



## Understanding Psychological Contract in Pharmaceutical and FMCG Industry: A Comparative Analysis

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## UNDERSTANDING PSYCHOLOGICAL CONTRACT IN PHARMACEUTICAL AND FMCG INDUSTRY: A COMPARATIVE ANALYSIS

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### **Abstract**

The influence of factors outside the boundaries of organization is largely ignored in the examination of psychological contract. The objective of the current research is to empirically examine the association between industry/sector and psychological contract. The article examines the variation in the psychological contract among employees working in pharmaceutical and FMCG sectors. The cross sectional study gathered data from survey. Total 1000 employees participants from 14 organizations, 7 organization from pharmaceutical (N=500) and 7 organizations from FMCG sector (N=500). The findings suggest that employees of pharmaceutical and FMCG sector hold different psychological contract. The article has implications for both researchers and practitioners. The findings will contribute to researchers and scholars interested in the area of psychological contract in understanding the influence of external factors on psychological contract and the complexity associated with these factors. The practitioners can use the information in diagnosing the prevalent psychological contract and managing relationship with their employees.

## **Introduction**

Psychological contract (PC) refers to implicit relationship between employee and employer. Acceptance of PC has grown significantly from 1990s due to its serious implication in managing organization behavior. PC is a well-established concept and critical because PC fulfillment is associated with various behavioral and attitudinal outcomes (Zhao, Wayne, Glibkowski, and Bravo, 2007; NG, Feldman, and Butts, 2013).

Extensive research is done to study PC and the research so far largely focuses upon mechanism of PC, nature of PC, and individual-organizational factors of PC. This study extends the research in the area of PC by exploring the possibility of influence of environmental/external factors on PC. The study argues that PC in the organization varies from industry to industry. In the pursuit of establishing substantial validity, and identifying internal factors, the role of external factors is largely ignored. There are general arguments and propositions advocating the influence of industry as one of the possible external factor to influence the PC. However, there is no research which empirically examines the same. Pharmaceutical and FMCG sectors/industries are considered in the current research. Pharmaceutical and FMCG sectors were chosen due to their relative stability in comparison to other sectors and yet being different enough in their operations and business processes.

## **Psychological Contract**

Psychological contract refers to “individual beliefs, shaped by the organization, regarding terms of an exchange agreement between individuals and their organization” (Rousseau, 1995, p. 9). Psychological contract is the implicit conformity which binds an employer and employee. It is the mutual exchange of promises between the employer and employee during hiring process and the actual exchange between the employee and employer which takes the form of expectations and obligations. It was in 1960 when Argyris introduced the term “PC” and emphasized the implicit relationship between the leader and subordinates as a consequence of the leadership style used by the leader. This concept was evolved from the Barnard’s theory of equilibrium in 1938 followed by the inducement- contribution model of March and Simon (1958). This model

discussed the nature of exchange which influences the decision of employees to participate in an organization. The exchange is initiated when either of the party offers something valuable to another party. This valuable thing could be tangible or intangible like favor or gesture of respect, admiration, or support. When someone receives anything favorable in exchange is likely to feel obligated and tend to reciprocate.

Psychological contract has four dimensions (Rousseau, 1995): a) Relational PC:-It is based upon mutual trust and loyalty. It is open ended and long term in nature, b) Transactional PC: - an employment with a short-term arrangement and primarily focused upon economic exchange, c) Balanced PC:-based upon dynamic and open-ended employment arrangements conditioned to economic success of the organization and worker opportunities to develop career advantages, d) Transitional PC:-comprise of mistrust, uncertainty, and erosion due to change and transition. Various correlates of PC have been already established. Theoretically, it is argued that external factors influence PC. The research is very limited across the globe. There are various social, legal, political, and technological factors in environment which affects the specific sector/industry differently. Consequently, making it difficult/easy for an employer of a particular sector to fulfill expectations. Various events differently affect industry/sector. For instance, US aviation sector got most affected after terrorist attacks of September 11, 2001. In a research it was found out that positive relationship with employees contributed to organizational resilience in times of crisis (Gittell, Cameron, Lim, and Rivas, 2006). Wang and Tsui (2002) proposed that government regulations, industry, norms, labor, markets are different for different industry and are antecedent to PC. On similar lines Guest (2004) proposed that sector, size, ownership, business strategy, and union recognition are contextual and background factors which influence the state of PC. Neither Guest (2004) nor Tsui and Wang (2002) provide any empirical explanations for their models. Extending the model of Guest, the current research will attempt to empirically examine the role of sector in influencing PC.

