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Psychological Contract Fulfilment Mediating Role in the Relationship Between HRMP and Employee Performance: A Conceptual Paper

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Abstract
This study examines the influence of PCF towards the relationship between HRMP and employee performance at Libyan international airport. PCF is being neglected in the Libyan setting in general and in the LIA in particular. Therefore, the objective of this research is to recognize the significance of PCF in the advancement of EP and the employment of PCF in the HR department of LIA. Yet, the function of PCF in mediating between HRMP and EP remains unexamined. This research, therefore, focuses on the important role that PCF plays in the successful use of HRMP and the impact that it has on EP. Previous research has indicated that HRMP may be supported by PCF as a supporting tool. This study will adopt the quantitative approach. A survey method contains a cross-sectional design will be adopted as the research strategy to obtain data. The target population will be restricted to employee of the only major Libyan international airports functioning which are Tripoli, Benghazi, and Sabha. More specifically, the employees of all departments at Libyan international airports. The study is expected to have a significant relationship between its variables.

Keywords: Employee Performance, Human Resource Management Practices, Libyan International Airports, Psychological Contract Fulfilment.

Introduction
Employee performance has been always at the center of organizations’ concerns. Getting the employee to perform at an optimum level is a task that requires the coordination of human resource management practices HRMP. Also, it is crucial to maintain and fulfill a physical and psychological contract to attain and keep the employee in the long run. Libyan international
airports LIA as a public organization are facing a low level of employee performance EP. What caught the attention of this problem is the government strategy to develop these airports and make the most of their location as hub airports. In very intense global competition, poor EP is a threat that prevents LIA to become hub airports that are located at the center of the seven continents. There is a lack of studies that investigate the effect of HRMP on EP at LIA. Furthermore, no study has been published about the role of Psychological Contract Performance PCF mediating the relationship between HRMP and EP. The above-mentioned scenario has derived the effort to conduct a study that investigates the mediating role of PCF on the relationship between HRMP and EP. The goal of this study is to clarify the mediating role of PCF on the relationship between HRMP and EP at the Libyan international airports to the Libyan authority as well as the airports' managers to take a step toward developing these airports.

**Literature Review**

**Employee Performance**

Managing the performance of employees is one of the essential tasks of a manager. It is carried out year-round due to its core role in the daily organization functions, i.e., task, people, structure, and any organization’s technology. However, the general concept of performance itself is vague if it is to be applied to individuals and organizations according to (Wright et al., 2003; Sahoo and Mishra, 2012). In contrast, performance can be conceptualized concerning the tasks, actions, and aims that need to be accomplished. Therefore, the one who sets those tasks, actions, and aims is either an organization or an individual. In addition, Murphy et al (1996) described three meanings of performance, which are: The measurement of progress representing the accomplishment of corporate objectives, outputs referred to as prosperity and success for organizations; and finally, results as a measure of the equilibrium relationship between productivity and effectiveness. This study looks at employee performance from two main perspectives—task performance and contextual performance. The two perspectives are examined separately because the task and contextual performance do not need to occur in tandem. For instance, an employee can be highly proficient in doing tasks but considered less proficient in contextual performance. Both task and contextual performance are critical dimensions to take into consideration.

Task performance is defined as the process when an employee uses the organization's raw material and transforms it into a type of good or service (Borman and Motowidlo, 1997). The prediction of an individual's performance and behavior in the organization is made through task performance (Hartini et al., 2019). According to Borman and Motowidlo (1997)"effectiveness with which job incumbents perform activities that contribute to the organization's technical core either directly by implementing a part of its technological process, or indirectly by providing it with needed materials or services" is what they defined as task performance. The activities associated with task performance are usually incorporated in the organization’s job descriptions and incentive programmers. Therefore, these activities are formally prescribed and mandated by the job description (Jawahar and Ferris, 2011). Organizations consider task performance to measure employees' ability and perform the core technical activities for a particular job role. The most important criteria that reflect task performance are work quantity and quality, job skills, and job knowledge (Rotundo and Sackett, 2002; Sahoo and Mishra, 2012). On the other hand, contextual performance is defined as those behaviors, such as enthusiasm, volunteering, helping, and compliance that contribute to the organizational effectiveness by providing the right environment in which
task performance can occur (Hartini et al., 2019). It is also called citizenship performance.

