

# Analysis on Personnel Dispatched Business Management of Software Service Outsourcing Enterprise: Based on Psychological Contract

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**Abstract:** Based on survey of Wuhan Software Industrial Park, this paper finds many psychological contract problems in those service outsourcing enterprises. The factor analysis model of personality trait-psychological contract-turnover intention is constructed, and the relation between expatriates caring-factors and psychological contract is discussed. The result of the correlation model reflects that personality and the psychological contract is the positive correlation, psychological contract and turnover intention is the negative correlation. And this paper also finds the key factors which influencing the psychological contract employees in service outsourcing enterprises. Finally, based on analysis results and present situation, we give some responding suggestions to the managers from the point view of the enterprise.

**Key words:** Personality characteristics; Psychological contract; Turnover intention; Expatriates

## 1 Introduction

Service outsourcing is a new economy industrial transfer trend of the after manufacturing industry in the world, especially for the software service outsourcing industry. In order to carry on the work of technical guidance or service support better, many companies in China always choose the pattern that sending employees to the enterprise who have the core technology for job training or technique improving. Based on survey of Wuhan Software Industry Park, the paper finds the personnel dispatched business model has been as high as 66.2% . However, due to long stationed in training enterprises, the expatriates exist the following problems such as loyalty lower, turnover intention rate higher, and job satisfaction lower . The psychological contract is the contact factors ties between organization and staff. It can affect the expatriates working performance, job satisfaction, the organization's emotional input and turnover intention.

The psychological contract has been studied in the relationship between employer and employees, but it doesn't clearly defined for the concept of psychological contract interpretation ( Argyris ,1960)<sup>[1]</sup> .

Then the psychological contract has been defined as " the sum total of mutual expectation among organization and staff" (Levinson, etc, 1962) <sup>[2]</sup>. In the psychological contract of empirical studies, two dimensional structure hold dominant position, they consider the psychological contract has been divided into transactional contract and relational contract. Transactional contract is the focus of the economy and money factors which including salary, welfare, basic conditions of work. However, the relational contract focuses on emotional factors (Macneil, 1985)<sup>[3]</sup>. Organizational theories attempt to explain why organizations do what they do. Contracts are a worthy object of study using organizational theories because contracts often are created by organizations, and, in turn, each contract creates a new organization (Rousseau D. M & Parks J. M. 1993)<sup>[4]</sup>. Psychological contract has been studied on the basic trade relations characteristics of the emotional culture in China. Chinese scholars Chen Jiazhou, Ling Wenquan and Fang Liluo (2003) considered the different aspects of the psychological contract into the "real factor" and "development factor"<sup>[5]</sup> .

According to the 2d psychological contract management structure theory, this paper studies the software outsourcing enterprise's problem of psychological contract. Through a thorough investigation, it is not difficult to find that both trade dimension and relationship dimension can be reflected through the original organization dimensions and expatriates of personal responsibility. The original company's responsibility is to meet the individual employee's career development and success in the demand for developing opportunities, challenging work chance and so on. Expatriates' responsibility is to satisfy the demand of the enterprise in business and career development needs to blend into the company's corporate culture, and approve the initiative for the company to create value, etc. So the main reference questionnaire survey is majoring in the responsibility between the original enterprises' organization dimensions and personal responsibility of expatriates.

## 2 Basic Attributes Analysis

Based on the past psychological contract, the questionnaire survey has been separated into three parts: The first part is about the basic information of the employees, such as age, gender, expatriating term, industry, etc. The second part is about the assignment of employees' personality testing and the psychological contract of condition testing, which dispatch employees' characteristics of the psychological contract and its present situation; the third part is about test of the tendency that the employees intend to leave their job assignment. In the reliability analysis of character, internal control character trait can reach .660, external control character trait can be .843, the psychological contract scale analysis trait degrees reaches .879 and .823, expatriates turnover intention in the reliability is about .944, so it can proof that the overall reliability is high.

### 2.1 Factor analysis for basic attributes

**Table 1 Expatriates Basic Feature Attributes**

Statistical item	Category	Percentage	Sample size
Gender	male	115	71.4%
	female	46	28.5%
	high school	72	43.9
Education degree	college	42	25.6
	bachelor degree	46	28.0
	master degree or above	0	0
service life	6 months	23	14.0
	6months–1years	59	36.0
	1 year – 3 years	73	44.5
	3year s– 5 years	3	36.8

### 2.2 Factor analysis for internal personality control

In psychology, people who are in favor of the internal control type believe the power to solve problems comes from internal resources, such as self-confidence, beliefs and intuitive aspiration. When they are in face of the questions, they always tend to rely on their own effort to solve difficulties. This research designs the survey index for the factors questionnaire. And according to the survey content analysis, this paper find out the key factors which influence the internal control type of personality as is shown in table 2.

**Table 2 Measured Expatriates Internal Control of Personality Reliability**

Survey index	Capacity
The determining factor in their work is themselves	.496
Compensation matches the workload	.545
Most of the people can perform his duties well	.483
Alpha value	.660

The key factors are set for expatriate's internal control of personality feature questionnaire. According to analysis in SPSS17.0, the characteristic value can be .660, which is high in the reliability.

