

PalArch's Journal of Archaeology of Egypt / Egyptology

ROLE OF PSYCHOLOGICAL CONTRACT AND AFFECTIVE COMMITMENT IN LOWERING DOWN JOB STRESS: A COMPARATIVE STUDY IN MALAYSIAN AND PAKISTANI BANKING SECTOR

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Muhammad Ashfaq, Sobia Irum. Role Of Psychological Contract And Affective Commitment In Lowering Down Job Stress: A Comparative Study In Malaysian And Pakistani Banking Sector – PalArch's Journal of Archaeology of Egypt/Egyptology 17(9) (2020), ISSN 1567-214X.

Keywords: Psychological Contract, Affective Commitment, Banking Sector, Malaysia, Pakistan

ABSTRACT:

The current comparative study is an attempt to explore the impact of psychological contract in creating affective commitment of the banking employees in Malaysian and Pakistani banking sector. Both country's banking sectors are facing the problem of employee commitment. This study will help the banking sector to increase the affective commitment of their employees and also banks can grab the full potential from their employees to achieve their targets and competitive edge. This study will provide the comparison of the results between Malaysian and Pakistani banking sectors. Top five banks have been picked for this comparative study. The selection of top five banks was based on the number of employees. This cross-sectional study is based on two developing countries and their banking sectors which are going through the developmental stage. The main focus of this research is to find out that how banking sector can create or enhance the affective commitment of their employees by fulfillment of the psychological contract in the context of Pakistan and Malaysia. Sample size for this study was 200 employees from the top 5 banks of the Malaysia and Pakistan, 20 employees from each bank. So 100 employees were taken from Malaysia and 100 employees were taken from Pakistani banking sector due to limitation of time frame. Simple random sampling was used to distribute the questionnaire. The research was quantitative in nature and questionnaire were used to gather the data for analysis. Smart PLS was used for data analysis as this is a most advanced technique used by most of the social sciences researchers. Overall results show the positive linkage of

psychological contract on the affective commitment of banking employees. This study was an attempt to provide the useful insight into the concept of psychological contract and affective commitment.

INTRODUCTION

World has witnessed a shift in economies of developed countries towards service sector. According to the research conducted by Ahmed and Ahsan (2011), service sector contribute 73 percent in the GDP of developed countries and 53 percent of GDP in case of developing countries, In case of Malaysia according to Bank Negara Malaysia Jun 2018 banking sector is an important component which is contributing almost 67 percent in financial system, in case of Pakistan this contribution is 58.1 percent in GDP out of which eighteen percent is due to banking sector as per Economic Survey of Pakistan, 2013-14 (Wasti, 2014). State Bank of Pakistan (SBP) monitors all the activities (public or private) related to banking sector. Thirty four commercial banks are working under SBP supervision out of which four are public, eighteen are private, seven foreign and five are specialized banks (www.sbp.org.pk). Various researchers studied Pakistani Banking sector in their research and came up with different findings which can form a sound business case for this research study. Malaysian trade union congress (2014) stated that 70 % of employees planning to leave their jobs because of the three main reasons. 1. Uncompetitive salary, 2. Lack of recognition at the workplace and lack of trust in senior leader.

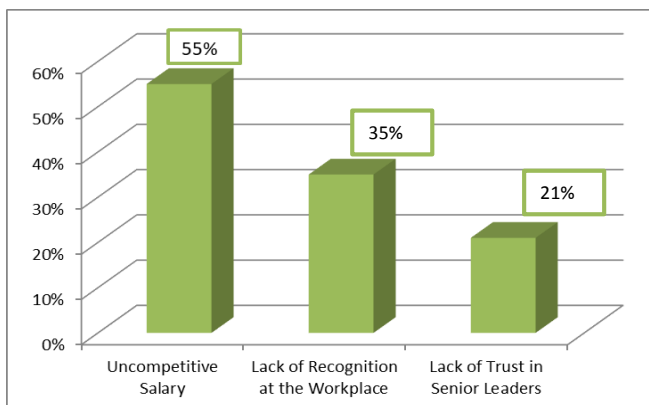


Figure 1.1 Top three reasons for leaving jobs given by Malaysian Trade Union Congress (2014)

According to Digital Economy (2017), among the top 4 challenges facing banks and financial institutions the banks have failed to fulfill consumer expectations. These days it's all about the customer experience, and many banks are feeling pressure because they are not delivering the level of service that consumers are demanding, especially in regards to technology. This is creating the problem of employee's commitment and creates job stress in banking employees. Another problem is Regulatory pressure. Regulatory requirements continue to increase, and banks need to spend a large part of their discretionary budget on being compliant, and on building systems and processes to keep up with the escalating requirements.

This study aims to explore the concept that relationship of psychological contract with affective commitment and job stress, because affective

commitment's concept is based on social exchange theory and according to the past researchers like Parzefall and Hakanen (2008) affective commitment can strongly predict the employees perceptions and attitude like job stress, The reason for researcher's interest in affective commitment is its implications on the attitudes and behavior of employees.