**Human Resource Management Practices**

Many scholars have studied the concept of HRMP (Alusa and Kariuki, 2015). HRMP refers to how organizations use to influence and transform their workers' abilities, attitudes, and perceptions to develop their actions and thereby meet the organization's aims. Accordingly, Rhee et al (2014) stated that organizations rely on human resource management policies and programs to boost their market's financial status and market share and increase profitability. HRMP have a significant impact on both organizations and employees' efficiency, making human resource management practices a primary consideration for the organization.

Shields et al (2015) pointed out the importance of HRMP by mentioning their impact on employee performance. That was attributed to influencing workers' expertise and morale or influencing how they are chosen, hired, educated, and rewarded. Thus, several studies and analyses have tried to examine the connection between human resource management activities and employees' performance (Bako and Aladelusi, 2017; Dessee, 2016; Nzyoka and Orwa, 2016; Hassan, 2016). For instance, in a study to define the effect of HRMP including pay and benefits, recruiting, preparation and growth, and performance evaluation on employee performance, Jouda et al (2016) reported that HRMP (Recruitment and selection, training and development, compensation and incentives, performance appraisal) are positively related to employee's performance.

The relationship between recruitment and selection and employee performance According to Abbasi, et al (2020); Sriviboon (2020), business growth solely depends on how recruitment and selection are made. The result of the proper recruitment and selection procedure is high-skilled employees whose performance will be at an optimum level, which will positively affect the business growth. Recruitment and selection are one of the HRMP that help managers attract and select the best candidates, leading to improved organizational performance. Ismail, et al (2019) argued that recruitment and selection are strong predictors of employee performance. Their study indicated the essential positive correlation between recruiting and the selection and employee efficiency. However, the impact of recruitment and selection as one of HRMP on organizational performance depends on how employees are recruited and selected. Therefore, HRMP affects employee performance and thus the competitive advantage of an organization (Amin et al., 2014). Effective recruitment and selection of employees will ensure a competitive advantage and high performance for organizations (Otoo, 2019).

Recruitment is finding and recruiting prospective applicants from within and outside the organization for possible jobs. At the same time, selection starts when the proper caliber of candidates is established to choose from. A good hiring process can yield outcomes that positively impact the organizations' life, while bad hiring choices have adverse effects on the organization. However, recruiting and training employees offers an incentive for the organization to show a better version of itself and market itself well in the labor market. On the other hand, it can be harmful to wrongly recruit candidates or not correctly estimate the organization's hiring needs.

Recruiting and selection have become indispensable because the organization's need for employees has to be at correct numbers and skills on a timely basis. The organization's sustained growth relies on its ability to hire and select high-quality employees in all departments. This growth is associated with the rising emphasis on the importance of
employees in organizations. HRMP becomes fundamental to the development of employees, their expertise, and the organization's development process as a whole. Professional and positive handling of the prospective employees would most likely leave them with a positive view of the institution and how the applicants have been dealt with (Ekwoaba et al., 2015). Both recruitment and selection of employees directly affect the performance because if the organization has done recruitment and selection well, the better its employee will perform. As a sequence having recruiters going through a good recruitment and selection process will result in very high performers.

The Relationship Between training and Employee Performance

Training is an organization’s investment phase in individuals so they can do their work successfully. The process is part of an overarching HRMP that will inspire people to do better in their jobs. Therefore, it is necessary to maximize employees' performance as organizations' priorities to ensure optimal results, which can be done through HRMP (Asfaw et al., 2015). Training can be used to improve employee performance in many ways. First, using training to uplift one's poor performance. Second, to be used as bonuses or rewards that can offer opportunities for the employee to be promoted to high levels (Osibanjo et al., 2014).

It is proved that training enhances employees' performance (Asfaw et al., 2015; Hameed et al., 2014; Ismail et al., 2019; Mira and Odeh, 2019; Otoo, 2019; Sila, 2014). Training is one of the main elements of the HRMP that assists organizations in managing employees. Over time, employee competencies tend to be outdated and regularly reinvigorated to be relevant to the job environment. As a result, employee performance varies among individuals and changes over time. Training benefits employees' performance by enhancing job satisfaction, managing work stress, lowering turnover rates, employee enthusiasm, increasing job advancement, and uplifting employee morale (Lahap et al., 2016; Kanyemba et al., 2015).

