MEDIATING EFFECT OF UTILISATION OF EMOTION ON THE RELATIONSHIP BETWEEN GRIT AND PSYCHOLOGICAL CONTRACT

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ABSTRACT

At the contemporary workplace, employees are expecting non-tangible resources on top of economic benefits, which suggests the importance of psychological contract. However, studies to date are inclined to focus on outcomes of psychological contract. Given that psychological contract is a perception and involves fulfilment of obligations, employees’ grit and the ability of utilisation of emotion in facilitating cognitive processes might influence psychological contract. The aim of this paper is to examine the relationship between grit and psychological contract with emotional utilisation acting as the mediator in the relationship. Therefore, a cross-sectional survey was conducted. Data were collected from 194 university staff using three measures: Psychological Contract Inventory, Short Grit Scale, and Assessing Emotions Scale. Correlation was conducted to examine the relationships between the three constructs. Regression analysis was conducted using SPSS 23 to test for mediation effect of emotional utilisation. The results revealed that grit and utilisation of emotion had significant relationships with psychological contract respectively, and grit was also significantly related to utilisation of emotion. Moreover, utilisation of emotion mediated the relationship between grit and psychological contract. The findings provide implications for employers to take into account of grit and utilisation of emotion in addressing psychological contract of employees.

Keywords: commitment, job satisfaction, obligation, passion, perseverance

INTRODUCTION

Employee engagement is becoming a global challenge (Mann & Harter, 2016), with roughly 900 million employees worldwide are disengaged with their work (Crabtree, 2013). While employee disengagement may impact on teamwork and productivity (Sims, 2015), it could also potentially lead to employees leaving their job as evident in the rise of global turnover rate. It drew the attention of employers as turnover imposes direct and indirect costs on the organization (Griffin & Moorhead, 2011).

Malaysia is facing the same fate, therefore, employers are highly concerned about employee engagement and retention apart from hiring (JobStreet.com, 2016). Recently in 2015, it was reported that involuntary turnover rate and voluntary turnover rate in Malaysia were ranked as the second and third highest respectively in South East Asia (Jayaram, 2015). According to 2017 Trends in Global Employee Engagement Report by Aon Hewitt (2017), employee engagement level in Malaysia declined to 59% in 2016, which was the lowest among major Asian markets.

In an effort to tackle these problems that disrupt workplace effectiveness, it was found that the factors such as empowerment and career goals would likely engage employees at work, whereas opportunities for advancement and work-life balance are imperative for retaining employees (Jayaram, 2015; Willis Towers Watson, 2015). This indicates that employees at present are not only looking for competitive wages and monetary benefits that are assured in the legal employment contract, but also expecting intangible benefits (e.g., work-life balance). Thus, this sheds light on the importance of psychological contracts at the workplace. While ‘legal contract’ contains
exchanges that are explicit and tangible (Petersitzke, 2009), ‘psychological contract’ refers to an employee’s perception of mutual obligations in an employment relationship that encompasses the exchange of both tangible and socio-emotional resources (Rousseau, 1989).

Since psychological contract is a subjective perception that involves two-way fulfilment of obligations, an individual’s level of grit, or passion and perseverance might affect the degree of perceived mutual obligations. This is because the level of grit would influence the extent of contribution of employees, whereby gritty employees would likely invest more effort in their work and outperform others (Duckworth, Kirby, Tsukayama, Berstein, & Ericsson, 2011). On the basis of social exchange theory (Blau, 1964), employees would expect reciprocations from the other party, which is the employer based on their level of contribution as guided by the norm of reciprocity (Gouldner, 1960). Hence, employees’ grit level might influence the formation of psychological contract.

However, psychological contract may not be merely predicted by the presence of grit. According to the Affect Infusion Model (Forgas, 1995), the formation of a subjective perception such as psychological contract entails a degree of constructive processing, thus more likely to adopt substantive processing strategy when forming the perception. When using this high-infusion processing strategy, affect may indirectly influence the perception outcome (Forgas & Bower, 1988). Hence, this suggests that the utilisation of emotion to facilitate thought processes could affect the formation of psychological contract. Given that grit entails dealing with various emotions to overcome difficulties (Zakrzewski, 2014), the effect of grit on psychological contract could be indirect through emotional utilisation.

