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Psychological Contract and Turnover Intention of Dispatched Employees: Mediating Effects of Job Satisfaction and Organizational Commitment

Zhuang XIONG¹, Jianmu YE², Pengju WANG³

Abstract

Existing research generally suggests that the psychological contract is an effective way to solve the problem of employee turnover when a labor contract is missing or incomplete. However, with dual organizational identity, the effect of a dispatched employee’s psychological contract on turnover intention differs from the effect for an ordinary employee. Consensus has not been reached regarding how to intervene in the high turnover rates of dispatched employees in terms of psychological contracts. This study investigated the relationship between psychological contracts and the turnover intention of dispatched employees, with consideration of the mediating role of job satisfaction and organizational commitment. Using a questionnaire survey, data were obtained from 271 dispatched employees in the banking industry in Henan province (China) from February to June 2016. It was found that a dispatched employee’s psychological contract has a dual aspect involving strong relations between the employee’s psychological contract with the dispatching agency and with the client. Meanwhile, a dispatched employee’s psychological contract with the client has a significant positive influence on job satisfaction and organizational commitment, and indirectly influences turnover intention through the mediating roles of job satisfaction and organizational commitment. Further, the individual mediating effect of job satisfaction is greater than the continuous mediating effect of organizational commitment and job satisfaction. By revealing the influence of a dispatched employee’s psychological contract on turnover intention, this study can help organizations develop intervention strategies at the level of individual psychology to address the high turnover rates of dispatched employees.

Keywords: dispatched employee, psychological contract, turnover intention, job satisfaction, organizational commitment

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Introduction

With the acceleration of economic globalization and the surge of enterprise competition pressure, rising labor costs have become a major problem in enterprise development. Enterprises’ demands for flexible employment patterns are increasing, and rapid economic development also increases employment pressure on the labor market. As a flexible and effective employment mode in the labor system of the market economy, labor dispatch can effectively reduce enterprises’ labor costs in terms of staff recruitment, training, and salary. With such cost reductions, this flexible employment pattern has been increasingly adopted by enterprises as a means to reduce employment risks. Labor dispatch arose in the US in the 1950s and has rapidly developed in Europe, Japan, and other countries. Since the introduction of “China’s new labor contract law” in 2008, labor dispatch has become a development trend in China. According to the All-China Federation of Trade Unions (ACFTU), in 2015 the amount of dispatched employees in China reached about 60 million, accounting for about 8% of the total working-age population (National bureau of statistics of the People’s Republic of China, 2015). Thus, dispatched employees have become an important part of the Chinese labor market. However, different from traditional modes of employment, labor dispatch is imperfect in aspects such as management system and legal regulation. Compared to regular employees, dispatched employees generally have low incomes and poor social security, causing them to leave due to a low sense of enterprise belonging and a lack of trust. This presents a challenge for the labor dispatch market and to some extent affects the stability of the whole employment environment. Therefore, the problem of high turnover rates among dispatched employees has become a major social issue.

Following from social exchange theory, and considering individual psychological factors, the main reason for employee turnover is the failure to meet employee interests and psychological demands in the organization; further, maintaining the psychological contract between the employee and the organization has an important effect on turnover intention (Turnley & Feldman, 1999). A breakdown or violation of the psychological contract will have a significant negative impact on an employee’s positive organizational behavior (Rayton & Yalabik, 2014) and will give rise to turnover intention through the intermediary role of job satisfaction (Sutton & Griffin, 2004) or organizational commitment (Wang & Cong, 2007). Most research on the relationship between psychological contract and turnover intention takes enterprise management personnel or staff members as the research objects, and meanwhile little research has investigated dispatched employees leaving organizations. Given the complex ways the psychological contract influences an employee’s emotions and behavioral responses, the problem of high turnover rates among dispatched employees cannot be attributed to simple causes, such as marginalization at work or unfair treatment (Xie et al., 2013); thus,
the phenomenon requires micro-level analysis. Therefore, when investigating dispatched employees from a psychological-contract perspective, analyzing intervention strategies for strengthening their sense of belonging and identification with the organization is a better way to address the problem of high turnover rates.

Based on the above analysis, this study addresses two research questions. The first concerns the particularity of a dispatched employee’s psychological contract and whether it significantly influences turnover intention. The other concerns the ways organizational commitment and job satisfaction affect the relationship between a dispatched employee’s psychological contract and turnover intention. Taking dispatched employees as the research object, this study employed structural equation modeling and regression analysis to build a model of the relationships among dispatched employees’ psychological contracts, job satisfaction, organizational commitment, and turnover intention. In this way, the study attempts to reveal the influencing mechanism of a dispatched employee’s psychological contract on turnover intention. It is hoped that the relevant conclusions can provide a decision-making reference for reducing turnover behavior, improving employee relations, increasing job engagement, and improving management from the perspective of psychological contract. The rest of this paper is organized as follows. Through a review of the literature, section 2 proposes a theoretical hypothesis regarding the relationships among psychological contract, turnover intention, job satisfaction, and the organizational commitment of dispatched employees. Section 3 presents the questionnaire scale and the data obtained through questionnaire surveys. Section 4 presents and tests the structural equation and regression models. Based on the results, section 5 discusses intervention strategies regarding dispatched employees’ turnover rates from the perspective of psychological contract.

