate. The questionnaire was directed to the employees because they are assumed to have sufficient knowledge about research constructs and the nature of the study in the banking sector. The nature of research constructs necessitates directing the questionnaire to the employees. Employees are able to evaluate their experience in dealing with employers and able to evaluate their experience about the relationship between the both parties.

The ability to generalize findings to the population is primarily dependent on utilizing a large enough sample size. The appropriate sample size in this case is determined by the type of statistical analysis employed in the study, the confidence level, the margin of error, and the population size (Saunders et al. 2009). As a result, the population of this study is geographically spread and surpasses 1810 items, and

the appropriate sample size is 318 observations.] Probability sampling is divided into five major types: simple random sampling, systematic random sampling, cluster sampling, multiphase sampling, and multistage sampling. In basic random sampling, each item in the population has an equal chance of being chosen. Adding to this, this method of sampling insists that the researcher has a complete sample frame. moreover, it develops external and internal validity and simplifies data analysis (Acharya et al. 2013). As a result of the aforementioned benefits, the current study depended on the random sampling technique to collect data from the selected population. The researcher directed the questionnaire to the bank employees. So that we can increase the questionnaire response rate, the researcher connected with the employees and discussed the objective of the study and the questionnaire's contents with them. fundamentally, the questionnaire was sent to 380 employees, only 330 of them responded. Finally, the researcher gathered only 318 completed questionnaires and 12 uncompleted questionnaires, resulting in only 318 questionnaires that were statistically valid and free of missing data, with a response rate of 86,84% (330/380).

This section outlines the characteristics of the sample concerning the banks employees' gender, age, education, marital status and income. These characteristics are presented in table (1):

Table (1): Sample description of the bank employees (N=318)

<i>Demographic Characteristics</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Gender</i>		
<i>Male</i>	187	58.81%
<i>Female</i>	131	41.19%
<i>Total</i>	318	100.00%
<i>Educational level</i>		
<i>Diploma</i>	10	3.14%
<i>Bachelor</i>	237	74.53%
<i>Post Graduate</i>	71	22.33%
<i>Total</i>	318	100.00%
<i>Marital Status</i>		
<i>Single</i>	173	54.40%
<i>Married</i>	140	44.03%
<i>Widower</i>	1	0.31%
<i>Divorced</i>	4	1.26%
<i>Total</i>	318	100.00%
<i>Experience</i>		
<i>Less than 5 years</i>	163	51.26%
<i>From 5 years to less than 10 years</i>	104	32.70%
<i>From 10 years to less than 15 years</i>	26	8.18%
<i>More than 15 years</i>	25	7.86%
<i>Total</i>	318	100.00%

Source: Prepared by the researcher according to statistical analysis results.

**A. Gender Category:**

Table 4.1, show that my sample contain (187) males by (58.81%), VS (31) Females by (41.19%).

**B. Educational level Category:**

Table 4.1, show that my sample contain (237) observations from the bachelor degree by (74.53%), then (71) observations from the postgraduate category by (22.33%), finally the Diploma category by (100 observations and (3.14%).

**C. Marital Status Category:**

As shown, in table 4.1, it is obvious that category of single is the first rank by (173) observations and (54.40%), Following by married category by (140) observations and (44.03%), then divorced category by (4) observations and (1.26%), Finally the Widower category by (1) observation by (0.31%).

**D. Experience Category:**

As shown, in table 4.1, it is clear that my sample contain (163) respondents from the category ranged less than 5 years by (51.26%), then category ranged between 5 years and 10 years by (104) observations and (32.70%), following by the category ranged between 10 years and 15 years by (26) observations and (8.18%), finally the category of more than 15 years by (25) observations and (7.86%).

## ***7.2) Measures***

In this section, the researcher will present the measures of constructs utilized in this study. The first independent variable which is Psychological Contract includes four dimensions represented in: Tangibility, Scope, Stability, and Time frame. The second independent variable is Job embeddedness includes three dimensions represented in Fit, Link and Sacrifice.

In order to measure the independent variable (**Psychological Contract**), the current research adopted a construct, which involves 21 items proposed Sels et al 2004.