This study will also provide the comparison between two developing countries which is Malaysia and Pakistan, how their banking sector improve their workplace by improving the psychological contract of their employees. Moreover this study also provide the benefit of affective commitment as a mediator for controlling the Job stress of the banking employees. Banks have their importance in economic as well as national context, despite its importance this sector is not studied extensively in research settings in the backdrop of Pakistan and Malaysia. Therefore the findings of this study might help managers and human resource practitioners in this industry to devise techniques for their employees so as to increase their level of effective commitment and reduce job stress as well as it will help to formulate the work place that will be more efficient and competitive in nature.

LITERATURE REVIEW

A fundamental issue for the organizations is managing their human assets. For the survival of any organization, investment in its human resource is vital strategically (Ensari & Karabay, 2016). The findings of Milliman et al. (2003) revealed that employees show high affective commitment towards their organizations if they find their work interesting and meaningful. Allen and Meyer (2000), defined AC as a psychological state of an employee in which employee feels so much attached to his or her organization that they will not leave their organization. According to Mitroff (2003) people bring their physical self to work that is their arms and brains but not their souls, which means that spirituality at work is ignored. Due to this reason organizations cannot utilize the full potential and creativity of their employees and also the employees could not develop themselves as complete rounded human beings, whereas AC provides employees with a sense of identification with their organization.

Research work of Rego and Pina e Cunha (2008) shows that, when employee identify himself/herself with the organization, becomes involved and feel valued in the organization then affective commitment results. When they feel that organization treats them fairly, respectfully and in supportive manner then they become affectively committed, and when spirituality at work is ignored then affective commitment lowers and continuance and normative commitment become high. Along with AC, there exists another important area of concern; that is Job stress intentions and the effect of psychological contract on job stress is an under explored area of study. Affective commitment is also a relationship of an employee with his organization and it cannot be created when there is lack of reciprocity. Both parties; employer and the employee have some expectations from each other and when these expectations are met and employer take care of their employees then positive work attitudes like commitment can be generated and it subsequently lowers the job stress which is a negative work attitude.

In this research this social exchange relationship is psychological contract. PC is also related to SET. This is the most influential conceptual paradigms for understanding workplace behavior. In modern day management research, SET

presents the concept of workplace relationships (Shore and Tetrick, 1994, Shore et al., 2006). SET postulates that some workplace antecedents results in interpersonal connections, termed as social exchange relationships. Such relationships develop when employer takes care of employees and it subsequently produces beneficial consequences. In other words this social exchange relationship can be a intervening variable. Valuable and fair transactions relationship between employer and the employee can produce positive work attitude like commitment and lowers negative work attitude like stress. Research work by Khandelwal (2009) and Passarelli (2010) shows that as per SET the perception of psychological contract has an impact on employee's organizational commitment. Moore and Moore (2012) Emphasized that organization's focus should be on relational PC focusing on employee development and spiritual needs and in this way organizations can reap the benefits of a psychological contract.

The Relationship of psychological contract and Job stress and psychological contract and affective commitment could be supported by the theory named as social exchange theory presented by Blau (1964). According to this theory there always exists a relationship of exchange between the parties, this concept is of reciprocation, when employee feels that his organization is fulfilling the psychological contract then he definitely reciprocate in terms of high commitment and engagement and consequently the job stress will be lower. This research paper identified this gap that research work on psychological contract and its effect on employees job stress with affective commitment as a mediator in Malaysian and Pakistani banking sector needs to be done yet. This study aims to explore the concept that relationship of psychological contract with Job stress works in the presence of AC, because affective commitment's concept is based on social exchange theory and according to the past researchers like Parzefall and Hakanen (2008) affective commitment can strongly predict the employee's perceptions and attitude job stress. Base on the literature current research proposed the following framework.

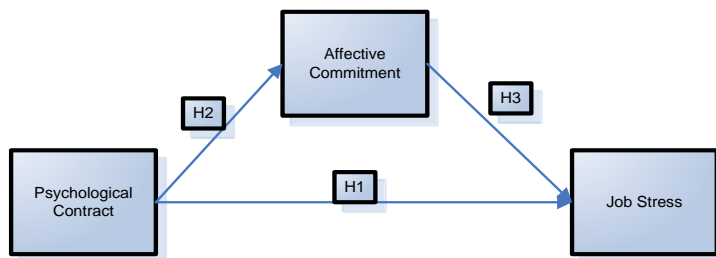


Figure: 2. Research framework.

The present study is aimed at looking into the role of psychological contract on job stress with a mediating role of Affective commitment among the employees of banking sector of Malaysia and Pakistan. Research questions for this study are:

1. Does psychological contract influences job stress of the employees of Malaysian banking sector and Pakistani banking sector?
2. Does there exist a relationship between psychological contract and Affective commitment?

3. Does there exist a relationship between Affective commitment and Job stress?
4. Does the Affective commitment mediate the relationship between psychological contract and job stress?