### **Pharmaceutical Industry in India**

Indian pharmaceutical industry is third largest in the world in terms of its volume. The industry consists of both Indian companies and foreign companies having their subsidiaries with mix of private and public partnership (Narsalay, Kapur, Coffey, Sen, and Mathur, 2013). The sector is

growing through major transformation due to large acquisitions by multinational companies in India, consolidation of the market, increased investment from domestic and international players in India, deeper dissemination into the rural markets, increase in insurance coverage, growth and availability of healthcare facilities, policies and programme of government to make healthcare affordable and accessible, and incentives for setting up special economic zones (CCI, 2013). The sector in India has potential to grow exponentially due to availability of cheap workforce and a strong system of higher education has positioned the pharmaceutical companies to be an outsourcing partner in manufacturing and research and development, and as a location for clinical trials. The sector simultaneously facing challenge of poor overall infrastructure, stringent price controls, lack of data protection, poor health insurance coverage, labour shortage, wage inflation, government expanding the umbrella of the drugs, price control order, considerable counterfeiting threat, and competition from other emerging economies (McKinsey and Company, 2012). Since, these factors are specific to pharmaceutical sector and are likely to have an impact of the employee-employer relationship.

### **FMCG Industry in India**

The sector is growing and blooming due to low operational cost, established distribution network for both rural and urban areas, untapped rural market, increasing purchasing power, export potential, large domestic market with over 1 billion population, and escalating consumer spending. The market size in India for FMCG sector is US\$ 13.1 billion as of the year 2012. The sector is struggling with issues like economies of scale, lower scope to invest in technology advancement, tax and regulatory structure, and removal of restriction from imports. The major challenge which the leaders of FMCG sectors are experience is the challenge of me-too products that is products which illegally mimics labels of established brand (Selvakumar *et al.*, 2013). Despite the challenges of high input costs, escalating inflation, fragile consumer demand, and rising input costs, the FMCG segment witnessed 15-20 percent growth in 2012. Consumers online buying significantly increased in 2012 leading to e-commerce revenue as high as US\$14 billion (Press Trust of India, 2013; Narsalay, Kapur, Coffey, Sen, and Mathur, 2013). Further, the Indian government is expected to provide guidelines on direct selling to consumer to help companies operate without lots of mediators (Press Trust of India, 2013).

## Method

The psychological contract scale by Agarwal and Venkatraman (2011) is used in the current research. Expectations are used as currency to measure PC. The five point rating scale is used. The scale captures expectations, met expectations, and PC fulfillment. There are eight sub scales. The reliability of the expectation constructs are: - training and development ( $\alpha = .890$ ), job content ( $\alpha = .894$ ), work life balance ( $\alpha = .789$ ), social climate ( $\alpha = .843$ ), rewards and recognition ( $\alpha = .890$ ), compensation ( $\alpha = .864$ ), respect and dignity ( $\alpha = .752$ ), and freedom to quit ( $\alpha = .821$ ). The reliability of the met expectations constructs are: - training and development ( $\alpha = .990$ ), job content ( $\alpha = .799$ ), work life balance ( $\alpha = .869$ ), social climate ( $\alpha = .903$ ), rewards and recognition ( $\alpha = .890$ ), compensation ( $\alpha = .814$ ), respect and dignity ( $\alpha = .772$ ), and freedom to quit ( $\alpha = .831$ ). Total 1000 employees participated from pharmaceutical (N=500) and FMCG (N=500) sector. The sample size collected from each organization was in proportion to the employee strength in respective organization. The demographic details are presented in Table 1. ANOVA is used to draw the comparison between the pharmaceutical and FMCG sectors.

**Table 1: Sample Characteristics of the Participants.**

Sector	N	Gender	N	Age (In Year)	N	MS	N	Education	N
Pharma	500	Male	624	20-30	226	Unmarried	390	Graduates	300
FMCG	500	Female	376	31-40	305	Married	610	Post Graduates	612
Total	1000	Total	1000	41-50	250	Total	1000	M.Phil./Ph.D.	88
				51-60	169			Total	1000
				61-65	50				
				Total	1000				

## Hypothesis Statements

1. There will be a significant difference in expectations, met expectations, and PC fulfillment of employees working in pharmaceutical and FMCG sector.
2. There will be a significant difference in the contents of expectations of employees working in pharmaceutical and FMCG sector.
3. There will be a significant difference in the contents of met expectations of employees working in pharmaceutical and FMCG sector.
4. There will be a significant difference in the contents of PC fulfillment of employees working in pharmaceutical and FMCG sector.