The study utilized 9-items of **Job embeddedness** to measure it Mitchell et al 2001 - Crossley et al 2007. All of the constructs were measured with a 5-point Likert-type scale (5 ¼ strongly agree, to 1 ¼ strongly disagree).

### ***λ. Data Analysis & Results:***

#### **8.1) Assessing the Measurement Model:**

Investigating the significance of the relationships in the structural model requires testing the validity and reliability of the measurement model (Fornell & Lacker, 1981). In this context, testing the validity of the measurement model depends on two factors: the level of model goodness of fit and the construct validity (Blunch, 2012).



### 8.1.1) The Model Fit of the Measurement Model

According to Byrne (2010), goodness of fit indicates how well the measurement model fits the data gathered from the sample. The study used the most used indices to evaluate model fit, which are provided in table (2) as follows:

**Table (2): The indices of model fit for the measurement model**

<i>Measure</i>	<i>Estimate</i>	<i>Threshold</i>	<i>Interpretation</i>
GFI	0.972	Closer to 1	Accepted
RMR	0.026	Closer to 0	Accepted
CFI	0.971	Closer to 1	Accepted
TLI	0.974	Closer to 1	Accepted
RMSEA	0.039	Less Than 0.08	Accepted

Source: By Researcher based on Literature, Data, and Statistical analysis outputs.

The CFI value is 0.971, which is acceptable because it is larger than 0.95. Furthermore, the value of the RMR index is acceptable because it is less than 0.05. Similarly, RMSEA equals 0.039, which is less than 0.08, as proposed by Byrne (2010). The GFI value of 0.972 is approved because it is greater than 0.8 (Byrnes, 2010). As a result, the measurement model fits the data received from banks employees.

### 8.1.2) The Construct Validity of the Measurement Model:

To assess construct validity, both convergent and discriminant validity should be considered. Convergent validity was initially examined using factor loadings, which are considered significant if they equal or exceed 0.5 (Hair et al., 2010). Furthermore,

convergent validity is measured by (AVE), with the result approved if it is greater than 0.5. Furthermore, the measurement model's reliability was assessed using Cronbach's alpha and Composite Reliability (CR). Table (3) summarizes all of the factors used to evaluate model validity:

**Table (3): The validity and reliability of the measurement model**

Variables	Dimensions	Factor Loading and Reliability			Convergent Validity	
		Code	Factor Loading	Cronbach's Alpha	AVE	CR
<i>Psychological Contract</i>	Stability	PC1	0.779	0.650	0.742	0.687
		PC2	0.689			
		PC3	0.657			
		PC4	0.826			
		PC5	0.761			
	Scope	PC6	0.827	0.715	0.795	0.681
		PC7	0.826			
		PC8	0.798			
		PC9	0.763			
		PC10	0.759			
	Tangibility	PC11	0.689	0.769	0.754	0.693
		PC12	0.684			
		PC13	0.814			
		PC14	0.782			
		PC15	0.803			
	Time frame	PC16	0.651	0.718	0.744	0.715
		PC17	0.791			

<i>Variables</i>	<i>Dimensions</i>	<i>Factor Loading and Reliability</i>			<i>Convergent Validity</i>	
		<i>Code</i>	<i>Factor Loading</i>	<i>Cronbach's Alpha</i>	<i>AVE</i>	<i>CR</i>
<i>Job embeddedness</i>	Fit	PC18	0.797	0.622	0.708	0.621
		PC19	0.786			
		PC20	0.696			
		PC21	0.745			
	Link	JE3	0.653	0.792	0.709	0.705
		JE4	0.697			
		JE5	0.755			
		JE6	0.730			
	sacrifice	JE7	0.748	0.648	0.718	0.695
		JE8	0.717			
		JE9	0.688			

Source: By Researcher based on Literature, Data, and Statistical analysis outputs.

According to table (3), Cronbach's alpha values are greater than 0.6, which is acceptable. Furthermore, AVE values better than 0.5 and composite reliability values greater than 0.6 are acceptable, according to Fornell and Larcker (1981). Additionally, discriminant validity is evaluated in table (4). This table displays the correlations between the factors and the square roots of AVEs, as well as the fact that the square root of AVE values are greater than the inter-construct correlations

(Fornell and Larcker, 1981). Thus, discriminant validity is established. Finally, the measurement model met all of the criteria used to assess validity and reliability.

