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Impact of psychological contract fulfillment on micro-firm clerks: An empirical study in China

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The psychological contract is an international academic focus in the field of organization behavior and human resources management. Despite a large number of literatures in the psychological contract from different types of organizations, there is still a lack of exploration involving the micro business sector. This study aims to fill some of the gaps and analyze the intimate relationship with the target of micro-firm clerks in the context of China. Such analysis was performed employing the self-constructed framework of Psychological Contract Fulfillment (PSF), which has been built to reflect the specific characteristics in line with Chinese circumstances. Results show that the PSF has a positive effect on organization commitment and work acceptance while indicates the negative impact on the turnover intention, as perceived by the micro-firm clerks in the sampled cities. PSF for micro-firm clerks, on the other hand, acts as a partial intermediary role between Leader-Member Exchange (LMX) and work acceptance as well as turnover intention. PSF practices call for the significant need to improve internal behavior relations for micro-firm clerks and have the potential to create a type of organizational environment or culture for more sustainable exchanges that act as a positive role for stable human resources, preserving loyalty value and reducing the firms' cost of staff turnover.

Key words: Psychological contract fulfillment (PCF), leader-member exchange (LMX), micro-firm, organization behavior, China.

INTRODUCTION

For a long time, The relationship between psychological contract and organizational behavior is a highly debated topic between academics and corporate managers. In general, the psychological contract is considered an essential or nonnegligible element for the modern business (Coyle-Shapiro and Kessler, 2000; Aselage and Eisenberger, 2003). Nevertheless, the idea that enterprise size, psychological contract practices and individual

behavior are positively related is not yet universally endorsed, and the antecedents, as well as an operational mechanism for psychological contract, also attracted extensive attentions among researchers of different national backgrounds (Robinson and Morrison, 2000; Hui et al., 2004; Ahmad and Zafar, 2018).

As the "implicit agreement" for members of organizations, the practical significance of psychological

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contract is that members of the organization conduct its behaviors in a particular mental attitudes and derivative actions through the self-awareness of circumstances, which ultimately affect the achievement of goals for the organization (Herriot et al., 1997; Coyle-Shapiro and Kessler, 2003; Cullinane and Dundon, 2006). Taking the view of functions with various stakeholders in new firms, a series of pioneer researches have examined the relations in the traditional large-scale business precinct, but rarely involves the psychological contract theory in micro-firm sectors. Meanwhile, empirical evidence concerning the performance deriving from personal behaviors around small and medium-sized organizations is relatively scarce, especially in the context of the most populated developing nation of China. Measuring the status of psychological contract and understanding how it can affect the individual behavior by exogenous variables is crucial for both corporate managers and the decision-makers, due to its impact on a firm's operational value. At the same time, some scholars in the past decades have participated in public organizations to explore the significance and application of psychological contract theory. Coyle-Shapiro (2002) sets the personnel of the British government as the research target and found that psychological contract (relational contracts and transaction contract) is positively related to the performance and organizational commitment. Such judgment was further testified that there was a positive correlation between behavior and transactional contract fulfillment while organizational citizenship was negatively correlated. Coyle-Shapiro and Conway (2005) moved forward to probe an investigation of 347 organization staffs, found that there were significant differences between psychological contract and organizational support, drawing two component factors (perceived incentives for employers and employer obligations) in predicting the effects of organizational citizenship behavior. However, due to disparities in mini-sector organizations particularly the mode of operation as well as the dual transaction unity of different roles and ways of thinking, results of previous research were difficult to annotate the whole image of various types of organizations and reconcile with a map of reality. Just as Rousseau (2004) pointed out that psychological contract is formed by multiple entities of individuals, organizations and social environment with complicated interactions, thus it needs to explore the model formula in different circumstances.