The aim of this paper is to examine the relationship between grit and psychological contract, with ability of emotional utilisation in facilitating thought processes acting as the mediator in the relationship. In addition, there is deficiency in the body of existing knowledge regarding the relationship between these three constructs. Therefore, the present study will determine the link of the three variables conceptually based on relevant theories and review of past studies.

LITERATURE REVIEW

Social exchange theory serves as the theoretical foundation of psychological contract. According to social exchange theory, social exchange relationships involve one party voluntarily act in favour of another party, while expecting a future reciprocation (Blau, 1964). The norm of reciprocity guides the exchange (Gouldner, 1960), such that the contributions made by one party obligate the other party to reciprocate (Dabos & Rousseau, 2004). This suggests that an individual’s level of grit, which encompasses passion and perseverance towards long-term goals (Duckworth, Peterson, Matthews, & Kelly, 2007) would affect the perceived mutual obligations in psychological contract. Given that grittier employees are more likely to pursue the same goal and persevere over time, they are more likely to stay in the same organization and contribute more as compared to less gritty counterparts, thus perceiving stronger mutual obligations. Lub, Blomme, and Bal (2011) found that employees who demonstrated extra effort in their work would have greater expectations of their employers to reciprocate the relational obligations. Moreover, Lucas et al. (2015) postulated that individuals with more grit had a greater tendency toward more positive expectations. Therefore, it is hypothesized that grit could significantly predict psychological contract.

Nevertheless, the nature and degree of the future obligations cannot be negotiated (Blau, 1964). This explains that in psychological contract of employees, they can only expect the benefits they would like to receive but uncertain of the reciprocations from the employer or employers may not fulfil the expectations. Affect Infusion Model (Forgas, 1995) suggests that substantive processing might be adopted in forming psychological contract because it requires a certain degree of open and constructive thinking (Fiedler, 1990, 1991; Forgas, 1992) due to its complexity and atypicality. Furthermore, psychological contract is personally relevant and employees would have adequate cognitive capacity to make perceptions with the motivation to be as accurate as possible so that the perceived
mutual obligations would be reciprocated. However, Affect Infusion Model proclaims that affect could play a role in influencing the outcome of substantive processing (Bower, 1991; Forgas, 1992b), whereby affect refers to both moods and emotions (Mayer, 1986; Petty, Gleicher, & Baker, 1991). Therefore, the formation of psychological contract could be tied to utilisation of emotion in facilitating cognition. Moreover, grit entails dealing with difficult situations, whereby individuals might have to deal with various emotions (Zakrzewski, 2014) to maintain their level of grit. Given that emotions would likely play a role in the relationship, it is put forward that utilisation of emotion to facilitate thought processes would mediate the relationship between grit and psychological contract.

Psychological contract
Following Argyris (1960) originally coined the term ‘psychological work contract’, Levinson, Price, Munden, Mandl, and Solley (1962) later defined psychological contract as an unwritten mental contract encompassing mutual expectations that may emerge from unconscious drives. Schein (1965) emphasized the matching of expectations between two parties in an employment relationship. However, Rousseau (1989) defined psychological contract as the subjective perception held by an individual employee regarding the mutual obligations between the employee and employer in an employment relationship. Rousseau’s (1989) definition guides contemporary research (Li & Dai, 2015) and is adopted in the present study, whereby psychological contract is a unilateral belief of the employee (Coyl-Shapiro & Parzefall, 2008).

According to Macneil (1985), psychological contracts can be conceptualized based on the relational-transactional continuum. Transactional contracts mainly focus on tangible economic resources, whereas relational contracts emphasize on economic and socio-emotional resources (Rousseau & McLean Parks, 1993). Psychological contract was examined in the present study because its significant role at workplace has been established in many previous studies, in which it will be related to the aforementioned workplace problems. Following the expectation of the researchers, Employee Obligation and Employer Obligation aspects of psychological contract were associated positively with job satisfaction (Lijo & Lyngdoh, 2016). This demonstrates the importance of employer to understand what their expected obligations from employees are and the progressive fulfilment of the commitments.