**Table (4): Construct Correlations and Square Root of Average Variance Extracted**

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1)	Stability	0.861						
(2)	Scope	0.575	0.892					
(3)	Tangibility	0.610	0.478	0.868				
(4)	Time frame	0.470	0.524	0.458	0.863			
(5)	Fit	0.533	0.483	0.627	0.471	0.841		
(6)	Link	0.430	0.451	0.576	0.577	0.589	0.842	
(7)	Sacrifice	0.490	0.538	0.574	0.552	0.573	0.521	0.847

Source: By Researcher based on Literature, Data, and Statistical analysis outputs.

### **8.2) Assessing the correlation coefficients among variables' dimensions:**

Table (5) depicts Pearson's  $r$  correlation among the dimensions of the variables studied. The results included in this table ensure a positive significant relationship among all dimensions for each variable. Additionally, the results ensure a positive significant relationship between Psychological Contract dimensions and Job embeddedness dimensions. Moreover, the strongest relationship among the Psychological Contract dimensions and Job embeddedness dimensions is the relationship between (Scope & Fit, where  $R = 0.415$ ).

Therefore, I can accept the first hypothesis in the alternative form as follow: H1: *There is significant positive relationship among all the research variables (psychological contract and job embeddedness).*

**Table (5): Pearson correlation Matrix**

		(1)	(2)	(3)	(4)	(5)	(10)	(11)	(12)	(13)
(1)	Stability	1								
(2)	Scope	.260**	1							
(3)	Tangibility	.199**	.526**	1						
(4)	Time frame	.326**	.450**	.591**	1					
(5)	PC	.605**	.792**	.767**	.781**	1				
(10)	Fit	.321**	.415**	.411**	.404**	.526**	1			
(11)	Link	.345**	.365**	.322**	.384**	.481**	.711**	1		
(12)	sacrifice	.366**	.299**	.259**	.320**	.423**	.560**	.736**	1	
(13)	JE	.387**	.412**	.381**	.422**	.544**	.876**	.925**	.844**	1

Source: By Researcher based on Literature, Data, and Statistical analysis outputs.

### **8.3) Testing the second hypothesis (using Multiple regressions):**

Multiple linear regression (MLR), also known simply as multiple regression, is a statistical technique that uses several explanatory variables to predict the outcome of a response variable. The goal of multiple linear regressions is to model the linear relationship between the explanatory (independent) variables and response (dependent) variables. In essence, multiple regressions are the extension of ordinary least-squares (OLS) regression because it involves more than one explanatory variable.

Based on the above discussion, the results of H2 that related to the effect of psychological contract on the job embeddedness can be summarized on table No. (6) as follow:

**Table (6): The effect of psychological contract on the job embeddedness**

<i>Hypothesis</i>		<i>Hypothesis direction</i>		<i>Estimate</i>	<i>Sig.</i>	<i>Hypotheses result</i>
H2	H2a	Stability	Fit	0.184	0.000	Accepted
	H2b	Scope		0.207	0.000	Accepted
	H2c	Tangibility		0.180	0.005	Accepted
	H2d	Time frame		0.145	0.021	Accepted
	H2e	Stability	Link	0.221	0.000	Accepted
	H2f	Scope		0.187	0.002	Accepted
	H2g	Tangibility		0.070	0.288	Rejected
	H2h	Time frame		0.187	0.004	Accepted
	H2i	Stability	Sacrifice	0.274	0.000	Accepted
	H2j	Scope		0.140	0.024	Accepted
	H2k	Tangibility		0.050	0.456	Rejected
H2l	Time frame	0.138		0.037	Accepted	

Source: By Researcher based on Literature, Data, and Statistical analysis outputs.