**Literature Review and Research Hypothesis**

**The dispatched employee’s psychological contract**

The employment patterns of labor dispatch include three main parts: dispatched employees, dispatching agencies, and clients. Different from the employment relationship in the traditional employment pattern - which only involves the main parts of both sides in the labor contract - the employment pattern of labor dispatch separates employment right from right of use. In other words, dispatching agencies only hold dispatched employees’ employment rights and do not perform right of use. Rather, right of use is transferred, with a fee, to a third party (client); this comprises the main characteristic of the labor dispatch employment pattern as differentiated from traditional employment. Given the separation of employment right and right of use, it is difficult to form a unified definition of the relationships
among the three abovementioned parts of labor dispatch. There is significant debate about whether the relationship between clients and dispatched employees constitutes a service or labor relation (Zhou, 2010; Wang & Hou, 2004). This study adopted the viewpoint accepted by most scholars that the relationship between dispatching agencies and dispatched employees is a labor relation. Moreover, the relationship between clients and dispatching agencies is leasing and cooperative relation and the relationship between dispatched employees and clients is a service relation.

The content of the psychological contract of dispatched employees (Wang & Chen, 2007) includes the mutual responsibilities of dispatching agencies and dispatched employees, as well as clients and dispatching agencies. The economic factor is the main relationship between dispatching agencies and dispatched employees, which is supplemented by some social and emotional factors. Though there is no direct labor contract relationship between dispatched employees and clients, clients obtain the right to use dispatched employees by signing dispatch agreements with dispatching agencies, along with the corresponding employer functions, aside from human-relations management. Therefore, this study divided the composition of dispatched employees’ psychological contracts into two levels: an employee’s psychological contracts with the dispatching agency and with the client. The relationship between the dispatching agency and the employee’s psychological contract is further divided into the transaction dimension and relation dimension. The relationship between the client and the employee’s psychological contract is divided into normative, interpersonal, and development dimensions.

Psychological contract and turnover intention

Turnover intention is the antecedent variable of employees’ leaving in an organization. According to Price’s (2001) interpretation of psychological activity in the process of employee turnover, turnover intention is generated when employees feel discontent but have no suitable chance to leave. When an organization fails to fulfill its responsibility and commitment in the psychological contract, employees evaluate organizational behavior based on their cognition, thus influencing their emotions, attitudes, and behaviors; this causes the psychological contract to be violated or ruptured, thus reducing employees’ organizational commitment (Restubog, Bordia & Tang, 2006) and job satisfaction, and increasing their turnover intention (Restubog, Hornsey, Bordia & Esposo, 2008). In a study of bank employees, Fan, Ji & Shao (2011) found a positive correlation between the psychological contract perceived by employees and turnover intention. Some scholars have also used job satisfaction, organizational commitment, and organizational behavior as intermediary variables to analyze the interaction relationship between psychological contract and turnover intention. Freese & Schalk
(2008) found that high organizational commitment and low turnover intention correlate with the high-level fulfillment of organizational responsibility by enterprises. Liu, Liu & Bai (2007) suggested that if organizations cannot fulfill an employee’s psychological contract, turnover intention will be higher. Peng (2009) found that the degree of psychological contract fulfillment perceived by high-tech R&D employees affected their turnover intention through the intermediary roles of organizational citizenship behavior. It is clear that when an organization fails to perform its relevant commitments or responsibilities, an employee’s psychological contract is broken, which lowers job satisfaction and organizational commitment, and generates turnover intention. Since psychological contract relationships exist among dispatching agencies, clients, and dispatched employees, dispatched employees generate expectations of dispatching agencies and clients simultaneously when establishing a psychological contract. This can easily lead to the psychological contract being violated in the process of its fulfillment, thus forming turnover intention. However, there is still a need to empirically study whether the relationship directly affects turnover intention or indirectly affects it through mediating factors such as job satisfaction and organizational commitment. Thus, we hypothesize the followings:

**Hypothesis 1a**: An employee’s psychological contract with a dispatching agency has a significant negative impact on turnover intention.

**Hypothesis 1b**: An employee’s psychological contract with the client has a significant negative impact on turnover intention.

**Psychological contract and job satisfaction**

Job satisfaction is a subjective response to a work situation produced by employees throughout working experience. Moreover, these factors such as work environment as well as growth potential influence the relations between work situation and job satisfaction. Identification and evaluation of the psychological contract by employees has a significant impact on job satisfaction. Scholars have analyzed the relationship between psychological contract and job satisfaction from different perspectives. Porter found that the larger the cognitive gap in the content of psychological contracts between employees and organizations, the lower job satisfaction becomes (Porter, Peace, Tripoli & Lewis, 1998). Turnley & Feldman (1999) indicated that breaching the psychological contract reduces job satisfaction, organizational commitment, and job performance, thus increasing turnover intention. Gong (2006) found that the determining factor of job satisfaction is the employee’s understanding and evaluation of what the organization gives in return; here, the evaluation standard concerns whether employee’s psychological contract with the organization is met or broken. That study further found that the transactional dimension of the psychological contract has a direct negative effect on job satisfaction, and the relational dimension has a direct
positive effect on job satisfaction (Shao, Li & Fan, 2009). Peng (2008) also found a significant correlation between job satisfaction and the performance degree of the developmental dimensions of the psychological contract among knowledge-based employees. It indicates that there is consensus in a positive correlation between an employee’s psychological contract and job satisfaction in existing literature. When organizations uphold the tacit agreement in the employee’s psychological contract - on the basis of a correct understanding and evaluation of it by employees - it improves the employee’s trust in the organization and increases the organization’s recognition of the employee’s emotions, which positively influences job satisfaction. Given the existence of a labor relationship between dispatched employees and dispatching agencies, and a service relationship between dispatched employees and clients, the dispatching agencies, clients, and dispatched employees work together to construct a psychological contract. The violation of the psychological contract by any party is likely to affect an employee’s job satisfaction. Thus, we hypothesize the followings:

Hypothesis 2a: An employee’s psychological contract with a dispatching agency has a significant positive influence on job satisfaction.

Hypothesis 2b: An employee’s psychological contract with the client has a significant positive influence on job satisfaction.