The consequences of psychological contract breach also reflect the importance of understanding psychological contract. When psychological contract breach occurred, employee engagement are lowered (Agarwal & Bhargava, 2013; Malik & Khalid, 2016). Employee’s intention to leave was positively predicted by psychological contract breach (Aykan, 2014; Buyukyilmaz & Cakmak, 2013; Malik & Khalid, 2016; Paracha, 2014) because they had a lower desire to stay in the organization when employers were perceived as not fulfilling their obligations (Ballou, 2013). Also, psychological contract breach negatively predicted employees’ organizational commitment (Antonaki & Trivellas, 2014), especially affective commitment (Agarwal & Bhargava, 2013).

When examining the effect of different types of psychological contract, employees who endorsed relational psychological contract showed greater job satisfaction (Antonaki & Trivellas, 2014; Ballou, 2013), higher organizational commitment (Anderson, 2014; Manxhari, 2015), more work engagement (Anderson, 2014), and also performed more organizational citizenship behaviors (Anderson, 2014; Ballou, 2013; Lu, Capezio, Restubog, Garcia, & Wang, 2016) than employees with transactional contract. Employees who endorsed transactional contract focused on monetary rewards, less inclined to form close relationships with organization (Manxhari, 2015), and tended to merely perform the minimum work required (Lu et al., 2016). Besides that, relational psychological contract was also associated to lower turnover intention, unlike transactional psychological contract (Anderson, 2014; Ay & Ünal, 2016; McInnis, 2012; Umar & Ringim, 2015). This indicates that employees with relational contract will show greater loyalty and stay with the organization.

Although relational aspects of psychological contract are relatively playing a more
significant role, Zhou, Plaisent, Zheng, and Bernard (2014) revealed that both transactional and relational psychological contracts were positively correlated with job satisfaction and organizational commitment. However, transactional contract merely increased workers’ sense of continuance and normative commitment, whereas relational contract increased workers’ positive feelings towards the institution and greater sense of continuance and affective commitment.

While the link between psychological contract and work outcomes has been established in a plethora of studies, the consequences were mainly focused on whether the employers fulfilled their obligations. The extent to which employees fulfilled their obligations followed by its influence on psychological contract was less discussed in past literature. This suggests that individual variables that relate to the level of contribution of employees can also precede and influence the formation of psychological contract. Therefore, this study will look into the construct of grit that involves passion and perseverance of an individual.

**Grit**

Duckworth et al. (2007) introduced the term ‘grit,’ refers to a non-cognitive trait defined as passion and perseverance towards long-term goals. It is operationally conceptualized as consistency of interest and perseverance of effort (Duckworth & Quinn, 2009). The consistency of interest refers to sticking to the same goal and interest in a particular domain whereas perseverance of effort is the tendency to work strenuously in spite of setbacks along the way (Credé, Tynan, & Harms, 2016).

Theoretically, a difficult condition is necessary to differentiate between individuals with varying levels of grit (Duckworth et al., 2007). Lucas, Gratch, Cheng, and Marsella (2015) tested empirically whether grittier individuals differ from their less gritty counterparts only under adverse situations. It was found that grittier individuals persisted on solving supposedly unsolvable problems and not succumbing to difficulties. Also, grittier individuals exerted more effort despite failing at the task and without changing their direction.

Duckworth and Gross (2014) proposed a hierarchical goal framework to explain the underlying mechanism of grit. Grit entails having a dominant superordinate goal that has lower-order goals closely aligned with it that in turn, engender effective actions that drive the person working tenaciously toward the superordinate goal over long-term. Based on the framework, an existing lower-order goal is hindered in the encounter of setbacks. Therefore, grit functions in a way that the superordinate goal drives the gritty individual to generate alternate lower-order goals or actions in the same domain of interest while suppressing rival superordinate goals, thus staying on the same course.

In the occupational domain, Suzuki, Tamesue, Asahi, and Ishikawa (2015) found that grittier employees were more likely to show higher work engagement than less gritty colleagues. Grittier individuals also change career less frequently (Duckworth et al., 2007) and have lower intention to switch careers (Bowman, Hill, Denson, & Bronkema, 2015). Furthermore, grit was associated with greater likelihood of staying in the same job (Duckworth & Quinn, 2009; Duckworth, Quinn, & Seligman, 2009; Eskreis-Winkler, Duckworth, Shulman, & Beal, 2014; Robertson-Kraft & Duckworth, 2014).