The objectives of this study is to examine the relationship between psychological contract and job stress as well as mediating role of affective commitment among the employees of banking sector of Malaysia and Pakistan. This study aims specifically to:

1. To study the relationship of psychological contract with job stress among the employees of banking sector.
2. To study the relationship of psychological contract with affective commitment among the employees of banking sector.
3. To study the relationship between affective commitment and job stress.
4. To examine the mediating role of affective commitment on psychological contract and job stress.

METHODOLOGY

Quantitative method and survey design is used in this research to examine the relationship between psychological contract, affective commitment and job stress, and besides these direct relationships the mediating effect of affective commitment on psychological contract and job stress will also be tested in the present cross sectional research. Data will be gathered at one point in time and research tool employed will be survey questionnaires.

Psychological Contract is a independent variable and it is measured from measures previously used by (Coyle-Shapiro and Conway, 2005). It consisted of 12 items and five point Likert scale is chosen to rate each item. To measure Affective Organizational Commitment which is a mediating variable, the organizational commitment scale developed by Allen and Meyer (2000) will be used. Responses will be on a 5-point Likert scale that ranged from 'strongly disagree' (1) to 'strongly agree' (5). Job stress is the dependent variable and will be measured by using the scale used by (Jamal and Baba, 1992). Responses will be on a 5-point Likert scale that will range from 'strongly disagree' (1) to 'strongly agree' (5).

Data for this study was obtained from the employees of banking sector of Malaysia and Pakistan from different commercial banks operating in the capital city Like Kuala Lumpur and Islamabad . There are 26 commercial banks operating in Malaysia and 34 commercial banks in Pakistan. The branches of different banks operating in Kuala Lumpur and Islamabad will be selected as the target population. Kuala Lumpur and Islamabad both are international cities; almost branches of all types of commercial banks are located in these cities and this sector has largest branch network and as a result sufficient data can be collected with minimum utilization of resources. Selection of different employees from banks in Kuala Lumpur and Islamabad can be considered as representative sample for employees of banks in the countries because numbers of branches are of same size and they are controlled by same regulatory authority (Bank Negara Malaysia) and (State Bank of Pakistan). All of these banks are being regulated and controlled by the Bank Negara Malaysia and State Bank of Pakistan, there by showing similarity in nature of work and organization culture that resultantly formulates a homogenous population. This study type will be exploratory and cross-sectional survey design will be used to

examine the effect of psychological contract on job stress with a mediating role of affective commitment on the employees of banking sector. Multi stage random sampling method will be used to collect data through a personally administered questionnaire. Scholars are of the view that this type of sampling is appropriate because it enhances the generalizability of the study (Neuman, 2008).

Data collection process includes sampling, target population and sample size. In research method the choice of data collection process is very important. According to Gefen et al. (2011) in any research involving data collection the researchers should carefully justify the selection of sampling frame and population. Table 3.1 shows the data collection procedure, followed by its discussion in the sub sections.

Table 3.1: Data collection procedure

<i>Target population</i>	<i>Banking sector employees in Malaysia and Pakistan</i>
<i>Sampling Frame</i>	<i>Commercial Banks in Malaysia and Pakistan</i>
<i>Sampling Element</i>	<i>Full time employees</i>
<i>Target Setting</i>	<i>Commercial banks of Kuala Lumpur and Islamabad</i>
<i>Sampling method</i>	<i>Probability sampling. Random sampling</i>
<i>Sample Size</i>	<i>338 (Malaysia) 338 (Pakistan)</i>
<i>Data Collection Method</i>	<i>Questionnaire</i>

Population is a total set of observations and out of this appropriate sample is selected for research. To get the information for this research data is gathered from top five banks operating in Kuala Lumpur out of 26 commercial banks operating in Malaysia.

Among these 26 banks operating in Malaysia, top five banks will be selected for the present study on the basis of value of their assets. Table 3.3 shows the detail of top five banks operating in Malaysia. <https://corporatefinanceinstitute.com/resources/careers/companies/top-banks-in-malaysia/>

Table 3.3: Detail of Top five Banks based on No of Branches

S. no	Names of Banks	No Branches In KL
1	<i>Maybank</i>	18
2	<i>Public Bank</i>	18
3	<i>CIMB Bank</i>	12
4	<i>RHB Bank</i>	12
5	<i>Hong Leong Bank</i>	18

Among these 34 banks operating in Pakistan, top five banks are selected for this research on the basis of number of branches. Table 3.5 shows the detail of top five banks operating in Pakistan.