## Results

The descriptive of expectations, met expectations, and PC fulfillment is presented in Table 2. In Table 3, there is no significant difference between the expectations ( $p > .05$ ) of employees working in pharmaceutical and FMCG sector. However, there is a significant difference in met expectations ( $p < .01$ ) and PC fulfillment ( $p < .01$ ) of employees working in pharmaceutical and FMCG sector. The findings suggest that employees in general have similar kinds of expectations from the employer. There is a difference in the way both sectors are dealing with expectations resulting in significant difference in met expectations and PC fulfillment. This partially supports Hypothesis 1.

**Table 2: Descriptives of employees' PC working in FMCG and Pharmaceutical sector.**

		N	Mean	SD	SE
Expectations	FMCG	500	4.04	0.51	0.02
	Pharma	500	4.06	0.40	0.02
	Total	1000	4.05	0.46	0.01
Met Expectations	FMCG	500	3.95	0.21	0.01
	Pharma	500	3.82	0.40	0.02
	Total	1000	3.89	0.33	0.01
PC Fulfillment	FMCG	500	3.99	0.54	0.02
	Pharma	500	4.08	0.40	0.02
	Total	1000	4.04	0.47	0.02

**Table 3: ANOVA of employees' PC working in FMCG and Pharmaceutical sector.**

		Sum of Squares	df	Mean Square	F
Expectations	Between Groups	0.04	1	0.04	0.17
	Within Groups	211.46	998	0.21	
	Total	211.50	999		
Met Expectations	Between Groups	4.49	1	4.49	43.38**
	Within Groups	103.29	998	0.10	
	Total	107.78	999		
PC Fulfillment	Between Groups	1.76	1	1.76	7.90**
	Within Groups	222.94	998	0.22	
	Total	224.70	999		

Note: \* $p < .05$ . \*\* $p < .01$ .

The descriptive for contents of employee expectations working in pharmaceutical and FMCG is given in Table 4. In Table 5, there is a significant difference for training and development ( $p < .01$ ), job content ( $p < .01$ ), work life balance ( $p < .01$ ), social climate ( $p < .01$ ), rewards and recognition ( $p < .01$ ), respect and dignity ( $p < .01$ ), and freedom to quit ( $p < .01$ ). However, there is no significant difference for compensation ( $p > .05$ ). The findings suggest that employees of pharmaceutical and FMCG sectors hold different expectations from their employers on most of contents of expectations. This partially confirms the hypothesis 2 of the current research.



**Table 4: Descriptives for contents of employee expectations in FMCG and Pharmaceutical sector.**

		N	Mean	SD	SE
TD <sup>1</sup>	FMCG	500	4.05	0.68	0.03
	Pharma	500	4.14	0.53	0.02
	Total	1000	4.10	0.61	0.02
Job Content	FMCG	500	4.06	0.47	0.02
	Pharma	500	3.83	0.56	0.03
	Total	1000	3.94	0.53	0.02
WLB <sup>2</sup>	FMCG	500	4.00	0.45	0.02
	Pharma	500	4.26	0.44	0.02
	Total	1000	4.13	0.46	0.01
Social Climate	FMCG	500	4.15	0.53	0.02
	Pharma	500	3.94	0.34	0.02
	Total	1000	4.04	0.46	0.01
RR <sup>3</sup>	FMCG	500	3.92	0.73	0.03
	Pharma	500	4.28	0.59	0.03
	Total	1000	4.10	0.69	0.02
RD <sup>4</sup>	FMCG	500	4.38	0.62	0.03
	Pharma	500	4.48	0.58	0.03
	Total	1000	4.43	0.60	0.02
Compensation	FMCG	500	4.45	0.72	0.03
	Pharma	500	4.48	0.67	0.03
	Total	1000	4.47	0.69	0.02
FTQ <sup>5</sup>	FMCG	500	4.48	0.73	0.03
	Pharma	500	4.25	0.65	0.03
	Total	1000	4.36	0.70	0.02

<sup>1</sup>Training and development, <sup>2</sup> Work Life Balance, <sup>3</sup> Rewards and Recognition, <sup>4</sup>Respect and dignity, <sup>5</sup> Freedom to quit.