At this point, it is worth noting that the psychological contract fulfillment (from now on referred to as PCF) is a core concept with components of psychological contract theoretic framework. Turnley et al. (2003) examined the relationship between PCF and three types of employee behavior and found that psychological contract fulfillment is more strongly related to citizenship behavior directed at the organization than to citizenship behavior directed at one's colleagues. According to Ahmad and Zafar (2018),

PCF has a positive impact on perceived organizational support (POS) and organizational citizenship behavior (OCB). The partial mediating role of POS between the dependent and independent variables was also confirmed. Moreover, more research has cast upon the presence of PCF and organization performance in the past years. Cheung et al. (2017) tested the mediated moderation model on 182 supervisor-subordinate dyads of three service firms in Hong Kong, and results indicated that PCF entirely negotiated the effects of mutual trust between supervisors and subordinates on subordinates' task. Performance deficiencies will reduce confidence leading to negative slack consequences, which is not conducive to organizational goals (Coyle-Shapiro and Kessler, 2002; Kickul and Lester, 2001; Turnley et al., 2003). However, regarding personal behavior in the small-sized business sector, the role of psychological contract is scarce from the core dimensions of PSF, and complete disclosure of mutual relations has not yet adequately revealed in the previous analysis.

This study aims to tackle the aforementioned issue and fill the gap within existing literature that leaves the micro-firm, as well as comparative data uncovered. Starting from the conceptual framework, this work attempts to delve deeper into the target of micro-firm clerks by introducing psychological contract theory and disclose its role in the performance on organizational behaviors (affective commitment, job support, turnover intention, etc). Additionally, it introduced the critical variable, Leader-Member Exchange (LMX), to further explore the mediation role within PCF for micro-firm clerks (from now on referred to as MFPCF) in the dynamic process.

LITERATURE REVIEW AND HYPOTHESES

The popularity that psychological contract theory has gained over the past decades has given birth to a vast stream of academic works that explore its nature and effects on business firms. From an organizational point of view, more studies have started from the relationship between psychological contract recognition and the right work behaviors of firms implementing it. As previously mentioned, however, it is the situation that no consensus regarding the effects of psychological contract practices on individual performance has been reached (Du, 2009; Conway and Coyle-Shapiro, 2012; Ruokolainen et al., 2018). More specifically, various authors highlight a statistically relevant connection between psychological contract and performance (Turnley et al., 2003; Katou and Budhwar, 2012; Wu and Chen, 2015), while another group of researchers show ideas of reservation (Gardner et al, 2014). This situation may be the consequence of validity issues among the various measures for the selected explanatory variables and the application circumstances used to convey the verification analysis, which is also reflected on the application of PCF in

different types of organization sectors. According to Henderson et al. (2008), PCF refers to “employees’ perceptions that, overall, the organization has fulfilled its terms of the contract equitably”. Perceptions of fulfillment have been positively linked to employee contributions to the organization, such as in-role performance and OCB. A growing number of employers nowadays incorporate PCF in their human resource arrangement, as they prefer employees with a higher loyalty for a work commitment. Prior research suggests that psychological contracts push social exchange that exists between employees and organizations (Morrison and Robinson, 1997; Carbery et al., 2003). The relationship is made up of the actions that an employer engages in with the belief that the employee will reciprocate behaviors in one way or another. Thus, employees are likely to feel frustrated by the organization’s failure to live up to its obligations and will be inclined to take actions to readjust the employment relationship, such as the reduction extent of contribution (Robinson, 1996; Turnley et al., 2003; Hui et al., 2004). More prior research focusing on different types of employment relationships suggests that PCF has to a certain extent linked with organization behaviors. In general, some empirical studies showed that PCF and employee attitudes are intertwined around organization elements including work performance, organizational citizenship behavior, corporate trust, employee turnover, etc. (Johnson and O’Leary-Kelly, 2003; Sturges et al., 2005; Katou and Budhwar, 2012; Tseng and Wu, 2017). Members of the organization receiving appropriate PCF have higher trust, retention intentions and perceived organizational support (Coyle-Shapiro and Kessler, 2000; Turnley et al., 2003). From the ideal stakeholder point of view as well as within the theory of Social Change, Lambert et al. (2003) and Akhtar et al. (2015) studied the relationship between colleagues, job enrichment and satisfaction in contract fulfillment, found that the element of job satisfaction is correlated with the performance of high incentives. Incentives to fulfill job satisfaction depend on the nature of carrots, a degree of satisfaction fulfillment with incentives tends to increase the level of commitment to enhancing the incentives.