Table 3.5: Detail of Top five Banks based on No of Branches

S. no	Names of Banks	Total No of Branches	No of Branches in Islamabad
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1	<i>Habib Bank Limited</i>	1596	38
2	<i>National Bank of Pakistan</i>	1357	24
3	<i>United Bank Limited</i>	1294	21
4	<i>Muslim Commercial Bank</i>	1222	27
5	<i>Allied Bank</i>	998	46

Sampling can be classified into probability sampling and non-probability sampling. Multi stage sampling is a type of probability sampling. Multi stage sampling will be used to select samples from the bank employees and out of those twenty six (Malaysian) and thirty four (Pakistani) banks top five banks on the basis of their number of branches will be selected; this can be termed as purposive sampling. All the chosen branches are operating in capital city Kuala Lumpur and Islamabad. Scholars are of the view that this type of sampling is appropriate because it enhances the generalizability of the study (Neuman, 2008). Twenty branches of those top five banks will be selected from the capital city Kuala Lumpur and Islamabad. Ten employees from each branch will be the respondents for this studies therefor the sample size for the present study will be 200 from Malaysia and Pakistan respectively. Figure 3.1 given below shows the Multistage sampling procedure adapted for the present research.

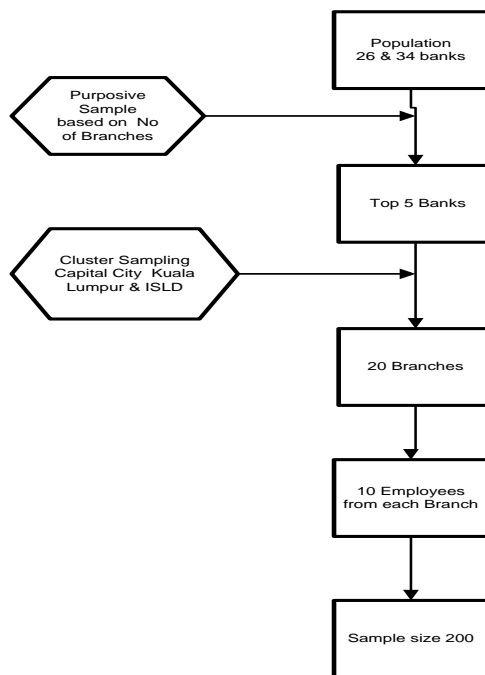


Figure 3.1. Multistage Sampling Procedure

This research used Structural equation modeling (SEM) to study the relationship between different constructs of the conceptual frame work and also to measure the overall fitness of structural model (Gefen et al., 2011, Hair et al.,

2012). Two processes are usually involved in SEM, these are; analysis of structural model and analysis of measurement model. The structural model finds causal relationships among the latent variables and also explains causal effects as well as unexplained variance, while the measurement model defines the reliability and validity of the variables observed, it also identifies that how latent variables and hypothetical constructs can be measured in terms of observed variables (Gefen et al., 2011). As compared to other techniques like multiple regression and path analysis, SEM offers many advantages (Gefen et al., 2011, Hair et al., 2012). SEM can assess the reliability of each latent variable; while in case of path analysis it assumes that the basic constructs and scales used are equal. Considering the structural equations, SEM allows for modeling of unexplained variance. SEM also provides the overall fit of the model that can give a summary evaluation of the complex models (Gefen et al., 2011, Hair et al., 2012).

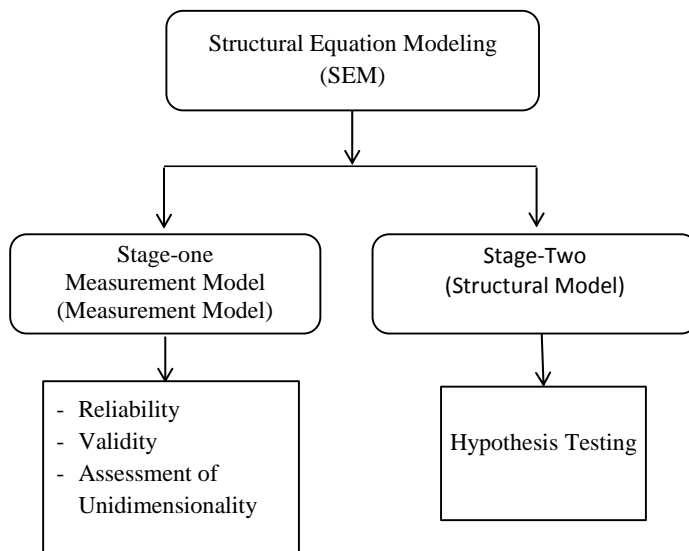


Figure 3.2. Two Stage Structural Equation Modeling

As explained by Hair et al. (2012), PLS has several advantages over other statistical soft wares like AMOS and LISREL. It requires no assumptions about variable distribution and it allows a sample size that is small (Gefen et al., 2011). Moreover PLS is affective to be applied in those situations in which theoretical foundation is at an early stage as explained by (Chin, 1998). Therefore, for the present study PLS technique is well suited because Psychological contract is still an under explored area of research. Researchers like (Gefen et al. (2011), Hair et al., 2012) agreed that PLS is suitable for theory development and this is the case in present research. For the present study two-stage approach will be used, it is widely used approach and it tells about the reliability of each construct. Figure 3.2 above shows the two-stage SEM technique.