**Psychological contract and organizational commitment**

Organizational commitment is an employee’s identification with the values and goals of an organization, as well as a strong desire to work for it (Porter & Lawler, 1968). It reflects contract relations on the basis of economics and reciprocal relations on the basis of social exchange between employees and the organization. Organizational commitment assumes three forms: continuous commitment, normative commitment, and emotional commitment. Many studies have found a close relationship between organizational commitment and the employee’s psychological contract; further, organizational commitment actually reflects the results of the employee’s psychological contract. O’Reilly & Chatman (1999) suggested that organizational commitment reflects the responsibility relationship between employees and organizations, which is known as the “psychological contract”. Rousseau & Tijoriwalla (1999) also suggested that an organization performing or breaching employees’ psychological contracts is an important factor influencing organizational commitment. An employee’s psychological contract is closely related to normative commitment and emotional commitment in the context of organizational commitment (Pan, 2009). On the one hand, violating material guarantees such as remuneration, reward, or promotion in an employee’s psychological contract dramatically affects job involvement, reduces identification with the organization, and thus generates turnover intention. On the other hand, violating emotional supports such as career development,
interpersonal environment, or social exchange could directly influence an employee’s emotional commitment to the organization and reduce his or her emotional attachment. Thus, violating the psychological contract can significantly affect organizational commitment, especially emotional commitment (Kickul & Lester, 2001). The transactional dimension of the psychological contract influencing emotional commitment is the most obvious, presenting a significant negative correlation; meanwhile, the relational dimension shows a significant positive correlation with emotional commitment (Kang & Qu, 2010). In the labor-dispatch employment pattern, whether dispatching agencies pay wages and social security on time, and whether they provide the necessary training for dispatched employees, can directly affect a job involvement with clients. Lower job involvement can lead to the client terminating the dispatch relationship, which will then lower dispatched employees’ identification with dispatching agencies. Whether the work situation provided by clients can meet dispatched employees’ expectations regarding their own development, interpersonal environment, and emotional exchange can also influence their emotional attachment to the client. Therefore, violations of employees’ psychological contracts by dispatching agencies and clients can affect organizational commitment. Thus, we hypothesize the followings:

Hypothesis 3a: An employee’s psychological contract with the dispatching agency has a significant positive impact on organizational commitment.

Hypothesis 3b: An employee’s psychological contract with the client has a significant positive impact on organizational commitment.

Job Satisfaction, organizational commitment, and turnover intention

Job satisfaction and organizational commitment have a significant impact on an employee’s attitude and behavior. The employee’s role in organizational development is becoming increasingly important, giving rise to more research on job satisfaction and organizational commitment. The current study recognizes three main perspectives on the relationship between job satisfaction and organizational commitment. First, most scholars think job satisfaction influences organizational commitment as an intervening variable, which then affects turnover intention. This shows that with changes in work situations, fluctuations in employees’ job satisfaction are more direct than with organizational commitment; that is, job satisfaction and organizational commitment have a causal relationship, and job satisfaction is an antecedent variable for employees’ generating organizational commitment. Second, a few scholars consider job satisfaction a mediating variable that affects organizational commitment and turnover intention. Further, they think that organizational commitment is the antecedent variable of job satisfaction; changes in employees’ organizational commitment affect job satisfaction, generating turnover intention. Third, some scholars think there is only a mutual relationship between organizational commitment and job
satisfaction, no causal relationship (Sturges, Conway, Guest & Liefooghe, 2005). Dispatched employees have expectations of dispatching agencies and clients. Job satisfaction thus reflects dispatched employees’ subjective evaluations of work situations in the work process. The influence on organizational commitment is even more obvious in terms of whether dispatching agencies and clients can meet employees’ expectations. Therefore, organizational commitment is set as the antecedent variable for dispatched employees’ job satisfaction - namely, violating or breaking the psychological contract generates low organizational commitment, which translates into lower job satisfaction. This reduces employees’ emotional engagement with dispatching agencies and clients, generating turnover intention, indicating job satisfaction and organizational commitment are important factors for predicting turnover intention (Huo & Li, 2011). A dispatched employee’s psychological contract can directly influence turnover intention and possibly influence turnover intention indirectly through intermediary variables such as job satisfaction and organizational commitment. Therefore, based on these theories, intermediary variables are introduced - namely, job satisfaction and organizational commitment - in the relationship between a dispatched employee’s psychological contract and turnover intention. Thus, we hypothesize the following:

**Hypothesis 4**: A dispatched employee’s organizational commitment has a significantly positive impact on job satisfaction.

**Hypothesis 5**: A dispatched employee’s job satisfaction has a significantly negative impact on turnover intention.

**Hypothesis 6**: A dispatched employee’s organizational commitment has a significantly negative impact on turnover intention.

Based on the literature review and theoretical analysis, we built a structural model of research hypotheses regarding the relationships among dispatched employees’ psychological contracts, turnover intention, job satisfaction, and organizational commitment (Figure 1).
Figure 1. Model of the relationships among dispatched employees’ psychological contracts, turnover intention, job satisfaction, and organizational commitment.

**Methodology**

**Data source**

This study collected the relevant data through questionnaire survey. Considering that the personnel quality of the investigation object affects data quality, the choice of the investigation object was mainly concentrated on banking industry in which the quality of dispatched employees is relatively high. The questionnaire surveys for dispatched employees were handed out from February 2016 to June 2016 in the Henan branches of China Construction Bank, China CITIC Bank, Bank of China Limited, and Commercial Bank of XinXiang. First, we contacted the personnel departments of these enterprises; we emphasized anonymity and the importance of the survey. After ensuring the investigation license and obtaining cooperation with the surveyed enterprises, the enterprises’ internal mail systems or office automation systems were used to randomly dispatch questionnaires to employees individually. This was done to ensure that the surveyed objects were not influenced by the external environment in the process of investigation.