Additionally, performance incentives continue to increase over time, and satisfaction continues to improve while the work richness, vocational training and other responsibilities to fulfill promises tend to raise the level of performance incentives when it grows beyond the work commitment. Coyle-Shapiro and Conway (2005) pointed out that there was a significant difference between the incentives for employers obligations, and the perceived organizational support positively correlates with, on the contrary, observed corporate support in employer obligations. Perceived corporate support and PCF of the two components operate well in predicting organizational citizenship behavior.

In recent years, scholars have begun to differentiate between targets of citizenship behaviors (McNeely and

Meglino, 1994) distinguish citizenship behaviors which are intended to benefit the organization and citizenship behaviors which are designed to help specific individuals within the organization. Morrison and Robinson (1997) suggest that PCF is likely to be more strongly related to citizenship behaviors directed at organization than to citizenship behaviors targeted at specific individuals within the organization. Based on their research, psychological contract breach in some cases could lead individuals to band together if they feel betrayed by the organizational policies. When psychological contracts go unfulfilled, both (Robinson and Rousseau, 1994; Morrison and Robinson, 1997) suggest that employees’ attributions regarding the breach play an essential role in determining how they will respond. How an employee chooses to return is likely to be determined by the magnitude of the discrepancy in PCF.

On the other hand, regarding what effect PCF would cast over the turnover intention, Suazo et al. (2005) found a negative correlation and empirical studies show that employees perceived PCF with a turnover as a tendency predictor (Collins, 2010). More studies suggest that individuals are likely to alter the position when they understand the organization’s actions to be short-sighted and unjustifiable. Thus, responses to psychological contract breach may be active when employees believe that the organization is unwilling to live up to the commitments (Robinson and Morrison, 2000). Specifically, employees will reduce both their in-role performance and loyalty to a more significant extent when they perceive that the psychological contract breach overtakes their tolerance and that the organization intentionally renege on its promises. According to the research mentioned earlier, this paper presents the micro-firm clerks as the PCF testing target (from now on referred as MFPCF) and expects to disclose the correlations around MFPCF from such four dimensions as job performance, organizational commitment, the degree of work recognition, turnover tendency. The hypothesis assumed as summarized as follows in H1 to H5:

- H1: MFPCF has a positive impact on job performance;
- H2: MFPCF has a positive impact on organizational commitment;
- H3: MFPCF has a positive impact on the degree of work recognition;
- H4: MFPCF has a negative impact on hurts turnover intention;
- H5: Work recognition is negatively correlated to the turnover intention

Besides, as an important essential concept in organization management, leader-member exchange (LMX) operates at multiple theoretical levels to directly influence employee perceptions and behaviors in the employment relationship (Tsui et al., 2006), Liden et al., 2006).

LMX is defined as mutual respect, trust and responsibility for implicit relations in members of the organization and their superiors through reciprocal exchanges on the psychological contract. Overall, previous LMX literature distinguishes between low- and high-quality within groups relationship: the former is based upon principles of economic or transactional exchange, and the latter is driven by social exchange processes (Henderson et al., 2008). Subordinates in a high-quality LMX relationship may offer higher levels of contributions to repay their managers' extra-role behaviors, while differentiated LMX relationships in a workgroup would also influence individual evaluations of their obligation to the organization. Thus, Henderson et al. (2008) contended that perceptions of PCF operating at the personal within-group level would account for the relationship between LMX and employee in-role associated with individual-level perceptions of LMX.