RESULTS & DISCUSSION

The characteristics of the respondents based on the demographic information including gender, age, qualification and experience is described (Table 4.1).

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Demographic Variables		Pakistan		Malaysia	
		Frequency	Valid %	Frequency	Valid %
<i>Gender</i>	<i>Male</i>	122	61	51	25.5
	<i>Female</i>	78	39	149	74.5
<i>Age</i>	<i>20-30</i>	50	25.0	76	38.0
	<i>31-40</i>	104	52.0	66	33.0
	<i>41-50</i>	40	20.0	47	23.5
	<i>51-60</i>	6	3.0	11	5.5
<i>Qualification</i>	<i>Undergraduate</i>	12	6.0	9	4.5
	<i>Graduate</i>	86	43.0	90	45.0
	<i>Masters</i>	102	51.0	89	44.5
	<i>PhD</i>	0	0	12	6.0
<i>Experience</i>	<i>Fresh</i>	25	12.5	23	11.5
	<i>1-5 Years</i>	52	26.0	88	44.0
	<i>6-10 Years</i>	68	34.0	55	27.5
	<i>11-20 Years</i>	43	21.5	25	12.5
	<i>21-30 Years</i>	7	3.5	7	3.5
	<i>30 & Above</i>	5	2.5	2	1.0

From Malaysia and Pakistan there were 200 valid respondents. In Pakistan there were 122 males (61 %) and 78 were females (39%). While in case of Malaysia there were 51 males (25.5%) and 149 were females (74.5%). These results clearly show that males are dominating in the Pakistani banking sector while females are dominating in Malaysian banking sector. In terms of age from Pakistan there were 50 (25 %) respondents were between 20-30 years of age, 104 (52%) were from 31-40 years of age, 40 (20%) were from 41-50 years of age and only 6(3%) were from 51-60) years of age group. While from Malaysia there were 76 (38%) respondents are from 20-30 year of group, 66 (33%) respondents were from 31-40 year of age group, 47 (23%) respondents were from 41-50 year of age group and 11 (5.5%) respondents were from 51-60 year of age group. With regard to education 12(6%) respondents were undergraduates from Pakistan and 9 (4.5%) were from Malaysia. 86(43%) graduates from Pakistan and 90 (45%) were from Malaysia, (50.2%) 102 (50%) respondents were having masters qualification from Pakistan and 89 (44.5%) were from Malaysia, unfortunately no respondent is found having PhD qualification from Pakistan while from Malaysia 12 (6%) respondent were found having PhD qualification. With respect to experience 25 (12.5%) respondents were fresh candidates having no prior experience from Pakistan and 23 (11.5%) participants were having no experience from Malaysia, 52 (26%) were having 1-5 years of experience from Pakistan and 88 (44%) were from Malaysia, 68 (34%) respondents were of having 6-10 year of experience from Pakistan and from Malaysia there were 55(27.5%) respondents, (33.6%) were having 6-10 years' experience, 68(34%) respondents were having 11-20 years of experience from Pakistan and from Malaysia there were 25(12.5%) respondents, 7 (3.5%) with 21-30 years' experience from Pakistan and the same number of respondents were found from Malaysia as well. Only 5(2.5%) were having an experience of 30 years and above from Pakistan and 2 (1%) respondents were found from Malaysia.

As stated by Anderson and Gerbing (1988), to measure the internal consistency of a construct this is an extensively used method, but there are some limitations for this method as well. Thus along with this method CFA will also be applied as mentioned by (Hair et al., 2006) and Meyer et al.,(2006). Moreover analysis for this study will be done using SEM-PLS which makes CFA compulsory (Hair, 2010). According to guidelines given by Fornell and Larcker (1981) for CFA, Composite Reliability (CR) and (AVE) average variance extracted will be applied as baseline. According to Hair et al. (2006), AVE illustrates the extent of variance by set of measures and CR enhances the applicability. Therefore this study will use CR and AVE measures and the threshold values for CR and AVE will be 0.60 and 0.50 respectively. “Validity is the scale’s ability to measure what it is supposed to measure” (Ghauri and Grønhaug, 2005) (P.134). For a scale to be reliable it must be valid as well. In this study face and construct (convergent and discriminant) validity will be used to assess the validity of the measures.

As per Hair et al., (2014), a measurement model is known to have internal consistency reliability if the values are above 0.8 or 0.9 in advance stages of research, while a value that is below 0.6 is the indicator of lack of reliability. The higher CR values show higher consistency of the items.

Table 4.2: Internal Consistency and convergent validity

	Cronbach's Alpha CA		Composite Reliability CR		Average Variance Extracted (AVE)	
	Pakistan	Malaysia	Pakistan	Malaysia	Pakistan	Malaysia
<i>Affective Commitment</i>	0.830	0.852	0.875	0.890	0.540	0.575
<i>Job Stress</i>	0.899	0.907	0.916	0.924	0.527	0.577
<i>Psychological Contract</i>	0.913	0.925	0.926	0.936	0.512	0.551

As shown in the below table 4.2, there is a good level of construct reliability as all CR and CA values are greater than 0.8 or 0.9 in both of countries. These results point out that all the items which are used to represent the construct are having internal consistency reliability. Convergent validity is acceptable when AVE value of the construct is at least 0.5. Table 4.2 shows that all AVE values in Pakistan and Malaysia lie within the range from 0.512 to 0.577. This result shows that the measurement model has acceptable convergent validity in case of both countries.