300 questionnaires were distributed, and 285 were returned. Excluding questionnaires with missing data or those filled out in a nonstandard way, 271 valid
questionnaires were obtained for an effective rate of 95.08%. In terms of sex ratio, the number of men was 143, accounting for 52.8% of valid questionnaires; the number of women was 128, accounting for 47.2% of the valid questionnaires. In terms of age, 66 participants were 20-25 years of age, accounting for 24.4% of valid questionnaires. The number of participants aged 26-30 was 115, accounting for 42.4% of valid questionnaires. The number of participants aged 31–35 was 69, accounting for 25.5% of valid questionnaires. Ten participants were aged 36-40, accounting for 3.7% of valid questionnaires. In terms of education level, the number of participants in technical secondary school or below was 1, accounting for 0.4% of valid questionnaires. The number of participants in junior college was 138, accounting for 50.9% of valid questionnaires. The number of participants who were undergraduates at universities or colleges was 123, accounting for 45.4% of valid questionnaires. The number of participants holding master’s degrees was 9, accounting for 3.3% of valid questionnaires. In terms of service life, the number of participants below 1 year was 57, accounting for 21.0% of valid questionnaires. The number of participants with 1–3 years was 132, accounting for 48.7% of valid questionnaires. The number of participants with more than 3 years was 82, accounting for 30.3% of valid questionnaires. In terms of job category, the number of participants in labor-intensive occupation was 60, accounting for 22.1% of valid questionnaires. The number of participants in professional technical occupation was 155, accounting for 57.2% of valid questionnaires. The number of participants in management occupation was 56, accounting for 20.7% of valid questionnaires. In terms of salary, the number of participants with salaries below 1000 RMB was 15, accounting for 5.5% of valid questionnaires. The number of participants with salaries in the range of 1000–2000 RMB was 79, accounting for 29.2% of valid questionnaires. The number of participants with salaries in the range of 2000–3000 RMB was 125, accounting for 46.1% of valid questionnaires. The number of participants with salaries in the range of 3000–5000 RMB was 41, accounting for 15.1% of valid questionnaires. Finally, the number of participants with salaries above 5000 RMB was 11, accounting for 4.1% of valid questionnaires.

**Scale design**

Following the principle of combining authority and applicability, we drew reference to relevant domestic and foreign research questionnaire scales and combined them with the employment pattern characteristics of labor dispatch. In this way, we designed the dispatched employee’s psychological contract scale, turnover intention scale, job satisfaction scale, and organizational commitment scale. After preliminarily filling in a small scale, items that were difficult to understand or had unclear expression were modified, and the final questionnaire was formed.
Regarding the dispatched employee’s psychological contract scale, given the labor relation between dispatching agencies and dispatched employees in the employment pattern of labor dispatch, the leasing collaboration relation between clients and dispatching agencies, and the service relation between dispatched employees and clients, we mainly referred to the views on 2-dimensional psychological-contract structure proposed by Chen, Ling & Fang (2004) and the 3-dimensional structure proposed by Rousseau (1990) and Li & Guo (2006). Thus, our scale included two parts: the employee’s psychological contract with the dispatching agency and his or her psychological contract with the client. We drew up seven items for the transaction and relation dimensions for the level of dispatching agencies and employees’ psychological contracts (e.g., “Salary provided by the client is paid on time,” “Dispatching agency gives me full trust and support,” and “Dispatching agency gives me good job instruction”). We drew up sixteen items for the normative, interpersonal, and development dimensions for the level of clients and employees’ psychological contracts (e.g., “Compared with the regular employees, the client provides the same wages for dispatched employees,” “Clients provide good interpersonal environments,” and “They give me some autonomy in the work”).

Regarding the scale for turnover intention, we mainly referred to Long Lirong’s turnover intention scale (Long, 2002) and considered actual labor-dispatch patterns. Accordingly, we modified the scale to include three items (e.g., “Now I have no thought of leaving the client where I am working”).

Regarding the job satisfaction scale, we mainly referred to Hochwarter & Treadway’s (2003) overall job satisfaction scale, which is based on Brayfield & Rothes (1951). This scale included five items (e.g., “I’m quite satisfied with working in this client,” and “Most of the time I can keep enthusiasm for the current work”).

Regarding the organizational commitment scale, we mainly referred to Allen & Meyer’s (1990) organizational commitment scale, focusing on two dimensions close to the employee’s psychological contract: emotional commitment and normative commitment. Each had six items for a total of twelve (e.g., “I think the problems of the client are mine,” and “If left the client, I would have guilt”).

We used Likert-type scales with five levels, with “1” representing strongly disagree and “5” representing strongly agree.
Results

We used SPSS 22.0 and AMOS 18.0 to analyze the questionnaire data. The analysis included reliability analysis, confirmatory factor analysis, and research hypothesis tests based on structural equation and regression modeling.

Reliability and validity analysis

This study adopted the coefficient Cronbach's $\alpha$ and corrected item-total correlation (CITC) as the two indexes to measure the questionnaire's consistency. The results showed that the CITC for each item in the questionnaire scale was larger than 0.5 which is the statistical standard, and the coefficient Cronbach's $\alpha$ for each structure dimension in the scale was larger than 0.7 which is the minimum acceptable level (Table 1). This shows that the questionnaire scale had sufficient internal consistency reliability.

*Table 1.* Reliability analysis of the questionnaire measuring scale.