As is often seen as organizational superiors incarnation or representative, in the context of Chinese culture, corporate members rely more on establishing a special relationship with superiors to strengthen identification. Thus the PCF and LMX correlation may exist relatively close. In reality, one tendency highlights its potential trait, namely, when superior members sustain a healthy quality of personal relation, the members of the organization tend to perceive PCF realized and display relatively excellent performance. In recent years, researchers in the field of China management academia designed to verify how psychological contract could operate over the organizational members' attitudes towards the behaviors, while the LMX quality level on PCF conceived more consensus. Accordingly, this study absorbs previous research fabrics and put forward the hypothesis of H6:

H6: LMX quality has a significant impact on MFPCF

More prior studies found that people with high-quality LMX will be a member of more substantial contribution in the organization, and low-quality members may perceive a low degree of PCF (Ilies et al., 2007; Henderson et al., 2008). Some scholars have adopted empirical evidence to explore the moderating factor of LMX. Restubog et al. (2010) used a test of two competing perspectives to verify the moderating effects of LMX in the psychological contract breach employee. Lee (2017) found that LMX can serve an intermediary between satisfaction and performance in work implementation. Analysis performed to the subjective perception of psychological contract affects LMX quality, which can be inferred LMX behavior and attitude of clerk work. Here we tentatively establish two behavioral variables regarding the degree of recognition and job turnover intention, which are hypothesized as H7 and H8.

H7: MFPCF acts as an intermediary between LMX and degree of work recognition; H8: MFPCF acts as an intermediary between LMX and turnover intention

METHODOLOGY

This research aims to test the emotional impact of PCF, organizational behavior and LMX on the micro-firm basis, under the national background of transition China. Considering the specifics and previous experiences, the study conducted the field survey and collected data through the channel of the self-constructed questionnaire.

scale and test

The level of variables is the most significant factor in the application of the questionnaire, which directly decides the validity of the research. According to prior literature, currently, it has not yet appeared specific PCF scale for the micro-firm personnel. Based on the norms and management ethics in China, it is the priority to build scales with Chinese characteristics to fit the specific scene. For such purpose, the self-construction operation is done as the following.

First, we gather the previous domestic refining PCF on organizational responsibility as a pre-test source (Table 1), and also draw information concerning foreign scholars like Hopkins (1998)'s better-verified questionnaire. On this basis, team members in the research project further make use of existing interpersonal resources to get opinions around the element of PCF, using e-mail, social network plus consultation approach to obtain a random sample of 22 micro-firms for the subjective perceptions on the liability of organizational responsibilities.

Secondly, more than 70 items were generated by combining, transforming, merging the surveys from micro-firm sectors to form an initial questionnaire in which questions were used Likert- 5 scale form, where 1 means "very important" and 5 means "least important". Then 150 copies were distributed to MBA students spreading in the city of Xi'an and Xuzhou. 119 valid questionnaires were finally verified. We use SPSS16.0 for exploratory factor analysis by principal component extraction factor with basic features in following Tables 2 and 3:

The factor loading results show that it is suitable for factor analysis, and then we delete a few items (loading values <0.6) to eventually obtain 29 liability entries. Then we use the same approach to process the output of the following table and achieve 37 items of organizational responsibilities (Tables 4 and 5)

Feasibility and positive test were used in the standard form of a self-report questionnaire, and each variable is derived from the same research object with the statistical significance that occurs on the common method bias (Common Method Variance, CMV), mainly taken during this study. At the same time, for the reliability purpose as well as operational test in refining the questionnaire, the following preventive measures were adopted: (i) part texts of items were made reverse description to avoid contradiction response by the surveyed; (ii) different scales were involved with changing pattern of sound guidance; (iii) the questionnaire was demanded to fill out in anonymity.

Samples

According to the pre-test results, the study completes the final MFPCF Scale. Taking into account the survey resource channel, the questionnaire is distributed to micro-firm clerks in four selected cities as Xi'an, Nanjing, Jinan and Xuzhou by taking direct field visits, e-mail, the social network from the late month period of 2017 and 2018. The surveyed individuals were all employed with a full-time position. To ensure the access to investigators, data collection is entirely anonymous and takes postcards, commemorative stamps and tiny gifts. When collecting questionnaires department heads and the subordinate specialist was checked to ensure the

Table 1. Primary psychological contract fulfillment content both at home and abroad.