In contrast, Clark (2016) showed that grit did not significantly associate with career success. It could be because separate dimensions of grit, such as passion and perseverance have different influences on the outcomes. In the study of Mooradian, Matzler, Uzelac, and Bauer (2016), perseverance of effort was positively related to innovation entrepreneurial success, whereas consistency of interest, in other words passion positively influenced aspect of performance. Datu, Valdez, and King (2016) also found that only perseverance of effort positively predicted adaptive well-being and academic outcomes, whereas consistency of interest seemed to play a less significant role. Nevertheless, the research on grit is still at its infancy stage and studies on grit should be replicated.

Although grit and psychological contract could possibly be related based on social exchange theory, there has been little discussion about this association. Moreover, grit entails dealing with difficult situations, whereby individuals might have to deal with various emotions (Zakrzewski, 2014) to maintain their passion
and perseverance. Therefore, it is postulated that grit can influence psychological contract, while also associated with ability to utilise emotions.

**Utilisation of emotion**

Utilisation of emotion is a dimension of emotional intelligence. In this study, the model of emotional intelligence by Salovey and Mayer (1990) is adopted, whereby utilisation of emotion refers to harnessing emotion to facilitate cognitive processes, such as flexible planning, creative thinking, redirecting attention, and motivation. Emotional utilisation facilitates flexible planning by helping people to consider various possible future outcomes based on the emotions they experience (Bower, 1981; Salovey & Brinbaum, 1989), such as employees who experience positive emotions might perceive employers as more likely to reciprocate their contributions. Emotions can also be used to facilitate creative thinking in deciding what obligations to fulfil in return for greater recognition. Based on emotional cues, individuals can redirect attention to more pressing obligations that they have to fulfil (Salovey & Mayer, 1990). Moreover, emotions can be used to motivate employees to persist in dealing with challenges on the job (Bandura, 1986; Kavanagh & Bower, 1985; Salovey, 1988). The emphasis is on the ability to use emotions, regardless of the types of emotions.

Most studies found that emotional intelligence was positively associated with job satisfaction of employees (Alnidawy, 2015; Nwankwo, Obi, Sydney-Agbor, Agu, & Aboh, 2013; Yaya & Opeke, 2015). Higher emotional intelligence was also significantly related to higher organizational commitment (Alavi, Mojtahezdadeh, Amin, & Savoji, 2013; Gholami, Shams, & Amoozadeh, 2013; Kumari & Priya, 2015), more work engagement (Schutte & Loi, 2014), higher productivity (Yaya & Opeke, 2015), and lower intentions to leave the job (Meisler, 2013). Also, Vratskikh, Masa'deh, Al-Lozi, and Maqableh (2016) revealed that job satisfaction partially mediated the effect of emotional intelligence on job performance.

In Malaysia, higher level of emotional intelligence was also associated with higher level of job performance (Mohamad & Jais, 2016; Shamsuddin & Rahman, 2014; Tahir & Monil, 2015), greater teaching effectiveness among university lecturers (Shahid, Jani, Thomas, & Francis, 2015), as well as higher organizational commitment among staff (Johar & Shah, 2014; Nordin, 2012). Emotionally intelligent employees would have stronger desire to remain with the organization and greater willingness to contribute their effort (Nordin, 2012).

However, a few studies demonstrated that employees’ attitudinal and behavioural consequences were related merely to certain dimensions of emotional intelligence. The dimension of utilisation of emotion to facilitate thinking was significantly and positively associated with job satisfaction (Kassim, Bambale, & Jakada, 2016; Trivellas, Gerogiannis, & Svarna, 2013), job performance (Shamsuddin & Rahman, 2014), employee engagement (AlMazrouei, Dahalan, & Faiz, 2015), organizational commitment (Johar & Shah, 2014), as well as conscientiousness and civic virtue (Vandewaa, Turnipseed, & Cain, 2016). The use of emotion also negatively impacted turnover intention of staff (Trivellas et al., 2013).

So far, however, there has been little discussion about how emotional intelligence is related to psychological contract. Yazbek (2009) found that emotional intelligence is linked to psychological contract, but specifically the control of emotions dimension. All in all, emotions play a role in affecting and facilitating human cognition (George, 2000). This is also stipulated in the Affect Infusion Model (Forgas, 1995), whereby emotions can affect information processing. Also, McEnrue, Groves, and Shen (2010) established that emotions influence the content as well as the way people think, which in turn affect decision-making and behaviour in different situations. Since psychological contract is a perception, which is a cognitive outcome, utilisation of emotions may influence its formation.