<table>
<thead>
<tr>
<th>Structural Dimension</th>
<th>Transactional dimension</th>
<th>Relational dimension</th>
<th>Normative dimension</th>
<th>Interpersonal dimension</th>
<th>Development dimension</th>
<th>Turnover intention</th>
<th>Job satisfaction</th>
<th>Organizational commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dispatched employee’s psychological contract</td>
<td>Dispatching agency and employee</td>
<td>0.908</td>
<td>0.961</td>
<td>0.976</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Relational dimension</td>
<td>0.958</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Client and employee</td>
<td>Normative dimension</td>
<td>0.928</td>
<td>0.978</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interpersonal dimension</td>
<td>0.958</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development dimension</td>
<td>0.965</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Turnover intention</td>
<td>0.747</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job satisfaction</td>
<td>0.910</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organizational commitment</td>
<td>Affective commitment</td>
<td>0.854</td>
<td>0.926</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Normative commitment</td>
<td>0.894</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We analyzed the validity of the questionnaire data by constructing a model for confirmatory factor analysis. Regarding the dispatched employee’s psychological contract scale, in terms of the employee’s psychological contract with dispatching agencies, the factor loadings of the seven observation variable items were larger than 0.8 and for the model fitting index, $X^2/DF = 2.79$, less than 5, which is the minimum acceptable value; this shows that the analysis results are acceptable. The *RMSEA* (Root Mean Square Error of Approximation) is 0.072 which is between the interval [0, 1] and less than 0.8, indicating an acceptable result. *NFI* (Normed Fit Index) = 0.97, *CFI* (Comparative Fit Index) = 0.98, *IFI* (Incremental Fit Index) = 0.98, *GFI* (Goodness-of-Fit Index) = 0.95, *AGFI* (Adjusted Goodness-of-Fit Index) = 0.91, and *RFI* (Relative Fit Index) = 0.95. All
of these indexes are larger than 0.9, reaching the value standard for the fitting index, thus showing that the fitting degree of the model and the data is in the acceptable range. Regarding an employee’s psychological contract with the client, the factor loadings of the sixteen observation variable items were larger than 0.7; $\chi^2/DF = 1.99$, $RMSEA = 0.061$, $NFI = 0.95$, $CFI = 0.97$, $IFI = 0.97$, $GFI = 0.91$, $AGFI = 0.92$, and $RFI = 0.94$. All model fitting indexes were larger than 0.9, meeting the fitting index value standard.

For the turnover intention scale, the factor loadings of the three observation variable items were larger than 0.75. The fitting indexes in the model were $\chi^2/DF = 1.74$, $RMSEA = 0.032$, $NFI = 0.95$, $CFI = 0.96$, $IFI = 0.96$, $GFI = 0.92$, $AGFI = 0.90$, and $RFI = 0.95$. All of these are larger than 0.9, showing that the fitting degree of the model and the data is in the acceptable range; thus, the construct validity of the model is good.

For the job satisfaction scale, the factor loadings of the five observation variable items were larger than 0.77. The fitting indexes in the model were $\chi^2/DF = 1.23$, $RMSEA = 0.041$, $NFI = 0.96$, $CFI = 0.97$, $IFI = 0.97$, $GFI = 0.94$, $AGFI = 0.92$, and $RFI = 0.94$. All of these are larger than 0.9 which are in accordance with the relevant value standard for fitting indexes.

For the organizational commitment scale, the factor loadings of the observation variables for both affective commitment and normative dimension were above 0.6; $\chi^2/DF = 2.29$, $RMSEA = 0.064$, $NFI = 0.94$, $CFI = 0.94$, $IFI = 0.94$, $GFI = 0.91$, $AGFI = 0.92$, and $RFI = 0.92$. All of these model fitting indexes are larger than 0.9, in accordance with the relevant value standard for fitting indexes.

The results of the reliability and confirmatory factor analyses of dispatched employees’ psychological contracts, turnover intention, job satisfaction, and organizational commitment scales show that the scales have high reliability and validity.

**Hypotheses testing**

Based on the Pearson correlation coefficient method, we analyzed the correlation among dispatched employees’ psychological contracts with clients and with dispatching agencies, organizational commitment, job satisfaction, and turnover intention. We preliminarily tested whether mutual influence existed between variables to reflect the possibility of variable interaction. From the analysis results shown in Table 2, the correlations among the variables were significant, and the direction of the relationship is in accordance to the research hypotheses model shown in Figure 1.
We established the structural equation model using AMOS 18.0 to test the research hypothesis model (Figure 1). In the process of establishing the model, we estimated the initial path parameters of the structural model. According to the correction principle of structural equation modeling, we deleted insignificant paths in the model through the value of MI and obtained the optimal structural model after revision (Figure 2). The fitting index values of the revised optimal structure model are shown in Table 3; the optimal structure model has good fit with the observation data. The standardized regression coefficients (path coefficients) of the optimal model and the corresponding standard errors and CR values are shown in Table 4.

Table 2. Correlation coefficient matrix among the variables.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Clients</th>
<th>Dispatching agencies</th>
<th>Organizational commitment</th>
<th>Job satisfaction</th>
<th>Turnover intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dispatching agencies</td>
<td>0.809**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig.</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>0.783**</td>
<td>0.668**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig.</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>0.814**</td>
<td>0.684**</td>
<td>0.788**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Sig.</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover intention</td>
<td>-0.251*</td>
<td>-0.317**</td>
<td>-0.296*</td>
<td>-0.341**</td>
<td>1</td>
</tr>
<tr>
<td>Sig.</td>
<td>0.033</td>
<td>0.007</td>
<td>0.012</td>
<td>0.003</td>
<td></td>
</tr>
</tbody>
</table>

Note: * shows significance under $P < 0.05$, ** shows significance under $P < 0.01$, two-tailed test.

Table 3. Fitting index values of the optimal structure model.

<table>
<thead>
<tr>
<th>$X^2$ / DF</th>
<th>NFI</th>
<th>CFI</th>
<th>IFI</th>
<th>GFI</th>
<th>AGFI</th>
<th>RFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.381</td>
<td>0.89</td>
<td>0.97</td>
<td>0.97</td>
<td>0.94</td>
<td>0.93</td>
<td>0.88</td>
<td>0.063</td>
</tr>
</tbody>
</table>

Note: *** shows significance under $P < 0.001$. 