According to table (6), it is clear that Stability, Scope, Tangibility and Time frame have significant positive direct impact on Fit where ( $\beta = 0.184, 0.207, 0.180, 0.145$ ; Sig. < 0.05) respectively. In the other side, Stability, Scope and Time frame have significant positive direct impact on Link where ( $\beta = 0.221, 0.187, 0.187$  Sig. < 0.05) respectively. Finally, Stability, Scope, and Time frame have significant positive direct

impact on Sacrifice where ( $\beta = 0.274, 0.140, 0.138$ ; Sig.  $< 0.05$ ) respectively. This result indicates that increasing the psychological contract leads to increasing the job embeddedness. Therefore, *H2 which represents the positive significant impact of psychological contract on the job embeddedness was partially accepted.*

**9. Findings and Recommendations**

This section reflects the research objective through discussing the impact of employee’s psychological contract on employee’s job embeddedness, it also answers the research questions: “Is there a positive effect of psychological contract on job embeddedness and its dimensions?”.

**9.1) Research Questions Revisited**

Table (7) Research Questions, Objectives, Hypothesizes, and Results

<i>Research Questions</i>	<i>Research Objectives</i>	<i>Research Hypothesizes</i>	<i>Results of Testing Hypothesizes</i>
Q1: Is there any coefficient relationship between the research variables (Psychological Contract, Job embeddedness)?	O1: Determine the nature of the coefficient relationship between all research variables (Psychological Contract, Job embeddedness).	H1: There is a significant coefficient between all the research variables (Psychological Contract, Job embeddedness).	Accepted
Q2: Is there any effect between Psychological Contract and Job embeddedness?	O2: Measure the effect of Psychological Contract on Job embeddedness.	H2: There is significant effect of Psychological Contract on Job embeddedness.	Accepted

<i>Research Questions</i>	<i>Research Objectives</i>	<i>Research Hypothesizes</i>	<i>Results of Testing Hypothesizes</i>
Q3: Are there any differences in the employees' Awareness of the research variables (Psychological Contract and Job embeddedness) according to their demographic variables (gender, education, years of experience, and marital status)?	O3: Investigate the differences of employees' awareness towards the research variable (Psychological Contract, Job embeddedness) according to the difference of demographic variables (gender, education, years of experience, and marital status).	H3: There are significant differences of employees' awareness towards the research variables (Psychological Contract, Job embeddedness) according to the difference of demographic variables (gender, education, years of experience, and marital status).	Accepted

Source: By Researcher based on Literature, Data, and Statistical analysis outputs.

### **9.2 Findings**

Aligned with the hypothesized relationship, research findings reveal that psychological contract is positively related to job embeddedness, and also the three sub-hypotheses are supported which indicated that psychological contract is positively related to Fit, Link, and Sacrifice. This result is consistent with the previous studies which indicate that psychological contract is positively associated with job embeddedness (Zhao et al, 2007).



The core of a company-employee relationship is the psychological contract that they have signed and agreed to. Individual effort at work is influenced by the psychological contract that they sign with their organization (Landry et al., 2014).

Moreover, psychological contract has implications on employee attitudes and behaviors as well as organizational performance. While the fulfilment of contracts is attached to attitudes such as job satisfaction (Robinson et al., 1994; Tekleab and Taylor, 2003; Pate et al., 2003; Guzzo and Noonan, 1994), organizational commitment (Lester et al., 2002; Turnley and Feldman, 2002), organizational citizenship behavior (Turnley et al., 2003; Robinsons and Morrison, 1995; Pate et al., 2003), organizational performance (Johnson and O'Leary-Kelly, 2003) and innovative behavior (Ramamoorthy et al., 2005), the failure of the organization to live up to the promises will lead to negative attitudes and behaviors such as intention to quit (Lester and Kickul, 2001) and low citizenship behavior (Robinsons and Morrison, 1995; Robinson, 1996). Organizations failure to levy their promises (e.g. pay, promotion, interesting work) in return for what employees present to their employers (e.g. skills, efforts, loyalty) may be construed as lack of justice (Guest, 1998; Herriot and Pamberton, 1995).