**Table 5: ANOVA for contents of employee expectations in FMCG and Pharmaceutical sector.**

		Sum of Squares	df	Mean Square	F
TD <sup>1</sup>	Between Groups	2.21	1	2.21	5.97**
	Within Groups	369.38	998	0.37	
	Total	371.59	999		
Job Content	Between Groups	13.46	1	13.46	49.48**
	Within Groups	271.41	998	0.27	
	Total	284.86	999		
WLB <sup>2</sup>	Between Groups	16.38	1	16.38	82.07**
	Within Groups	199.23	998	0.20	
	Total	215.62	999		
Social Climate	Between Groups	10.40	1	10.40	51.49**
	Within Groups	201.66	998	0.20	
	Total	212.06	999		
RR <sup>3</sup>	Between Groups	32.40	1	32.40	73.22**
	Within Groups	441.60	998	0.44	
	Total	474.00	999		
RD <sup>4</sup>	Between Groups	2.70	1	2.70	7.49**
	Within Groups	360.40	998	0.36	
	Total	363.10	999		
Compensation	Between Groups	0.20	1	0.20	0.41
	Within Groups	480.65	998	0.48	
	Total	480.84	999		
FTQ <sup>5</sup>	Between Groups	12.77	1	12.77	26.52**
	Within Groups	480.46	998	0.48	
	Total	493.23	999		

Note: \*p<.05. \*\*p<.01; <sup>1</sup>Training and development, <sup>2</sup> Work Life Balance, <sup>3</sup> Rewards and Recognition, <sup>4</sup>Respect and dignity, <sup>5</sup> Freedom to quit.

The descriptive for the contents of employee met expectations working in pharmaceutical and FMCG is given in Table 6. In Table 7, there is a significant difference for training and development (p<.01), work life balance (p<.01), rewards and recognition (p<.01), respect and

dignity ( $p < .01$ ), compensation ( $p < .01$ ), and freedom to quit ( $p < .01$ ). However, there is no significant difference for job content ( $p > .05$ ) and social climate ( $p > .05$ ). This supports hypothesis 3.

**Table 6: Descriptives for contents of employee met expectations in FMCG and Pharmaceutical sector.**

		N	Mean	SD	SE
TD <sup>1</sup>	FMCG	500	3.82	0.39	0.02
	Pharma	500	3.49	0.73	0.03
	Total	1000	3.65	0.61	0.02
Job Content	FMCG	500	3.87	0.35	0.02
	Pharma	500	3.83	0.61	0.03
	Total	1000	3.85	0.50	0.02
WLB <sup>2</sup>	FMCG	500	3.82	0.41	0.02
	Pharma	500	4.05	0.52	0.02
	Total	1000	3.94	0.48	0.02
Social Climate	FMCG	500	3.94	0.33	0.01
	Pharma	500	3.89	0.55	0.02
	Total	1000	3.92	0.45	0.01
RR <sup>3</sup>	FMCG	500	3.97	0.33	0.01
	Pharma	500	3.81	0.54	0.02
	Total	1000	3.89	0.46	0.01
RD <sup>4</sup>	FMCG	500	3.95	0.24	0.01
	Pharma	500	3.76	0.43	0.02
	Total	1000	3.86	0.36	0.01
Compensation	FMCG	500	3.93	0.46	0.02
	Pharma	500	3.77	0.80	0.04
	Total	1000	3.85	0.66	0.02
FTQ <sup>5</sup>	FMCG	500	3.88	0.40	0.02
	Pharma	500	3.31	0.64	0.03
	Total	1000	3.60	0.60	0.02

<sup>1</sup>Training and development, <sup>2</sup> Work Life Balance, <sup>3</sup> Rewards and Recognition, <sup>4</sup>Respect and dignity, <sup>5</sup> Freedom to quit.