As mentioned earlier, grit could be related to psychological contract as gritty employees would likely contribute beyond the minimal thus have increased expectations of reciprocations from the employer based on the norm of reciprocity. Also, gritty employees are likely to have to deal with various emotions in order to maintain their passion and
perseverance, which provides insight on the ability to utilize emotion in facilitating thinking. Emotions, in turn, can influence cognitive processes thus an individual’s ability to use these emotions might influence how psychological contract is formed. However, research regarding this association is especially sparse. Therefore, the present study hypothesized that while there is a relationship between grit and psychological contract of employees, the relationship will be mediated by utilisation of emotion in facilitating thoughts (Refer to Figure 1).

![Figure 1](image.png)

**Null Hypotheses**
1. The higher the level of grit, the stronger the psychological contract among IMU staff.
2. The higher the level of grit, the higher the utilisation of emotion among IMU staff.
3. The higher the utilisation of emotion, the stronger the psychological contract among IMU staff.
4. Utilisation of emotion has a mediating effect on the relationship between grit and psychological contract among IMU staff.

**METHODOLOGY**

**Research Design**
A cross-sectional survey design was adopted in this study to examine the relationship between grit, utilisation of emotion, and psychological contract. SPSS 23 was utilized to determine the relationships between the three constructs and to analyse the mediation effect of utilisation of emotion on the relationship between grit and psychological contract.

**Participants**
Staff at a university participated in this study last May 2017, with the population size of 550. A sample of 194 staff were recruited using random sampling, which consists of academicians and corporate administrative staff. All sampled staff worked for at least three months, hence met the inclusion criteria. Table 1 shows the distribution of the sample.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>73.2%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>26.8%</td>
</tr>
<tr>
<td>Age</td>
<td>18 – 34 years old</td>
<td>37.6%</td>
</tr>
</tbody>
</table>
Materials

Psychological Contract Inventory. Respondents’ state of psychological contract was assessed using Psychological Contract Inventory developed by Rousseau (2000). A Cronbach alpha of .70 was established for the scale (Rousseau, 2000). The inventory is divided into four sets: Employee Obligations, Employer Obligations, Psychological Contract Transitions, and Psychological Fulfilment. In the present study, only the sets of Employee Obligations and Employer Obligations were used because the focus was to assess the respondents’ perceived obligations between both the parties. The two sets are further divided into seven dimensions that tap into measuring different types of psychological contract. The seven dimensions are Short-term, Loyalty, Narrow, Performance Support, Development, External Marketability, and Stability.

Since employee engagement and retention are related to loyalty and stability within the organization, only the Loyalty and Stability sub-dimensions were included that tapped into measuring relational psychological contract (Rousseau, 2000). Respondents were to respond as to what extent to which they or the employer have made the commitment or obligation to one another. The responses to the items were based on a five-point Likert scale, ranging from 1 = “not at all” to 5 = “to a great extent”. There was a total of 16 items with sample items shown in Table 2. The total score was calculated by summing up the scores from Employee Obligations and Employer Obligations, whereby higher scores indicates higher relational psychological contract.

<table>
<thead>
<tr>
<th>Subscales</th>
<th>Dimensions</th>
<th>Number of Items</th>
<th>Sample Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Obligation</td>
<td>Loyalty</td>
<td>4</td>
<td>Make personal sacrifices for IMU</td>
</tr>
<tr>
<td></td>
<td>Stability</td>
<td>4</td>
<td>Make no plans to work anywhere else</td>
</tr>
<tr>
<td>Employer Obligation</td>
<td>Loyalty</td>
<td>4</td>
<td>Concern for my personal welfare</td>
</tr>
<tr>
<td></td>
<td>Stability</td>
<td>4</td>
<td>Steady employment</td>
</tr>
</tbody>
</table>

Short Grit Scale (Grit-S)
The 8-item scale developed by Duckworth and Quinn (2009) was used to measure the level of passion and perseverance of respondents toward long-term goals. There are two subscales, which are Perseverance of Effort and Consistency of Interest. Each subscale consists of four items, and all the items in the Perseverance of Effort dimension are reverse-scored items. The scale employed five-point Likert scale, ranging from 1 = “very much like me” to 5 = “not like me at all”. A sample item of Perseverance of Effort subscale is “I finish whatever I begin” whereas a sample item from Consistency of Interest subscale is “I often set a goal but later choose to pursue a different one”. The internal consistency of Grit-S ranged from .73 to .83, with Consistency of Interest ranging from .73 to .79, while Perseverance of Effort ranges from .60 to .78 (Duckworth & Quinn, 2009). The scale was scored according to the procedure developed by Duckworth and Quinn (2009), whereby scores of two subscales were summed up and divided by eight to obtain the average value.