### 2.3 Factor analysis for external personality control

Also in psychology, people have external control type personality holds the point that the leading force of personal life and work is external factors. They classify the chance for success as a result of opportunity, failure luck, and environmental factors and so on. So according to the survey content analysis, this paper finds out the main factors which influence the main factors of external control type personality as the following table 3.

**Table 3 Measured Expatriates External Control of Personality Reliability**

Survey index	Capacity
The determining factor in their work is fortune	.504
Key figures is more important than ability	.513
the environment for personal career development is very important	.603
Alpha characteristic value	.843

The key factors are set for expatriate's external control personality feature questionnaire. According to analysis of SPSS17.0, the characteristic value can be .843, which is high in the reliability.

**Table 4 Analysis of Expatriate's Psychological Contract Factors**

Survey index	First factors Transactional	Second factors relational	The same ratio
The company will provide good training mechanism and adequate training opportunities	.100	.780	.618
The company has the reasonable evaluation system, and can provide the opportunities for advancement	.167	.743	.580
The company offers a reasonable career planning	.243	.751	.622
The company will provide medical, unemployment, vacations, social insurance, safeguard	.143	.594	.502
The company's salary, bonus match expatriates' performance	.551	.663	.608
Expatriates study the new technology, improve skills structure	.216	.700	.537
The company should provide the same salary, as long as the content of the work assignment employees with other than manning employee	.906	.130	.837
Expatriates own ability in for exercise and improve	.871	.161	.785
The higher the responsibility is , the higher payment the company should give	.649	.526	.698
Characteristic value	2.606	3.918	
Alpha value	.879	.823	

**Table 5 Analysis of Expatriate's Turnover Intention Reliability**

Survey index	Capacity
I often leave the company now.	.738
As long as the company has the similar nature of the work ,it doesn't matter that I have a bad work .	.659
Just continue to stay in this company won't do any good.	.755
The company provides for me a good working environment, I give the greatest efforts.	.591
Loyalty to enterprise, never support rivals.	.615
Promise to service for company forever.	.671
Accept and approve the spiritual concept and behavior of company.	.626
This is the most satisfied with the company for me now.	.680
Characteristic value	2.606
Alpha value	.944

#### 2.4 Factor analysis for psychological contract

It is the best standard when the psychological contract scale reaches more than .80. And if the Bartlett spherical test value at the level of  $P < 0.05$ , the index fits for factor analysis. The psychological contract scale factor analysis can be showed as below; the paper can conclude that the overall reliability can be of .897, which is higher in the reliability. Meanwhile, the paper finds the key factors after factor analysis, among which the relational key factors is related to economic and money. And the second key called transactional psychological contract is representative of the factors which is related to economic and money. The values of characteristics are 2.606 and 3.918. The Alpha value of each individual table of can be in .879 and .823.

#### 2.5 Factor analysis for turnover intention

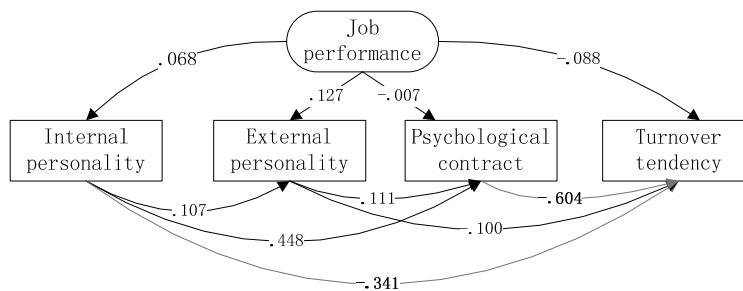
Tendency to leave analysis is largely based on the employee's left psychological behavior and performance of expression behavior, which involved with the assignment positive impact factors and negative influence factors, the main index reference see as table 5 shows.

According to analysis in SPSS17.0, the characteristic value can be 2.606, the alpha value can be .944, which the reliability is high.