To assess the discriminant validity of the measurement model for Pakistan and Malaysia, the AVE value is generated of each construct by using algorithm function of smart PLS. After that square root of AVE values are manually calculated. Results show that the square root values of AVE exceed the off diagonal elements in their corresponding parallel rows and columns in the case of both countries.

Table 4.3. Fornell-Larcker Criterion Pakistan

	Affective Commitment	Job Stress	Psychological Contract
<i>Affective Commitment</i>	0.735*		

<i>Job Stress</i>	-0.544	0.726*	
<i>Psychological Contract</i>	0.570	-0.427	0.716*

Table 4.4. Fornell-Larcker Criterion Malaysia

	Affective Commitment	Job Stress	Psychological Contract
<i>Affective Commitment</i>	0.758*		
<i>Job Stress</i>	-0.489	0.760*	
<i>Psychological Contract</i>	0.498	-0.425	0.742*

The above tables are showing very good values that the constructs are different from each other in the case of Pakistan and Malaysia. On the whole reliability and validity tests which are conducted on the measurement model confirmed that this model is valid and it can be used to assess the parameters of structural model. Resulting values are depicted in the table 4.3 and 4.4 it shows that all off diagonal elements are lower than the square root values of AVE. These results confirm that the criterion of Fornell and Larcker is met.

R² value indicates that how much variance in dependent variable is described by the independent variables. Predictive ability of the structural model is shown by the large R² value. According to Cohen (1988), the values of R² ranging from 0.02 - 0.12 are considered weak, whereas values from 0.13 - 0.25 are considered weak and values ranging 0.26 and above can be considered as significant.

Table 4.4. Coefficient of Determination R².

	Pakistan		Malaysia	
	R Square	Result	R Square	Result
<i>Affective Commitment</i>	0.445	<i>Significant</i>	0.480	<i>Significant</i>
<i>Job Stress</i>	0.301	<i>Significant</i>	0.245	<i>Weak</i>

The above table depicts the results of R² values in Pakistan and Malaysia. In the case of Pakistani banking sector it shows that 44.5% variance in affective commitment is significantly explained by the independent variable psychological contract, whereas 30.1% variance in job stress is explained by psychological contract and it is also showing significant direct relationship, while in the case of Malaysia psychosocial contract is describing 48.0% variance in affective commitment which is having significant result. On the other hand 24.5% variance is occurred in job stress due to psychological contract, which is having weak result in term of coefficient of determination R².

Model fitness is measured through effect size (*f*²). According to Cohen (1988) *f*² value of 0.02 – 0.14 shows weak effect, *f*² values of 0.15 -0.34 signifies moderate effect while *f*² values greater than 0.35 indicates strong effect. Table 4.5 given below shows *f*² values for each path in the case of Pakistan and Malaysia.

Table 4.5: *f*² Values for each Path

Path	Pakistan <i>f</i> ²		Malaysia <i>f</i> ²	
	Effect size	Results	Effect size	Results
<i>Psychological Contract</i> → <i>Affective Commitment</i>	0.816	<i>Signifies Strong Effect</i>	0.948	<i>Signifies Strong Effect</i>
<i>Psychological Contract</i> → <i>Job Stress</i>	0.010	<i>Weak Effect</i>	0.018	<i>Weak Effect</i>
<i>Affective Commitment</i> → <i>Job Stress</i>	0.173	<i>Signifies Moderate Effect</i>	0.097	<i>Signifies Moderate Effect</i>

Above table is showing the values of *f*² in Pakistan and Malaysian banking sectors. Overall results are quite similar in both countries. Effect of *Psychological Contract* → *Affective Commitment* is signifies and strong effect and surprisingly it is found weak effect of *Psychological Contract* → *Job Stress* in Malaysia and Pakistani banking sector, but there is a signifies moderate effect of *Affective Commitment* → *Job Stress* in Pakistan and Malaysia.

Evaluation of path coefficient value helps in assessment of the structural model. By the help of these values the strength of relationship between the two latent variables can be calculated. Bootstrapping output of smart PLS is used to assess the relationship between independent and dependent variable. To test the significance level, t-statistics and p-value are examined for all paths in both countries Pakistan and Malaysia. When the empirical t value larger than the critical value we say that the coefficient is significant at a certain significance level (Hair et al., 2014). This study used t-value of 1.96 at 0.05 significance level.