Assessing Emotions Scale (AES) The self-report inventory developed by Schutte et al. (1998) has four subscales, which are
Perception of Emotion, Managing Own Emotions, Managing Others’ Emotions, and Utilisation of Emotion. The Cronbach alpha for the full scale was .87, with a test-retest reliability of .78 (Schutte et al., 1998). A subscale with an initial of six items was adopted to measure the respondents’ level of utilisation of emotion. Internal consistency of Utilisation of Emotion scale was .55 (Ciarrochi, Chan, & Baigar, 2001).

In the current study, only four items from the Utilisation of Emotion subscale were used (refer Appendix C). One item that was removed was “When I feel a change in emotions, I tend to come up with new ideas” due to its redundancy which has been measured by the sample item “When my mood changes, I see new possibilities”. The item “Some of the major events of my life have led me to re-evaluate what is important and not important” was also removed as it addresses a big scope and does not tap into workplace. All responses to the items were based on five-point Likert scale (from 1 = “strongly disagree” to 5 = “strongly agree”). Total score for the subscale was calculated by summing up the scores on all items within the subscale, with higher scores indicating higher level of utilisation of emotion.

Procedure

A total number of 550 online Survey Monkey questionnaires were distributed to the respondents through staff e-mail. An ethical consent form were also attached in the e-mail to provide information about the research and to seek consent of respondents to participate voluntarily in the study. Upon completion of the survey, each respondent was given a coffee voucher as an incentive for participation.

RESULTS

A total of 194 respondents were recruited with the population size of 550 consisting of academic and corporate staff. A sample size of 199 is recommended for a population size of 550 in order to establish 5% of margin error and 95% of confidence interval. The response rate was 27.4%. Pearson correlation was conducted to examine the relationships between grit, utilisation of emotion, and psychological contract. Regression analysis was conducted to determine the mediating effect of utilisation of emotion on the relationship between grit and psychological contract among IMU staff.

Descriptive Statistics and Correlations

Table 3 shows the mean, standard deviation and correlations for grit, utilisation of emotion, and psychological contract.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Range</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Grit</td>
<td>2 - 5</td>
<td>3.60</td>
<td>0.53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Utilisation of Emotion</td>
<td>5 - 20</td>
<td>15.84</td>
<td>2.39</td>
<td>.143*</td>
<td></td>
</tr>
<tr>
<td>3. Psychological Contract</td>
<td>16 - 80</td>
<td>54.53</td>
<td>12.52</td>
<td>.252**</td>
<td>.278**</td>
</tr>
</tbody>
</table>

Note. **p < .01; *p < .05

H₀₁: The higher the level of grit, the stronger the psychological contract among IMU staff.
Based on Table 3, there was a significant correlation between grit and psychological contract (r = .252, p < .01). Since the correlation was positive, H₀₁ is not rejected.

H₀₂: The higher the level of grit, the higher the utilisation of emotion among IMU staff.
Grit and utilisation of emotion were significantly and positively correlated (r = .143, p < .05), suggesting that as the level of grit is higher, utilisation of emotion is also higher. Therefore, H₀₂ is not rejected.

H₀₃: The higher the utilisation of emotion, the stronger the psychological contract among IMU staff.
There was a significant and positive correlation between utilisation of emotion and
psychological contract \( (r = .278, p < .01) \), thus \( H_3 \) is not rejected.

**Regression Analysis**

According to Baron and Kenny (1986), the following conditions must hold for the test of mediation: (i) the independent variable is significantly related to the dependent variable; (ii) the independent variable is significantly related to the mediating variable; (iii) the mediating variable is significantly related to the dependent variable. When these conditions are hold in the predicted directions, mediation takes place when the direct effect of the independent variable on the dependent variable is less than the total effect or no longer significant when controlling for the effect of the mediating variable on the dependent variable. Table 4 shows the regression equations.