### 3 Results

**3.1 Correlation analysis among key traits**

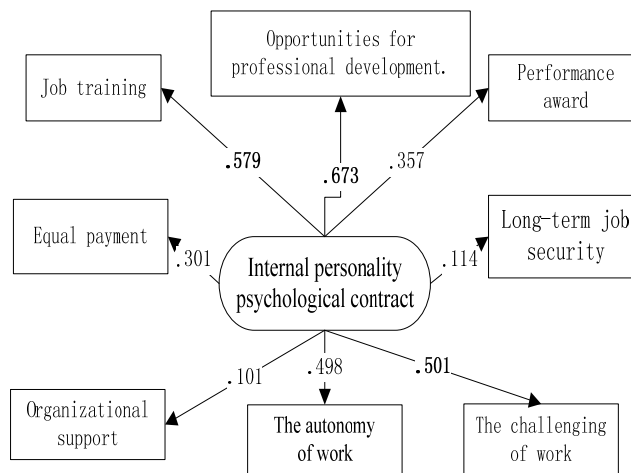
By analyzing the software outsourcing personnel's personality and psychological contract correlation, the paper studies the relationship among the personality, the psychological contract, and the turnover intention. From the figure below, the internal control character and the psychological contract takes a positive correlation ( $r=0.448$ ) which shows that the psychological contract of establishment and management will be higher for the expatriates who have character that turning to the internal control. So when recruiting talents, it is effectiveness for the enterprise to focus on internal control type character traits. It is negatively associated between the internal control of personality characteristics and turnover intention ( $r=-0.341$ ), which show that the higher the internal control of personality is, the lower turnover intention is. Moreover, it has a negative correlation of the psychological contract and turnover intention for the enterprises and expatriates ( $r=-0.604$ ), which shows that the psychological contract of expatriates is better while turnover intention is lower.



**Figure 6 The results of correlation analysis among key traits**

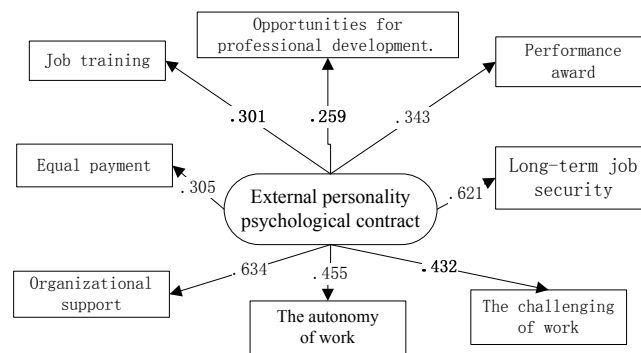
**3.2 Correlation analysis between key factors and psychological contract**

From the study results, the paper finds out the influence key factors in software outsourcing industry: Job training, Opportunities for professional development, rewarding performance, Equal payment, Long-term job security, Organization support, the autonomy of work, the challenging of work. In accordance with the “internal control of personality questionnaire”, the paper classifies the correlation of internal control as personality and researches on the psychological contract key factors on the condition of different personality traits.



**Figure 7 The correlation analysis between key factors and internal psychological contract**

By the correlation analysis in software outsourcing industry, the key factors which influencing the type of personality internal control personality for expatriates in turn is: opportunities for professional development, job training, the challenging of work, the autonomy of work, performance award, equal payment, long-term job security, organizational support. Then the correlation analysis of external control key factors is as follows:



**Figure 8 The Correlation Analysis Between Key Factors and External Psychological Contract**

Also, the paper finds out key factors which influencing the type of personality external control of personality. The arrangement is as following: organizational support, long-term job security, the autonomy of work, the challenging of work, performance award, equal payment, job training.

## 4 Conclusions

To sum up, companies must be with open awareness of psychological contract management. Based on the analysis, the paper give advices for strengthening the expatriates of software outsourcing service enterprise in psychological contract management.

### 4.1 Pay attention to internal control type of personality recruitment

The correlation analysis shows that the expatriates personality and turnover tendency are negatively associated with each other, the expatriate's personality and the psychological contract shows a positive correlation. So when recruiting excellence for the service outsourcing enterprise, they can focus on internal control personality talent person. It will greatly increase the efficiency in the psychological contract for expatriates, so as to reduce the expatriates to leave their job assignment tendency.

### 4.2 Provide career development and transfer of opportunities

In the correlation analysis, career development opportunity and job training are the most important factors in the effect of internal control talented person of psychological contract. Through the paper's view, many expatriates feel that whether it can have the opportunity to send or how long can professional advancement is a key factor to decide whether they would stay or not. Consequently, the enterprise can make corresponding career development and incentive mechanism, including training, job promotion, salary incentive, welfare bonuses, and other aspects of the effective mechanism. If expatriates have greater accumulation and more extensive customer experience, the enterprise should provide the professional development and transfer of opportunities for their career development.

### 4.3 Make a unified standard in the welfare, salary system

Salary is one of influencing factors about the workers' psychological contract effectiveness. When expatriates talking about their payment in the training company, it is easier to appear the feeling of unbalance when the same work staff has different salaries. Moreover, it can affect the execution of the psychological contract management. But a unified standard in the welfare, salary system can make the leasing employees work with avoid to produce different inner balance.

### 4.4 Strengthen the concern of the expatriates

For staff as manning, its biggest problem is how to balance the relationship between family and work, this also is the root cause of the loss of expatriates. Choose the work assignment way means choose a way of life. After a period of time in the assignment, they can often tend to choose a more stable job. So through strengthening care about the expatriates can promote employee's sense of belonging between the original company and himself. All this can assist the company reach the goals to keep talents.

Last but not the least, enterprises investigated in this paper are limited in Wuhan City, and the number of questionnaire is not enough, so the variable of affecting factors is limited. For other respect, which influences the psychological contract management doesn't not make analysis, this could be the study of research direction in the future.

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