The relationship between compensation and employee performance

Compensations are being seen as the end results that she/he exchanges her/his time, effort, energy, and focus from the employee’s point of view. On the other hand, an employer sees it from two standpoints. First, as a tool used to motivate employees and get their attention to work. Second, as an expense that the organization has to deal with. As the compensation system works to acknowledge the employees' desired behavior, this will help retain effective performers who lead the organization to have a competitive advantage (Chen et al., 2016). Compensation programs contain some foundational elements, such as wages, benefits, rewards, allowances, raises, and appreciation, aiming to motivate employees at work. However, employees' ability to remain at work relies primarily on the organization's pay arrangements. Therefore, organizations need to explore several effective ways to compensate workers in order to produce optimal outcomes. When high performance is being recognized and compensated, this reinforced likelihood to be repeated in the future, resulting in a pay increase (Osibanjo, et al., 2014; Nzyoka and Orwa, 2016).

Compensations affect the employee's decision-making to stay at the organization and to accept responsibilities. Compensations stimulate human resources' performance, which leads to the performance increase, satisfaction, and productivity. When compensations are tied to employee performance, good quality and quantity of work are expected to be high (Hameed et al., 2014; Amin et al., 2014). Ahmad and Shahzad (2011) argued that companies that follow long-term incentive plans are more likely to increase their return on equity than those that
ignore such techniques. Along with that, Gungor (2011) stated that organizations had been found to use incentive schemes and methods to empower their workers and improve their output.

Njoroge and Kwasira (2015) interlinked compensation as a managerial function with human resource development dealing with rewarding people in accordance with their provided value to the organization and often used to close the gap between current performances and desired performance. Mira and Odeh (2019); Nzyoka and Orwa (2016) claimed that firms would pay higher than the market average because they assume that a high pay standard increases productivity by encouraging superior performance and persuading workers that they are being paid fairly. However, attracting and retaining the best talents within the organization is the outcome/goal of compensation. To achieve this goal, compensation has to be aligned with organizational strategies to do so. For instance, when an organization pursues a differentiation strategy, it could use compensation to foster employee innovation to provide unique products. In contrast, if the organization is seeking cost reduction, it could use compensation to reduce wastage. Several factors that affect compensation level, such as nature of work, experience required, supervision level, authority attributes, should be considered (Ismail et al., 2019).

Psychological Contract (PC)
Rousseau, Hansen and Tomprou (2018) defined the PC as: a cognitive schema, or system of beliefs, representing an individual's perceptions of his or her own and another's obligations, defined as the duties or responsibilities one feels bound to perform. As a schema, the obligation-based beliefs comprising the (PC) originate from an array of sources, internal (e.g., recalled experiences) and external (e.g., the employment contract), and evolve over time. The PC mediates the employer-employee actions and enables the management to control their employees effectively. That being the case, for both supervisors and workers, the PC proved advantageous. Implementing the PC generates a vibrant and efficient team, and the coordination of objectives between the two parties plays a significant role (Latorre, et al., 2020; Savarimuthu and Rachael, 2017). The fulfillment of the psychological contract depends on how effectively HRMP being implemented and the way how they are affecting employee performance (Soares and Mosquera, 2019; Ahmad, et al., 2019).

The psychological contract is differentiated from the employment contract in that it is being measured from the employee point of view. That is why employers have to know the essence of employees' expectations and dealing/managing them from this point (Kerdpitak and Jermsittiparsert, 2020). However, the employer has to voice their expectations and develop and present reciprocity and mutuality when dealing with their employees (Guest, 1998). As a framework, a PC affects employee performance because PC is linked to the employee attitude and priorities. Once the employee considers his/her attitude and priorities are aligned with employer policies and organization goals, it will, in return, influence employee performance (Soares and Mosquera, 2019; CIPD, 2020). Failing to realize employees' priorities and attitudes often creates negative feelings or resentment by the employees. Such sentiments will affect employee performance and organization performance (Rousseau, 1995; Sarantinos, 2007; Beardwell et al., 2004). In the context of Libya, there is no sufficient literature on how the concept of psychological contract is perceived or implemented in Libyan airports.