<table>
<thead>
<tr>
<th>Path</th>
<th>( R^2 )</th>
<th>F</th>
<th>( \beta )</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Grit (IV) ( \rightarrow ) Psychological Contract (DV)</td>
<td>.064</td>
<td>13.072</td>
<td>.252</td>
<td>3.616</td>
</tr>
<tr>
<td>Step 2</td>
<td>Grit (IV) ( \rightarrow ) Utilisation of Emotion (MV)</td>
<td>.020</td>
<td>4.002</td>
<td>.143</td>
<td>2.001</td>
</tr>
<tr>
<td>Step 3</td>
<td>Utilisation of Emotion (MV) ( \rightarrow ) Psychological Contract (DV)</td>
<td></td>
<td></td>
<td>.247</td>
<td>3.611</td>
</tr>
<tr>
<td></td>
<td>Grit (IV) ( \rightarrow ) Psychological Contract (DV)</td>
<td></td>
<td></td>
<td>.217</td>
<td>3.173</td>
</tr>
</tbody>
</table>

\( H_4 \): Utilisation of emotion has a mediating effect on the relationship between grit and psychological contract among IMU staff.

Based on Table 4, grit significantly predicted psychological contract, \( \beta = .252, t(192) = 3.616, p = .000 \). Hence, the first condition for the test of mediation was met. Grit also significantly and positively predicted utilisation of emotion which is the hypothesized mediator, \( \beta = .143, t(192) = 2.001, p = .047 \), thus meeting the second condition. When psychological contract was predicted from grit and utilisation of emotion, the third condition was met as utilisation of emotion was significantly related to psychological contract, \( \beta = .247, t(191) = 3.611, p = .000 \). After controlling for utilisation of emotion (mediator), the direct effect of grit on psychological contract (\( \beta = .217, t(191) = 3.173, p = .002 \)) was still significant but less than the total effect of grit on psychological contract (\( \beta = .252, t(192) = 3.616, p = .000 \)) before the mediator was added. Hence, utilisation of emotion partially mediated the relationship between grit and psychological contract.

**DISCUSSION**

The findings of the present study showed that there were significant relationships between grit and psychological contract, grit and utilisation of emotion, as well as utilisation of emotion and psychological contract. The results also revealed that utilisation of emotion partially mediated the relationship between grit and psychological contract among IMU staff. A few possible explanations are put forward to explain the findings.

Grit was found to have a positive and significant impact on psychological contract of employees. Individuals who demonstrate high levels of grit would likely stay on the same course in pursuing an unchanging goal over the long run (Duckworth & Quinn, 2009). This is supported by studies that grittier individuals
would stay on the same job for a longer period of time (Duckworth & Quinn, 2009; Duckworth et al., 2009; Eskreis-Winkler et al., 2014; Robertson-Kraft & Duckworth, 2014) and have fewer career shifts (Duckworth et al., 2007) or lower intention for career change (Bowman et al., 2015). Passionate employees would also demonstrate strong enthusiasm and maximize their effort in their work to achieve success (Smith, 2000). According to social exchange theory (Blau, 1964) and norm of reciprocity (Gouldner, 1960), employees who make more contributions to the organization would likely expect more future reciprocations from their employer. In other words, when employees are consistent on the same job and most likely to have given up on other job opportunities (Duckworth & Gross, 2014), they might perceive the employer as obligated to reciprocate the significant amount of dedication the employees made to the organization. Hence, grittier employees would provide more input but also expect more in return, thus develop stronger psychological contract.

Besides, it was also established that grit significantly predicted utilisation of emotion, which is the mediating variable. As grit entails encountering with difficult situations (Duckworth et al., 2007), gritty employees would likely have to deal with high level of emotions along the course (Zakrzewski, 2014) to sustain their level of passion and perseverance. Grittier employees would also persist on solving supposedly unsolvable problems without giving up that could lead to frustrations (Lucas et al., 2015). Hence, gritty employees would have higher level of emotional utilisation to facilitate the thought processes in order to stay on the same course despite adverse conditions.

According to Salovey and Mayer (1990), emotions are used to assist flexible planning, creative problem-solving, redirecting attention, and promote motivation. In order for gritty employees to maintain their interest, they might develop the ability to use emotion in creative problem solving and promoting motivation. Furthermore, they would also use their emotions in facilitating flexible planning and redirecting attention to alternate lower-order goals and actions in the same domain when an existing lower-order goal is blocked (Duckworth & Gross, 2014). Therefore, grit was significantly related to utilisation of emotion.