Researcher	Organizational responsibility	Members responsibility
Robinson et al. (1994) and Morrison and Robinson (1997)	Equitable remuneration, attractive welfare, rich content of the work, performance incentives, growth and development opportunities, promotion; supportive work environment, advancement, job security sufficient and appropriate resources.	Loyal to the organization, confidentiality, accepted work adjustment, voluntarily assume its duties work, overtime, refused to support the competitors, obedience to adjust internal working arrangements, keep trade secrets, accepted before leaving informed, least two years for the organization
Herriot et al. (1997)	Payroll, welfare, justice, safe, trust, negotiation, friendliness, and stable	Loyalty, dedication, integrity, care, maintenance of organization image
Thomas and Anderson (1998)	Performance incentives, remuneration, humane care, trusted understanding, work enrichment, participation in social work, fair, gives staff autonomy, stable and secure, and career advancement	Loyalty to the organization and solidarity
Coyle-Shapiro and Kessler (2003)	Salaries and benefits, job security, good career development, participation in decision making, trust support, training, and enjoyable work	Loyalty mutual care order maintenance of the sector
Qing et al. (2009) and Chongguang (2009)	Good benefits, promotion opportunities, career development, learning opportunities, equally fair treatment, fully trust, cooperative atmosphere, friendly work environment, majesty face maintenance	With people, good team spirit, initiative with superior work, threw himself into work, compliance with organizational discipline rules and regulations, overtime work, proactive maintenance leading authority

Table 2. Exploratory factor analysis for "member responsibility" in micro-firm.

Total VAR ratio	KMO	Bartlett sphericity test	df	Sig.
71.032%	0.928	6220.156	72	0.000

effectiveness of information. In this study, we distribute a total of 700 hard plus electronic questionnaires, and 523 surveys were eventually returned, yielding a response rate of 74.7%. Valid samples meet relevant statistical analysis size requirements of samples.

Demographic characteristics of the survey are as follows: The subordinate sample was 72.7% male, and the supervisor sample was 59% male. The average age of supervisors was 43, and the average organizational tenure was 9.17 years (or, roughly, 9 years and one month); the educational level for attainment of college and below, undergraduate, graduate and above are 23.7, 59.1, and 17.2%, respectively.

Reliability and validity

According to Harman Single Factor Analysis, it showed that the unrotated factor *f1* before the first defined variables explained all measurement items 39.1% of the variation in the overall variability. Meanwhile, the total linear results show that the tolerance value between different variables was over 0.6, while the ANOVA expansion factor (variance inflation factor; VIF) is less than 2. Thereby, it can be determined that the introduction of the variables have no serious Collinearity Common Method Bias.

Scale constitutes reliability of the indicators reflecting the variable internal consistency (usually Cronbach's alpha for validation). In

Table 3. Exploratory factor analysis for "organization responsibility" in micro-firm.

Total VAR ratio	KMO	Bartlett sphericity test	df	Sig.
71.032%	0.928	6220.156	72	0.000

Table 4. EFA results for the variable of "organizational responsibility.

Factor dimension	Organizational responsibility	Loading value
Job security	Supply stable and reasonable salary	0.831
	Evaluation open, just and fair	0.799
	Effective promotion channel	0.761
	Provide appropriate benefits	0.683
	Scientific performance guarantee	0.616
Career advancement	Offer a variety of training and development opportunities	0.938
	Provide rotation, networking opportunities	0.774
	Emphasis on career planning	0.671
	People post-match	0.625
Occupational balance	Moderate workload pressures moderate	0.868
	Work autonomy	0.851
	Work richness, and create a positive atmosphere	0.744

Table 5. EFA results for the variable of "micro-firm clerk responsibility.

Factor dimension	Micro-firm clerks liabilities	Loading
Professionalism	To perform job duties	0.933
	Proficient, efficient	0.917
	Studying business, improve the level of problem-solving	0.826
	Practical work, rigorous, and actively	0.773
	Lead by example	0.714
	Actively participate in business skills training	0.661
Professional ethics	Impartial, upright style	0.943
	The overall situation	0.737
	Law-abiding, self-discipline	0.912
	Loyalty	0.895
Social relations	Harmonious colleagues organizational relationships	0.883
	Psychological adjustment	0.779
	Physical and mental health	0.696
	Dilute personal gains and losses	0.759

general, Cronbach's $\alpha > 0.7$ is considered to be appropriate. Combined with existing validation scale reliability test for the preparation of MFPCF as well as the re-factor test, results show that it is compliance with the criteria. This indicates that the variable structure used in this study showed the right internal consistency.