Table 4.6: Direct relationship hypothesis analysis results in Pakistan and Malaysia

	Path Coefficient		S.E		t-value		P-value		2.5%	97.5%
	Pakistan	Malaysia	Pakistan	Malaysia	Pakistan	Malaysia	Pakistan	Malaysia	Pakistan	Malaysia
<i>Affective Commitment</i> -> <i>Job Stress</i>	-0.468	-0.375	0.078	0.107	6.021	3.487	0.000	0.001	-0.629	-0.581
<i>Psychological Contract</i> -> <i>Affective Commitment</i>	0.670	0.698	0.034	0.038	19.733	18.391	0.000	0.000	0.603	0.627
<i>Psychological Contract</i> -> <i>Job Stress</i>	-0.113	-0.164	0.092	0.121	1.222	1.358	0.222	0.175	-0.307	-0.417

Table 4.7: Indirect (Mediating) relationship hypothesis analysis results in Pakistan and Malaysia

	Path Coefficient		S.E		t-value		p-value		2.5 %		97.5 %	
	Pakistan	Malaysia	Pakistan	Malaysia	Pakistan	Malaysia	Pakistan	Malaysia	Pakistan	Malaysia	Pakistan	Malaysia
<i>Psychological Contract ->Affective Commitment -> Job Stress</i>	-0.314	-0.261	0.054	0.077	5.802	3.374	0.000	0.001	-0.421	-0.418	-0.212	-0.113

The above tables shows the research hypothesis results, H1: There is a relationship between psychological contract and job stress in Pakistan and Malaysia. The results indicated that in case of Pakistan the path coefficient between the psychological contract and job stress is -0.113as shown in figure (4.6) with standard error 0.092, t value 1.222 and p value is 0.222. This p value is greater than the threshold of 0.05 (Hair et al., 2006). This indicates enough empirical evidences to reject the research hypothesis. Thus, H1 in case of Pakistani banking sector has been rejected and study established insignificant relationship between psychological contract and job stress. For the Malaysian banking sector the path coefficient between the psychological contract and job stress is -0.164as shown in figure (4.6) with standard error 0.121, t value 1.358 and p value is 0.175. This p value is greater than the threshold of 0.05 and the t-value is also exceeding the limit of 1.96 according to (Hair et al., 2006), This indicates enough empirical evidences to reject the research hypothesis. Thus, H1 in case of Malaysian banking sector has also been rejected and study established insignificant relationship between psychological contract and job stress.

H2: There is a relationship between psychological contract and affective commitment in Pakistan and Malaysia. The results indicated that in case of Pakistan the path coefficient between the psychological contract and affective commitment is 0.670 as shown in figure (4.6) with standard error 0.034, t value 19.733 and p value is 0.00. This p value is smaller than the threshold of 0.05 and the t-value is also greater than the 1.96 (Hair et al., 2006). This indicates enough empirical evidences to accept the research hypothesis. Thus, H2 in case of Pakistani banking sector has been accepted and study established significant relationship between psychological contract and affective commitment. For the Malaysian banking sector the path coefficient between the psychological contract and affective commitment is 0.698 as shown in figure (4.6) with standard error 0.038, t value 18.391 and p value is 0.000. This p value is less than the threshold of 0.05 and the t-value is also greater than 1.96 according to (Hair et al., 2006), This indicates enough empirical evidences to accept the research hypothesis. Thus, H2 in case of Malaysian banking sector has also been accepted and study established significant relationship between psychological contract and affective commitment.

H3: There is a relationship between affective commitment and job stress in Pakistan and Malaysia. The results indicated that in case of Pakistan the path coefficient between the affective commitment and job stress is -0.468 as shown in figure (4.6) with standard error 0.078, t value 6.021 and p value is 0.00. This p value is smaller than the threshold of 0.05 and the t-value is also greater than

the 1.96 (Hair et al., 2006). This indicates enough empirical evidences to accept the research hypothesis. Thus, H3 in case of Pakistani banking sector has been accepted and study established significant relationship between affective commitment and job stress. For the Malaysian banking sector the path coefficient between the affective commitment and job stress is -0.375 as shown in figure (4.6) with standard error 0.107, t value 3.487 and p value is 0.001. This p value is less than the threshold of 0.05 and the t-value is also greater than 1.96 according to (Hair et al., 2006), This indicates enough empirical evidences to accept the research hypothesis. Thus, H3 in case of Malaysian banking sector has also been accepted and study established significant relationship between psychological contract and affective commitment.

Hypothesis H4 is based on the mediation of this research. There is a mediating relationship of affective commitment in psychological contract and job stress in Pakistan and Malaysian banking sector. The results indicated that in case of Pakistan the path of Psychological contract→Affective commitment→Job stress is -0.314 as shown in figure (4.7) with standard error 0.054, t value 5.802 and p value is 0.00. This p value is smaller than the threshold of 0.05 and the t-value is also greater than the 1.96 (Hair et al., 2006). This indicates enough empirical evidences to accept the research hypothesis. Thus, H4, in case of Pakistani banking sector has been accepted and study established significant mediating relationship of affective commitment in the relationship of psychological contract and job stress. For the Malaysian banking sector the path coefficient of Psychological contract→Affective commitment→Job stress is -0.261 as shown in table (4.7) with standard error 0.077, t value 3.374 and p value is 0.001. This p value is smaller than the threshold of 0.05 and the t-value is also greater than the 1.96 (Hair et al., 2006). This indicates enough empirical evidences to accept the research hypothesis. Thus, H4, in case of Malaysian banking sector has been accepted and study established significant mediating relationship of affective commitment in the relationship of psychological contract and job stress.