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Figure 2 and Table 4 show that an employee’s psychological contract with the client has no impact path on turnover intention, indicating that Hypothesis 1b is not verified. At a significance level of $P < 0.001$, an employee’s psychological contract with the client has significant positive effects on job satisfaction; the effect path coefficient is $0.522^{***}$, showing that when clients perform dispatched employees’ psychological contracts, it significantly boosts job satisfaction. Thus, Hypothesis 2b is verified. An employee’s psychological contract with the client has significant positive effects on organizational commitment. The effect path coefficient is $0.803^{***}$, showing that the higher the level of an employee’s psychological contract with the client, the stronger his or her organizational commitment, identification with the client, and job involvement. Thus, Hypothesis 3b is verified. Organizational commitment has significant positive effects on job satisfaction. The effect path coefficient is $0.438^{***}$, showing that organizational
commitment significantly positively predicts job satisfaction; thus, Hypothesis 4 is verified. The influence path coefficient of job satisfaction on turnover intention is -0.494***. This shows that the higher the degree of job satisfaction, the lower the level of turnover intention; Hypothesis 5 is supported. The influence path between organizational commitment and turnover intention is not significant; thus, Hypothesis 6 is not verified.

An employee’s psychological contract with the dispatching agency has no direct influence path on turnover intention, job satisfaction, and organizational commitment; thus, Hypotheses 1a, 2a, and 3a are not verified by the statistical results. In the process of correcting the model, it was further found that an employee’s psychological contract with a dispatching agency has a strong correlation with the employee’s psychological contract with the client, with the correlation coefficient reaching 0.946. This new finding shows that when dispatching agencies fulfill employees’ psychological contracts, it significantly promotes clients to fulfill employees’ psychological contracts and vice versa. However, an employee’s psychological contract with the dispatching agency has no significant direct influence on job satisfaction, organizational commitment, or turnover intention. This shows that an employee’s psychological contract with the dispatching agency might have internal relations with job satisfaction, organizational commitment, and turnover intention through the employee’s psychological contract with the client.

Following Preacher & Hayes’s (2008) inspection process for multiple mediation effects, we used products of coefficients to test the mediation effect of job satisfaction and organizational commitment. As shown in Figure 2, an employee’s psychological contract with the client affects turnover intention through two indirect paths. One is through the direct positive influence on job satisfaction to the further negative impact on turnover intention. The other is through the positive influence on organizational commitment to the further effect on job satisfaction, and finally to the negative impact on turnover intention. The multiple mediation effects in the model include the individual mediation effect of job satisfaction, the continuous mediation effect of organizational commitment and job satisfaction, and the overall mediation effect. Referring to the path coefficient analysis results in Table 4, the mediation effect of the optimal model can be calculated by formula (1), with the results as shown in Table 5. The overall effect of an employee’s psychological contract with the client on turnover intention is -0.432. We tested the significance of the intermediary effect using the multivariate delta method (Liu & Ling, 2009) and calculated Z = 4.012, which shows significance under P < 0.05. The effect of an employee’s psychological contract with the client on turnover intention through job satisfaction is -0.285, accounting for 59.7% of the total effect. The Z-value of the individual mediation effect of job satisfaction is 3.25, which shows significance under P < 0.05. The effect of an employee’s psychological contract with the client on turnover intention through organizational
commitment and job satisfaction is -0.174, accounting for 40.3% of the total effect. The Z-value of the continuous mediation effect of organizational commitment and job satisfaction is 8.7, which shows significance under $P < 0.001$. As for the contrast of the intermediary effect, according to formula (2) and formula (3), the difference between the absolute value of the individual mediation effect of job satisfaction, the continuous mediation effect of job satisfaction, and organizational commitment is 0.084; $Z = 1.674$. It shows significance under $P < 0.05$, indicating that the continuous mediating effect of job satisfaction and organizational commitment is weaker than the individual mediation effect of job satisfaction. Overall, job satisfaction and organizational commitment play an intermediary role in the influence of an employee’s psychological contract with the client on turnover intention.

\[
r = \sum_{i=1}^{n} a_i b_i
\]

\[
f = a_i b_i - a_j b_j
\]

\[
\text{var}(f) = b_i^2 \sigma_{ai}^2 + b_j^2 \sigma_{aj}^2 + a_i^2 \sigma_{bi}^2 + a_j^2 \sigma_{bj}^2 - 2a_i a_j \sigma_{bij}
\]

Here, $a_i$ is the path coefficient for the $i_{th}$ argument to the intermediary variable, $b_i$ is the path coefficient for the $i_{th}$ intermediary variable to the outcome variable, $a_j$ is the path coefficient for the $j_{th}$ argument to the intermediary variable, and $b_j$ is the path coefficient for the $j_{th}$ intermediary variable to the outcome variable.

Table 5. Effect decomposition of an employee’s psychological contract with the client on turnover intention.