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The Influence of PCF on the Relationship Between Recruitment and Selection and Employee Performance

Manap et al (2017) emphasize that employee recruitment and selection practices will affect the organization's overall performance. Organizations can gain a clear understanding of their employees' psychological contracts by offering a realistic view of their organization at the stage of recruitment, clearly defining the rights and benefits of employees, and opening the lines of effective communication. Organizations can maximize employee performance by fulfilling their psychological contract. The psychological contract begins its formation during the hiring process, it is essential that the organization does not oversell the job, thereby setting unrealistic expectations, which when violated may result in dissatisfaction and lowered commitment and hence lower performance. Whether the hiring process takes a transaction or establishes an enduring relationship can influence new hires' obligations. Therefore, contractual issues can play an essential role in the employment relationship (Clarke and Scurry, 2020; Rousseau, 1990).

The general purpose of the recruitment and selection process is to find the best employees for a suitable job. Besides, the top management will form a PC during the interviews and the post advertisement offered. When the employee observes the organization's promises, a PC will be created with employers and workers. When the promises organization makes during the recruitment and selections are fulfilled, workers will be more innovative. On this basis, recruitment and selection of workers are carried out carefully following established procedures (Delobbe et al., 2016).

The Influence of PCF on the Relationship Between Training and Employee performance

Training practices may result in the development of psychological contracts between employees and their employers. Employees no longer anticipate a job for life, but rather chances for training and professional development that will enhance their employability in the future (Soares and Mosquera, 2019). More importantly, due to the limited financial resources available to organizations, the spending of money on training workers may serve as a signal to employees that their employers respect them, increasing the likelihood that they will be more loyal, committed and perform well for a lengthy period of time. In a similar vein, employee training programmers designed to help new workers get to know one another at probationary stage may indicate to a sign of who can get along and who does not (Abdullah, 2017).

Training is an essential organizational activity because of its impact on employee productivity. It is seen that employees perceive training and development to be the most critical group of HR practices that will help their employability both in the labor market. The emphasis the organization puts on employee training and development usually reflects the view that the organization considers employees part of its permanent employment (Katou, 2013). The development program allows the employee to grow and progress either inside or outside the organization. Therefore, employees will expect the employer's training earlier in the interview (Mohamed et al., 2014; Mira and Odeh, 2019). A psychological contract will exist between the employee and the employer where the employer knows that the employee needs appropriate training. The workers will then take the training for their careers. The whole process further improves the organization's human resources quality, meeting the employees' needs. It contributes to include more good performers in organizations daily operations (Ricks et al., 1995).
The Influence of PCF on the Relationship Between Compensation and employee performance

Monetary compensations can produce psychological contract by establishing the belief that an organization’s employees are worth their long-term salaries. This is because the appropriate use of HRMP will create a positive organizational environment that will influence the degree of employer and employee promises fulfilment. Good employee relations produce positive feelings to employees who accordingly keep their promises to organizations. HR practitioners are also advised organizations to regularly review their compensation and benefits packages and maintain market comparability (Cheung et al., 2017; Katou, 2015; Seeck and Parzefall, 2010; Katou, 2013).

The compensation system has the capability of generating psychological agreements (Abdullah, 2017). Employees' perceptions of compensation policies are often implicit in nature, according to (Rezania and Gurney, 2016). For example, employment contracts that state an employee’s salary as an annual amount may lead an employee to develop a psychological contract based on the belief that they will be guaranteed a year’s worth of wages. Similarly, perks such as contributions to a retirement fund and/or health insurance may indicate to an employee that the company appreciates him or her and that he or she may expect to be employed for a long period of time (Cheung et al., 2017).

The PC is divided into three main components: Promise, payment, and acceptance (Rousseau, 1989). A promise is an implied or explicit agreement of future behavior in a written or verbal form (Rousseau and McLean, 1993). Payments are what employees expect to earn when their promises are met. For example, suppose employees achieve a set sales level; in that case, they will expect (based on a psychological contract that has already existed before reaching a sales stage) the manager to reward their achievements PCF. At the same time, acceptance is defined as voluntary involvement in the contracting process (Ahmad et al., 2016). This means that a PC will be fulfilled if the employee’s expected reward is received when expected.