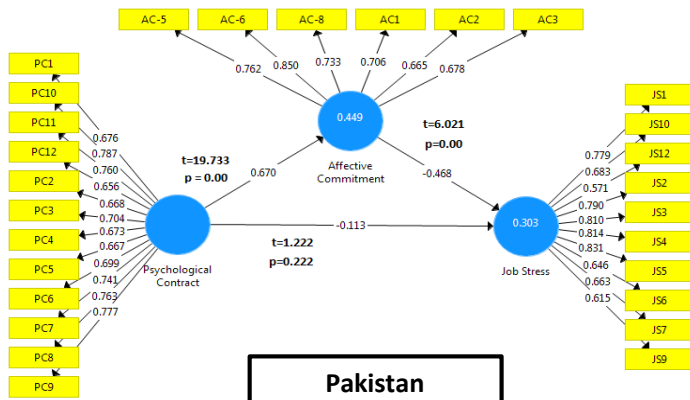


Figure 4.1. Bootstrapping image with items factor loading. (Pakistan)

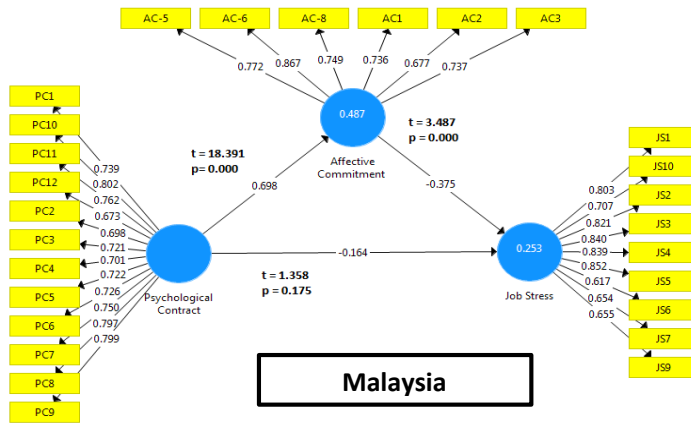


Figure 4.2: Bootstrapping image with factor loading. (Malaysia)

The above images are giving the information about the path coefficient, coefficient of determination R^2 , Factor loading of the each construct in the frame work and the t-value and p-value of this research model. Figure 4.1 is related to Pakistan and Figure 4.2 is related to Malaysia.

DISCUSSION AND CONCLUSION

The present research endeavor was a comparative study in the banking sector of Pakistan and Malaysia. The findings shed light on some interesting areas of employee behavior. Results are evident that the banking sectors of both countries share many similarities and being developing countries, not much difference exist in the employees’ behavior. Employee stress was the common phenomenon identified by the researcher and it can be overcome by fulfillment of psychological contract and enhanced affective commitment. Surprisingly, insignificant results were reported for psychological contract and stress relationship in both countries. While it is found that by increasing the affective commitment of the employees the stress can be decreased. Thus, the mediation of affective commitment was proven in both the countries while more significant results of this mediation were found in Pakistani banking sector as compared to Malaysian banking sector. These findings are evident to show that by fulfillment of psychological contract the affective commitment of employees can be enhanced, which in turn reduces the stress.

Present study has demonstrated the fact that there are potential benefits of fulfillment of psychological contract on enhancing employee's affective commitment and reducing job stress in the banking sector. Therefore, top management of the banks can implement this concept to enhance the affective commitment of the employees which can ultimately enhance employee engagement and retention and lower down the job stress. Practically the present research suggests that full filament of psychological contract can enhance employee engagement by enhancing their affective commitment and specifically lowers the job stress; which is an important concern to be dealt with in the banking sector employees. Therefore this new management concept of psychological contract with affective commitment and job stress in the backdrop of Pakistani and Malaysian banking sector can be an effective

management tool and a novel way to enhance the commitment of the employees and lower down the job stress.

Operating environment continues to be challenging and getting changed day by day, achieving daily, monthly and yearly goals are demanding employees to work hard which becomes one of the reason of creating stress on workplace. Another practical implication of this comparative research which is done in Pakistani and Malaysian banking sector, is that Job stress in the bank employees cannot be reduced by the help of full filament of psychological contract alone, while this job stress can be lowered with the help of enhancing affective commitment of the employees, therefore this is an important implication for the top management of the banks that employee perceptions about psychological contract plays a vital role along with affective commitment in lowering down job stress.

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