<table>
<thead>
<tr>
<th>Effect path</th>
<th>Effect value</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client → Job satisfaction → Turnover intention</td>
<td>0.522×0.494=0.258</td>
<td>59.7%</td>
</tr>
<tr>
<td>Client → Organizational commitment → Job satisfaction → Turnover intention</td>
<td>0.803×0.438×0.494=0.174</td>
<td>40.3%</td>
</tr>
<tr>
<td>Overall effects</td>
<td>-0.432</td>
<td></td>
</tr>
</tbody>
</table>

To further analyze the influence of the different dimensions of the structure of employees’ psychological contracts on job satisfaction and organizational commitment, using a regression model, we took job satisfaction, emotional commitment, and normative commitment as the dependent variables, with the employee’s psychological contract with the client in the normative, interpersonal, and development dimensions as the independent variables (Table 6). The results are as follows. First, taking job satisfaction as the dependent variable, with the normative dimension in the structure of an employee’s psychological contract with the client being at the level of $P < 0.01$, job satisfaction is significantly predicted (Sig. =
The standardized regression coefficients $Beta = 0.540$ and $\Delta R^2 = 0.692$ show that implementing normative responsibility in an employee’s psychological contract with the client can predict 69.2% of job satisfaction; thus, this has a strong influence on the job satisfaction of dispatched employees. Second, taking emotional commitment as the dependent variable, with the interpersonal dimension in the structure of an employee’s psychological contract with the client being at the level of $P < 0.05$, emotional commitment is significantly predicted ($Sig. = 0.043$). The standardized regression coefficients $Beta = 0.419$ and $\Delta R^2 = 0.457$ show that implementing interpersonal responsibility in an employee’s psychological contract with the client can predict 45.7% of emotional commitment. Third, taking normative commitment as the dependent variable, with the normative dimension in the structure of an employee’s psychological contract with the client being at the level of $P < 0.01$, normative commitment is significantly predicted ($Sig. = 0.000$). The standardized regression coefficients $Beta = 0.638$ and $\Delta R^2 = 0.657$ show that implementing normative responsibility in an employee’s psychological contract with the client can predict 65.7% of normative commitment. Thus, only the normative dimension in an employee’s psychological contract with the client has a significant positive influence on job satisfaction; therefore, Hypothesis 2b is further supported. The interpersonal dimension in the structure of an employee’s psychological contract with the client has a significant positive influence on emotional commitment, and the normative dimension has a significant positive influence on normative commitment. This provides a more in-depth explanation for Hypothesis 3b.

Discussion

Based on the testing analyses of the hypotheses, Hypotheses 2b, 3a, 4, and 5 are supported by the empirical analysis results. The optimal structure model shows that an employee’s psychological contract with the client indirectly affects turnover intention through the intermediary roles of organizational commitment and job satisfaction. An employee’s psychological contract with a dispatching agency does not have a significant impact on job satisfaction, organizational commitment, or turnover intention. There is also a new finding that a strong correlation exists between an employee’s psychological contract with the dispatching agency and an employee’s psychological contract with the client. Only the normative dimension in an employee’s psychological contract with the client has a positive effect on job satisfaction. The interpersonal and normative dimensions have a positive influence on affective and normative commitment in organizational commitment, respectively.
First, according to this study’s findings (Tables 4 and 5), an employee’s psychological contract with the client has a significant positive influence on organizational commitment and job satisfaction, and further affects turnover intention. This result aligns with Randall, Cropanzano, Bormann & Birjulin (1999) – namely, that organizational commitment and job satisfaction play a positive role in enhancing the relationship level of the psychological contract between organizations and employees. Further, an employee’s psychological contract with the client includes the normative, interpersonal, and development dimensions, which aligns with Rousseau’s and Li Yuan’s 3-dimensional views of the psychological contract. Therefore, in the process of intervening in dispatched employees’ turnover intention, there should be a focus on employees’ cognition and feelings regarding clients performing their responsibilities to avoid turnover behavior caused by lower job satisfaction. If dispatched employees feel clients treat them fairly - which manifesting in competitive salaries, good work and social

Table 6. Results of regression analysis.

<table>
<thead>
<tr>
<th></th>
<th>Nonstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>ΔR²</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constants</td>
<td>0.675</td>
<td>0.235</td>
<td>2.868</td>
<td>0.005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normative dimension</td>
<td>0.517</td>
<td>0.150</td>
<td>0.540</td>
<td>3.445</td>
<td>0.692</td>
<td>54.267**</td>
</tr>
<tr>
<td>Interpersonal dimension</td>
<td>0.272</td>
<td>0.140</td>
<td>0.297</td>
<td>1.938</td>
<td>0.057</td>
<td></td>
</tr>
<tr>
<td>Development dimension</td>
<td>0.037</td>
<td>0.202</td>
<td>0.036</td>
<td>0.185</td>
<td>0.853</td>
<td></td>
</tr>
<tr>
<td>Emotional commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constants</td>
<td>1.624</td>
<td>0.233</td>
<td>6.980</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normative dimension</td>
<td>0.126</td>
<td>0.148</td>
<td>0.176</td>
<td>0.847</td>
<td>0.457</td>
<td>20.958*</td>
</tr>
<tr>
<td>Interpersonal dimension</td>
<td>0.286</td>
<td>0.139</td>
<td>0.419</td>
<td>2.064</td>
<td>0.043</td>
<td></td>
</tr>
<tr>
<td>Development dimension</td>
<td>0.096</td>
<td>0.200</td>
<td>0.124</td>
<td>0.481</td>
<td>0.632</td>
<td></td>
</tr>
<tr>
<td>Normative commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constants</td>
<td>1.334</td>
<td>0.249</td>
<td>5.358</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normative dimension</td>
<td>0.612</td>
<td>0.159</td>
<td>0.638</td>
<td>3.856</td>
<td>0.657</td>
<td>46.334**</td>
</tr>
<tr>
<td>Interpersonal dimension</td>
<td>-0.139</td>
<td>-0.149</td>
<td>-0.151</td>
<td>-0.935</td>
<td>0.353</td>
<td></td>
</tr>
<tr>
<td>Development dimension</td>
<td>0.346</td>
<td>0.214</td>
<td>0.332</td>
<td>1.618</td>
<td>0.110</td>
<td></td>
</tr>
</tbody>
</table>

Note: * shows significance under P < 0.05; ** shows significance under P < 0.01.
environment, clear career development plans, and promising chances for promotion or becoming formal staff— it can enhance their attitudes and behaviors, and improve their organizational commitment and job satisfaction. This will make dispatched employees feel more inclined to continually working for clients and reduce their turnover intention. Thus, in the process of dynamically managing dispatched employees’ psychological contracts, staff unions should be established to better transmit mutual expectations between dispatched employees and clients. When clients do not adequately perform their responsibilities, dispatched employees can establish a dialogue with clients through the union system to protect their rights and interests. In addition, dispatching agencies should regularly check whether clients suitably perform their responsibilities according to the requirements of the labor dispatch agreement, thus creating a mechanism for supervising clients.