**Table 7: ANOVA for contents of employee met expectations in FMCG and Pharmaceutical sector.**

		Sum of Squares	df	Mean Square	F
TD <sup>1</sup>	Between Groups	26.90	1	26.90	78.95**
	Within Groups	340.00	998	0.34	
	Total	366.90	999		
Job Content	Between Groups	0.48	1	0.48	1.97
	Within Groups	245.61	998	0.25	
	Total	246.10	999		
WLB <sup>2</sup>	Between Groups	13.46	1	13.46	61.40**
	Within Groups	218.70	998	0.22	
	Total	232.16	999		
Social Climate	Between Groups	0.53	1	0.53	2.60
	Within Groups	203.25	998	0.20	
	Total	203.78	999		
RR <sup>3</sup>	Between Groups	6.72	1	6.72	33.10**
	Within Groups	202.73	998	0.20	
	Total	209.46	999		
RD <sup>4</sup>	Between Groups	9.60	1	9.60	78.78**
	Within Groups	121.66	998	0.12	
	Total	131.26	999		
Compensation	Between Groups	6.40	1	6.40	14.98**
	Within Groups	426.50	998	0.43	
	Total	432.90	999		
FTQ <sup>5</sup>	Between Groups	80.09	1	80.09	284.56**
	Within Groups	280.89	998	0.28	
	Total	360.98	999		

Note: \*p<.05. \*\*p<.01; <sup>1</sup>Training and development, <sup>2</sup> Work Life Balance, <sup>3</sup> Rewards and Recognition, <sup>4</sup>Respect and dignity, <sup>5</sup> Freedom to quit.

The descriptive for the contents of PC fulfillment working in pharmaceutical and FMCG is given in Table 8. In Table 9, there is a significant difference for training and development (p<.01), job

content ( $p < .01$ ), rewards and recognition ( $p < .01$ ), social climate ( $p < .01$ ), respect and dignity ( $p < .01$ ), compensation ( $p < .01$ ), and freedom to quit. However, there is no significant difference for work life balance ( $p > .05$ ). The results support the hypothesis 4. The results clearly suggests that there is variation in PC fulfillment experience of employees working in pharmaceutical and FMCG sector.

**Table 8: Descriptives for contents of PC fulfillment in FMCG and Pharmaceutical sector.**

		N	Mean	SD	SE
TD <sup>1</sup>	FMCG	500	2.51	1.43	0.06
	Pharma	500	3.45	0.85	0.04
	Total	1000	2.98	1.27	0.04
Job Content	FMCG	500	2.74	1.65	0.07
	Pharma	500	4.39	0.71	0.03
	Total	1000	3.56	1.51	0.05
WLB <sup>2</sup>	FMCG	500	4.02	0.54	0.02
	Pharma	500	4.05	0.53	0.02
	Total	1000	4.03	0.53	0.02
Social Climate	FMCG	500	4.21	0.56	0.02
	Pharma	500	4.44	0.64	0.03
	Total	1000	4.33	0.61	0.02
RR <sup>3</sup>	FMCG	500	4.31	0.77	0.03
	Pharma	500	3.96	0.65	0.03
	Total	1000	4.13	0.74	0.02
RD <sup>4</sup>	FMCG	500	4.22	0.43	0.02
	Pharma	500	4.08	0.28	0.01
	Total	1000	4.15	0.37	0.01
Compensation	FMCG	500	4.51	0.58	0.03
	Pharma	500	3.74	0.75	0.03
	Total	1000	4.12	0.77	0.02
FTQ <sup>5</sup>	FMCG	500	3.91	0.79	0.04
	Pharma	500	3.64	0.85	0.04
	Total	1000	3.78	0.83	0.03

<sup>1</sup>Training and development, <sup>2</sup> Work Life Balance, <sup>3</sup> Rewards and Recognition, <sup>4</sup>Respect and dignity, <sup>5</sup> Freedom to quit.

**Table 9: ANOVA for contents of PC fulfillment in FMCG and Pharmaceutical sector.**

		Sum of Squares	df	Mean Square	F
TD <sup>1</sup>	Between Groups	219.961	1	219.961	158.78**
	Within Groups	1382.51	998	1.385	
	Total	1602.471	999		
Job Content	Between Groups	682.276	1	682.276	424.01**
	Within Groups	1605.88	998	1.609	
	Total	2288.156	999		
WLB <sup>2</sup>	Between Groups	0.196	1	0.196	0.69
	Within Groups	284.648	998	0.285	
	Total	284.844	999		
Social Climate	Between Groups	14.161	1	14.161	39.13**
	Within Groups	361.214	998	0.362	
	Total	375.375	999		
RR <sup>3</sup>	Between Groups	31.329	1	31.329	61.07**
	Within Groups	511.982	998	0.513	
	Total	543.311	999		
RD <sup>4</sup>	Between Groups	4.489	1	4.489	34.38**
	Within Groups	130.31	998	0.131	
	Total	134.799	999		
Compensation	Between Groups	148.996	1	148.996	333.68**
	Within Groups	445.628	998	0.447	
	Total	594.624	999		
FTQ <sup>5</sup>	Between Groups	18.225	1	18.225	27.27**
	Within Groups	667.046	998	0.668	
	Total	685.271	999		