**Objectives**

The objectives of this study are

- To examine the relationship between recruitment and selection and employee performance at Misurata, Tripoli and Benghazi Airport.
- To examine the relationship between training and employee performance at Misurata, Tripoli and Benghazi Airport.
- To investigate the relationship between employee compensation and employee performance at Misurata, Tripoli and Benghazi Airport.
- To investigate the mediating role of psychological contract fulfilment (PCF) toward the relationship between HRMP (recruitment and selection, training, and employee compensation) with employee performance at Misurata, Tripoli and Benghazi Airports.

**Methodology**

The research describes a problem or issue by identifying and gathering information about its features (Sekaran and Bougie, 2010). The study's goal here is to investigate and identify the causal connections between various occurrences in order to better comprehend it. Forecasting the likelihood of parallels in circumstances occurring someplace else is a step forward for explanatory study. To make predictions based on the analysis, this predictive study seeks to generalize by forecasting specific occurrences based on the assumption and general connections, which will help determine how, why, and where questions about future events and comparable events will be answered (Rahi, 2017). This study will adopt the
quantitative approach. A survey method contains a cross-sectional design will be adopted as the research strategy to obtain data. The use of questionnaire as the data collection tool is because of the benefits associated with this tool in terms of faster distribution and collection, convenient and easy transition to the analytical SPSS tools (Sekaran and Bougie, 2016; Saunders and Lewis, 2007).

This study will take place in Libya and focuses on the international airports in the major cities in Libya which are Tripoli, Benghazi, and Sabha. In this study, the target population will be restricted to employee of major Libyan international airports. More specifically, the employees of all departments at Libyan international airports. The rationale for this choice is that international airports tend to have a well-designed management system in general and HRMP in particular and they are more likely to have developed HRMP due to a greater availability of resources and a greater need for more comprehensive systems. Probability or random sampling will be used in this study to represent the whole population.

Data will be obtained via self-administered questionnaires with airports' employees from various departments. Primary data will be collected from the target population which is the employees in all departments at international airports in Tripoli, Benghazi, and Sabha. The online questionnaire will be used to gather the required data due to insufficient time and expense and regional constraints, with selected respondents in Libya and the researcher in Malaysia. The questions will be interpreted to Arabic by a professional since the respondents' language is Arabic, and most of them cannot speak English. Data will be evaluated using the Statistical Package for Social Sciences (SPSS) version 22 program for better analyzing of results.

The significance of the study

This article has succeeded in developing a theoretical framework that will aid future studies in this field. Additionally, this study has given a fresh perspective on EP studies and shifted the focus away from performance variables toward finding elements that affect and enhance the EP. Therefore, understanding the importance of what can affect EP will result-in an increased effort to promote PCF and HRMP in organizations in the Libyan setting. Hence, recruitment and selection, training, and compensation are the primary factors mediated by PCF that were shown to be significant for EP, although empirical evidence is needed to confirm these relationships. Also, this study predicts that PCF will have a mediating effect on the relationship between HRMP and EP at LIAs, thus, drew good attention to this factor in the future research.

After determining the significance of the factor, it is important to pay close attention to how LIAs hire and select their employees. Additionally, new hires and existing employees should be trained based on their needs. As a result of implementing good compensation practices, the employees will be more competitive. Furthermore, the skills acquired at the training stage will be put to use for the LIAs' benefit.

The study's results will serve as a springboard for further research into the mediating function of PCF in the Libyan setting between HRMP and EP. To do empirical research, a broader variety of literature must be combed in order to acquire insightful information. Even though this is a conceptual paper, it is anticipated that this work will assist complement existing material for academics' reference as well as have a major effect on Libyan airport managers and policymakers following the study findings. As a result, generalization is not suitable. Additionally, the same research is urged to be conducted in other countries and with various human resource management systems. Thus, by enhancing the usage of HRMP and
preserving PCF, EP may be improved to enable Libyan organizations to grow and flourish.

References