Construct validity is a measurement generated between main variables assumed capacity through convergent validity and discriminant validity. An indicator factor examines convergent validity in the measured value of the path in given reliability (95%). In general, the path value > 0.6 is generally considered appropriate.

Table 6. Discriminant validity test of latent variables.

Factor variable	1	2	3	4	5	6
MFPCF	-	-	-	-	-	-
WOR.PER	7.36	-	-	-	-	-
ORG.COM	10.27	7.01	-	-	-	-
LMX	12.25	18.02	24.19	-	-	-
WOR. REG	13.24	19.16	20.35	16.02	-	-
TUR.INT	15.98	18.26	17.31	22.89	11.19	-

Table 7. Fit index of MFPCF conceptual model.

χ^2/df	SRMR	GFI	NNFI	CFI	RMSEA
3.82	0.053	0.86	0.91	0.92	0.064

Table 8. SEM results of MFPCF conceptual model test

Hypothesis	Path coefficient	t-value	Adjusted R	Result
H1: MFPCF → job performance	0.036	1.13	0.45	Not support
H2:H2 MFPCF → Organizational Commitment	0.39**	15.72	0.24	Basic support
H3: MFPCF → Work recognition	0.45***	18.72	0.41	Strong support
H4:H4 MFPCF → turnover intention.	0.37***	-5.93	0.28	Basic support
H5: Work recognition → turnover intention	0.51***	-8.26	0.09	Strong support
H6:H6 LMX → MFPCF	0.38**	7.09	0.17	Strong support

*** and ** represents correlation coefficients are statistically significant at $p < 0.001$ and $p < 0.001$ respectively.

This study used Confirmatory Factor Analysis (CFA) in testing convergent validity, and the model fit indices are as follows: $\chi^2/df=2.17$, RMSEA=0.079, CFI=0.83, NNFI = 0.84, SRMR=0.056. Meanwhile, metric measurements were also applied to test with the final path value of more than 0.6, indicating that the variable has good convergent validity.

Discriminant validity measurement indicates different variables unique: it built possible permutations and combinations of factor variables, making two variables of various factors related to the relationship between the two to calculate the different combinations of the model χ^2 . Results show that there are significant differences ($p < 0.01$), and these two variables are statistically significant. Table 6 provides the discriminant validity of the test. It showed that all the variables used in this study meet the requirements of discriminant validity.

RESULTS

This study used Lisrel 8.80 software as the fundamental equation tool to make an analysis. First, we use a relative path in SEM analysis to test the hypotheses (H1-H6); secondly, according to the mediating test method performed by Hue Kyung et al. (2016), we take authentication for the mediating effect on hypotheses (H7, H8).

As designed in the previous text, it has constructed

assumptions of the conceptual model and completed a validity-reliability testing as well as variable attributes. The results are displayed in a better model fit within a reasonable range (Table 7), while the final testing results by SEM are shown in Table 8.

The test results show that hypotheses H1-H6 have been well verified, in which assuming H3, H5, H6 achieve a significant level of $p < 0.001$. From the conceptual model fit indicators, as shown in Table 7, the value of χ^2/df is 3.82 (less than the maximum limit of 5), SRMR value is 0.053 (less than the maximum limit of 0.1), RMSEA value is 0.064 (less than the maximum limit of 0.1), GFI value is 0.86 (higher than standard 0.8). All these values fit the recognized requirements of validity. Thus, the conceptual model achieves a better fitting effect, and the verification results meet the basic expectations for rational analysis.