Note: \*p<.05. \*\*p<.01; <sup>1</sup>Training and development, <sup>2</sup> Work Life Balance, <sup>3</sup> Rewards and Recognition, <sup>4</sup>Respect and dignity, <sup>5</sup> Freedom to quit.

## Discussion and Analysis

Organizations design their strategy on the basis of internal resources and external factors (Wright, Dunford, and Snell, 2001; Michie, and Sheehan, 2005). The business strategy is cascaded down to all the departments and units of organization. It consequently influences the PC of the employees. Employees largely have similar kind of expectations from their employer. However, if we examine the sub contents of expectations, there is significant difference in employee expectations across the contents in pharmaceutical and FMCG sector except compensation. Employees working in different sectors probably have some understanding of the possible PC that they can have with their employers. As employees expectations are influenced by larger society and industrial norms (Rousseau, 2001). However, the larger understanding of PC remains the same. The challenge is that some organizations can fulfill these expectations and some not due to various internal and external factors. As internal factors are controllable but external factors are not. This does not mean that organization those who cannot fulfill their employees' expectations have to disappoint their employees. The key is in managing the expectations. To do so there is need to understand these needs and their intensity. Employers often invest too much on fulfilling obligations which do not hold too much value for an employee. For instance an employee who value higher employability might not feel sense of obligation with high compensation. The research clearly highlights the possibility of influence of the environment in which the business is operating on employee-employer relationship. There is need to address this factors in order to manage the employee PC. The honest communication about the inability of an organization to fulfill their expectations due to the business which it is into will help prevent reducing PC breaches due to incongruence (Morrison and Robinson, 1997). The will provide a reality check to employee to reconsider their PC with employer. There is a significant difference in the met expectations and PC fulfillment of employees working in pharmaceutical and FMCG sectors. It is FMCG sector employees who report high PC fulfillment. This indicates that overall FMCG sector has been able to target the right expectations of the employees rather than diverting their attention to fulfilling the expectations of employees which are low on importance or not at all important. The authors suggest caution before making any strong generalization, as the possibility of interactive effect of the other variables cannot be

ignored. There is no significant difference between the sector over the job content and work life balance. This suggests that both sectors are performing similarly in terms of providing work which employees' value and a healthy social environment. There is a significant difference for remaining sub contents of employee expectations. This again suggests that sectors are responding differently to similar kind of expectations. There is a significant difference between pharmaceutical and FMCG sectors for all the sub contents of PC fulfillment except work life balance. There is also a high possibility that some sub contents are more likely to get influenced by external factors than internal factors and vice versa. For instance, some expectations can be fulfilled (or based) upon the mutual reciprocity than other (Ye, Cardon, and Rivera, 2012). The findings suggest that one sector is performing better than other in fulfilling the overall employee PC. The author proposes further analysis of causes for such significant difference between pharmaceutical and FMCG sectors for employee PC. Interviews with experts can provide a broad outlay of possible effect of the larger industrial factors becoming road block in managing the relationship with employees effectively. Various industries focus upon different aspect depending upon the needs and requirement of the business. Some industry are very competitive therefore are not in position to provide a work life balance. Similarly some industries experience continuous change and modification and experience shift in their psychological contract with the changes. In summary industry/sector sets or decides the larger boundaries of psychological contract. The further examination of causal factors will give strength to the current findings.

### **Conclusion, Limitations, and Implications**

The function/operations which an organization performs influence PC. Industry draws margins of PC for organization. The study exhibits the role of sector as one of the factor of the PC. The study does not elaborate upon the process in which the sector influences PC. The research proposes that further examines of mechanism in which sector set the boundaries of PC. The findings have implications for both researchers and practitioners. The study initiates the empirical examination of role of factors outside the boundaries of organization in PC. Practitioners understanding of such factors will contribute in managing their relationship with employees more effectively.



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