Second, the optimal structure model shows that an employee’s psychological contract with the dispatching agency has no influence path for job satisfaction, organizational commitment, and turnover intention. This shows that employees’ perceptions of a dispatching agency’s performance do not significantly influence job satisfaction, organizational commitment, or turnover intention, contrary to Freese & Schalk (2008). However, a new finding of the present study is that employees’ psychological contracts with dispatching agencies strongly correlate with employees’ psychological contracts with clients. A cause of this phenomenon could be that dispatching agencies only hire employees but have no right to use them. Their responsibility for dispatched employees is only transactional based on economic factors, with some relational responsibility. When dispatched employees are working, the main organizational object is the client, and there is little contact with the dispatching agency. Therefore, dispatching agencies’ attitudes and behaviors do not generate strong feelings among dispatched employees regarding job satisfaction and organizational commitment; rather, such feelings are based on the clients.

Third, Figure 2 shows that an employee’s psychological contract with the dispatching agency has a strong correlation with the employee’s psychological contract with the client (correlation coefficient: 0.946***). This shows that when paying attention to an employee’s psychological contract with the client, the psychological contract with the dispatching agency should be considered as well. Building a good psychological contract requires a collaborative effort between dispatching agencies and clients. Li, Huang & Zhou (2013) found that when dispatching agencies value employees’ expectations, it can affect the performance of employees with clients. The present study confirms this view from another angle. An employee’s psychological contract with the dispatching agency includes the transaction and relation dimensions, which emphasize economic factors, aligning with Chen & Ling’s (2004) “2-dimensional structure” theory regarding psychological contracts. Thus, to intervene in dispatched employees’ turnover
intention, while focusing on psychological contracts with clients, the performance of employees’ psychological contracts with dispatching agencies must also be strengthened. Given the high quality standards clients set for employees, dispatching agencies should train employees in the necessary job skills before sending them to clients. This can help dispatched employees enter the work environment more quickly and perform better on the job, thus forming good psychological contracts between clients and employees.

Fourth, the regression analysis results (Table 6) show that in the psychological contracts between clients and dispatched employees, only the normative dimension has a positive influence on job satisfaction. The interpersonal dimension has a positive impact on emotional commitment in organizational commitment, and the normative dimension has a positive impact on normative commitment in organizational commitment. This is consistent with Restubog et al. (2006) and Gupta, Agarwal & Khatri(2016). However, the development dimension in the structure of an employee’s psychological contract with the client has no significant influence on job satisfaction and organizational commitment. This partly reflects the characteristics of labor relations between dispatched employees and clients—namely, clients do not have responsibility for employees’ career development. Therefore, in their intervention strategies regarding turnover intention, clients should strengthen their performance of contract responsibilities, prioritize economic factors to enhance job satisfaction and normative commitment, provide a good interpersonal work environment, and strengthen communication with employees to improve their emotional commitment.

Conclusion

Using questionnaire survey data from 271 dispatched employees in the banking industry in Henan province (China) from February to June 2016; this study explored the influence of dispatched employees’ psychological contracts on turnover intention. Considering two aspects - an employee’s psychological contract with the dispatching agency and his or her psychological contract with the client - we empirically analyzed the influence relations between an employee’s psychological contract and turnover intention, and the mediating role of job satisfaction and organizational commitment. The following conclusions were derived.

1) The psychological contract of a dispatched employee has a dual aspect. All the differing aspects of the psychological contract do not directly influence turnover intention. The psychological contract with the client has a negative influence on turnover intention through the positive effect on job satisfaction and organizational commitment. There are no significant relations among the psychological contract with dispatching agencies and turnover intention, organizational
commitment, and job satisfaction; however, there is a strong correlation with the psychological contract with clients. (2) Job satisfaction and organizational commitment play a mediating role in the relation between an employee’s psychological contract and turnover intention. The influence of an employee’s psychological contract with the client on turnover intention is completed indirectly through organizational commitment and job satisfaction. The ascension of organizational commitment significantly promotes an employee’s psychological contract with the client and influences job satisfaction, and job satisfaction plays a key role in reducing turnover intention. (3) The psychological contract with the client includes normative, interpersonal, and development dimensions. Different structural dimensions have a different influence on job satisfaction and organizational commitment. The normative dimension has a significant positive influence on job satisfaction and normative commitment, the interpersonal dimension has a significant positive influence on emotional commitment, and the development dimension does not have an obvious influence.

While this study has important theoretical significance and practical value for enhancing the corporate identity of dispatched employees, reducing turnover behavior, and improving the management of dispatched employees, it has certain limitations. Future studies should focus on the following aspects: (1) In the relationship between a dispatched employee’s psychological contract and turnover intention, factors such as leadership style, organizational culture, personality traits, and organizational support should be examined to consider the intermediary or adjustment effects among different variables, the psychological contract, and turnover intention. (2) To expand the scope of selected samples, attention should be paid to the representation of samples. This will aid the consideration of whether there are differences in the influence relationship between the psychological contract and turnover intention of dispatched employees who are in different areas, work in different industries, and have different individual characteristics. This will help to distinguish and study the characteristics of specific regions, industries, and research objects.
References