### ***9.3 Theoretical Implications***

The results this study contribute to the literature. This study reveals a significant positive relationship between psychological contract and job embeddedness. The above discussion highlights the fact that psychological contract is a dynamic phenomenon and not a fixed entity. There is sufficient research to show that

psychological contract is influenced by individual (age, gender, personality, career orientation, duration of stay in the organization, etc.), organizational (culture, human resource practices, Public versus Private, etc.), extra-organizational (global meltdown, market segments, etc.) as well as sociocultural (individualism–collectivism, etc.) factors. the notion of psychological contract is not only confined to organizational realities but goes beyond to involve family, friends and sometimes others also. In the present research, individual, many organizational and sociocultural issues which might have moderated the relationship have not been taken into account. Future researchers may take up these issues to remove some of the ambiguities of the present research. In the present research, self-report measures were used to collect data and therefore assumed that the phenomenon under study were of fixed nature, which may be problematic for generalization; therefore, the future researcher may use qualitative or mixed model, that too at different time frame, to properly comprehend the concept.

#### ***9.4 Practical Implications***

Based on the literature review, these relationships were not analyzed in the same depth before, in addition to that the application field still needs more investigation. The results of the current study provide some practical contributions as follows: Providing a deeper understanding of psychological contract and job embeddedness. The research proved that psychological contract affects employee's Fit, Link and Sacrifice.

Therefore, employees must be oriented to strengthen this effect, through creating a favorable working environment, which plays a key role in motivating employees to embed to the organization while reducing quitting behaviors, The Bank should be aware that professional employees are sensitive to their psychological contracts being fulfilled which positively affect their job embeddedness, and that a breach of this contract may lead to employees leaving the organization.

<i>Practical Recommendations</i>	<i>Notes for application</i>	
<p><b>1. The Bank should create a favorable working environment, which plays a key role in motivating employees to embed to the organization while reducing quitting behaviors.</b></p>	<i>Whom?</i>	<p><b>Top Management of the Bank</b></p>
	<i>How?</i>	<p><b>Protect Employees Mental Health and spirituality</b> through creating a culture that motivates employees to talk openly about how they feel, both with their coworkers and line managers.</p> <p><b>Look at the Working Environment spirituality</b>, physical workspace greatly affects employee spirituality and relationships. Different people work better in different spaces, so providing a range of options and giving employees the freedom to work where they feel they can accomplish the best results.</p> <p><b>Building Strong Lines of Communication</b>, Poor communication can negatively impact many aspects like employee</p>

<i>Practical Recommendations</i>	<i>Notes for application</i>	
		spirituality, productivity & team's ability to meet deadlines.
2. <i>The bank should provide training programs for new comers or employees about perceptions of the bank values. Training efforts could become especially important for guiding the bank employees toward better ways of communications and creating bonds with their managers.</i>	Whom?	<i>Top Management of the bank</i>
	How?	<i>At the outset, design a training program that merge shared personal values with the bank values.</i> This action will make employees feel like they have a lot in common with the bank values which leads to a strong bond and positive spirituality Through evaluating each employee's performance every while and according to key performance indicators it would be determined who is in need to training
3. <i>Managers should improve their relationship with their employees continuously</i>	Whom?	<i>Branch and department managers</i>
	How?	<i>Initially, define how the employees see the management</i> through asking about their feedback every while and trying to improve the bad feedbacks through creating a psychological contract between the employee and the manager

Source: By Researcher based on results.

### ***9.5 Limitations and further research recommendations***

In spite of the implications of this study, there are several limitations that should be highlighted, which point toward propositions for future investigations.

First, as previously mentioned, the research design of the present study is cross-sectional, which makes it difficult to ensure causality. Future scholars should conduct longitudinal studies with meaningful time lags in order to measure how employee psychological contract impact their job embeddedness.

Second, despite the study findings reinforced the argument that psychological contract positively affects the job embeddedness, the researcher recommends that future studies can investigate the impact of psychological contract on other organizational behaviors, or to investigate the impact of psychological contract on Narcissism or Abusive Supervision.

Third, the present study was conducted using a sample from the banking sector (Kafrelsheikh Governorate), so the findings derived from this work are largely applicable to full time banking employees, however, the results of this study may differ in magnitude in other sectors, so, perhaps future researchers might be interested in undertaking comparative research to address probable differences in the impact of psychological contract on job embeddedness in public universities employees in Egypt.

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