The hypotheses H7 and H8 aim to explore the LMX intermediary role in influencing the variable of MFPCF recognition and turnover intention. Table 9 shows that LMX recognition plays its function path through MFPCF and turnover intention. The results indicated that the degree of LMX recognition has a direct positive impact on turnover intention but manifests an immediate negative impact when adding MFPCF factors. The positive and

Table 9. The testing results of LMX mediating effect

Structural path	Model 1	Model 2	Model 3	Model 4	Model 5
LMX→ Work recognition	0.18	0.12	-	-	-
LMX→ turnover intention	-	-	0.29**	0.36*	-
LMX → MFPCF	-	-	-	-	0.422
Comparative ΔR^2	-	0.034	-	0.12	-
Standard error	0.01	-	0.06	-	-
t-value	-	-	-	6.33	-8.71
p-value	0.004	0.001	0.000	0.000	0.000

***and**represents correlation co-efficients are statistically significant at $p < .001$, $p < 0.001$ respectively.

negative effects display the state of fall / rise in statistical significance indicating MFPCF factor is partially mediated in the testing process.

It can be seen by calculation that LMX affects the variable "degree of recognition" through MFPCF with the value of mediating effect 0.516. This result indicates that MFPCF between LMX and work recognition acts as part of the intermediary role with the mediating 51.6% of the total effect. LMX affects "turnover intention" through MFPCF with mediating effect of 0.3376, indicating MFPCF acts as part of the intermediary role between LMX and turnover intention with mediating 33.76% of the total effect. In addition, also, MFPCF variable also affects turnover intention through the work recognition with mediating effect value of 0.3931 by calculation.

DISCUSSION

Based on psychological contract theory and research fruits, this article is subject to micro-firm in China to build a conceptual model on MFPCF other than individual element. The empirical results show that the degree of MFPCF recognition has a significant positive effect on turnover intention, which previously has been verified on the private sector and consistent with the proposed hypothesis. In addition, the leadership member exchange (LMX) variable is positively related to MFPCF through the intermediary role effects, but possesses the negative impact with turnover intention. LMX and work recognition, turnover intention plays the intermediary role with the mediating effect of 51.6 and 33.76%, respectively. In other words, a micro-firm clerk with the superiors is relatively high in level of responsibility, for its perceived organizational performance in their work recognition will serve as a positive impact, and the corresponding turnover tendency will be reduced.

The significance of this study focuses on two aspects: firstly, the theoretical framework to some extent explains the work behavior mechanism of micro-firm clerks, as might extend the validation to likewise mini business organizations. Secondly, it has explored the LMX mediating effect in the framework of MFPCF. Although

previous studies have addressed the role of leader-members relationship in structuring internal influence of organization, it has not disclosed in the micro-firm an intermediary function in PCF as well as operational mechanism. In practice, the finding for making up such defects could play the part to motivate personnel management towards harmonious and human-oriented relations. To maintain good relationships among subordinates and strengthen overall performance, it is necessary to obtain the trust of the organization members, which largely determine the organization's development in the long run. Also, the work behavior for micro-firm clerks is directly reflected in the leadership, the higher the relationship serves, the better clerks establish a psychological contract and promote the work duties in its commitment. Superior leadership personality and the ability to motivate positive moral values will affect the subordinates trust and loyalty to the organization. Thus, leaders in the micro-firm ought to demonstrate a good "benchmark" image and promote members for the psychological identity; while the organizations should also strengthen identification coupling with effective responsibility construction (including leadership and accountability). Comparability, members in the micro-firm, tend to build a sort of "consensus" to take actions consistent with its commitment duty, work recognition, sense of belonging to enhance the performance yielding with lower turnover intention.

Restricted by investigation resource, this study sample has not covered departments of clerks in more regions, which makes the interpretation limited. PCF formation requires a process inseparable from the long-time tracking. Future studies would overcome limitations of data acquisition, and strengthen the longitudinal design to verify the statistical analysis. Additionally, owing to that dynamic tendency in the member behaviors of the organization in the micro-firm would change the management operation norms, examining MFPCF process requires researchers to participate fully in the practical scene of organization and sustain long-term track. Future research can be enriched from the aspect of MFPCF role in external correlations. More discussions may focus on a comparative study of internal performance

evaluation mechanism in psychological contract fulfillment between large organizations and micro-firm business counterparts.

CONFLICT OF INTERESTS

The author has not declared any conflict of interests.

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