The finding that utilisation of emotion was positively and significantly related to psychological contract can be supported by the explanation mentioned earlier that emotions would influence or facilitate human cognition and subsequent decision-making (George, 2000; McEnrue, Groves, & Shen, 2010). Thus, the use of emotions would impact employees’ formation of psychological contract, given that psychological contract as a perception is a cognitive outcome that results from thought processes.

Since utilisation of emotion in facilitating cognitive processes encompasses flexible planning, creative thinking, attention redirection, and motivation (Salovey & Mayer, 1990), an employee who is better at utilising emotions would be better at considering possibilities of future reciprocations, think creatively and focus on obligations to fulfil, while enhancing motivation to perform better on the job. Consequently, these cognitive processes based on emotions would affect employees’ perceived obligations in the psychological contract. Therefore, employees with higher level of utilisation of emotion would have stronger psychological contract based on what they can offer and what can be expected, suggesting the significant relationship between utilisation of emotion and psychological contract.

The partial mediating effect of utilisation of emotion on the relationship between grit and psychological contract suggests that while grit could directly relate to psychological contract, it could also indirectly affect psychological contract through emotional utilisation in facilitating thoughts. The direct relationship could be explained by social exchange theory as mentioned earlier. However, in line with Affect Infusion Model, the process to form the perception of mutual obligations within psychological contract of employees could be influenced by emotions. Moreover, grit also involves emotions especially under difficult circumstances. Hence, the presence of utilisation of emotion could explain the relationship between grit and psychological contract, whereby higher levels of grit would
have higher utilisation of emotion that in turn result in stronger psychological contract.

In summary, the findings of this study contribute to advancing the body of knowledge on psychological contract, grit, and emotional intelligence. It provides supporting evidence that grit and utilisation of emotion are possible factors influencing formation of psychological contract. Also, the study shed light on the role of utilisation of emotion as a significant mediator.

Implications
Given that employees’ psychological contracts are important, the study unmasked interesting findings that provide practical recommendations for the hiring managers or employers. As employee’s grit can influence psychological contract, employers should consider prospective employees’ levels of grit during the hiring process apart from technical competencies and cognitive abilities. Moreover, the impact of utilisation of emotion on psychological contract suggests that organization can also provide emotional intelligence training to the employees, especially to develop the ability of utilisation of emotion to facilitate thoughts as it will affect the way employees perceive mutual obligations. In addition, as psychological contract is implicit, the implementation of mentor-mentee program in IMU should be further encouraged among the staff in order to help both parties to understand the expectations of one another better through explicit communication. Mentors can also facilitate employees to demonstrate grit through encouragement and provide constructive feedback on the expected performance standard as well as ways to exceed the expectations.

Limitations and Future Research
Despite the contributions, this study also has several limitations. First, the study adopted a cross-sectional design, thus inferences regarding causality cannot be concluded. Future studies should consider in executing longitudinal study in order to examine the causal relationship between the variables.

Secondly, only one dimension of emotional intelligence was examined in the present study. According to Kuzmuk (2014), a positive correlation was found between emotional intelligence and grit, whereby higher level of emotional intelligence was linked to greater ability in resolving challenges. This suggests future studies to investigate other dimensions of emotional intelligence, emotional intelligence as a whole, or other conceptualizations of emotional intelligence as grit could influence emotional intelligence as a whole rather than impacting on a specific dimension only.

Moreover, the types of emotions can also be taken into account as different emotions have different influence on cognition (Forgas, 2000; Lerner & Keltner, 2000).

CONCLUSION
As employees are the most treasured resources of any organizations, it is crucial for employers to understand and fulfil the expectations of their staff in the effort to retain them in the organization. This study offers theoretical contributions by revealing that grit and emotional utilisation are factors that would precede and affect the formation of psychological contract. From a practical standpoint, employers should implement action plans to facilitate the understanding of mutual expectations of both parties, as well as increasing the levels of grit and utilisation of emotion of employees given that these two traits can be developed and would influence psychological contract.

REFERENCES


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Appendix A

Psychological Contract Inventory

I. Employee Obligation

To what extent have you made the following commitments or obligations to your employer? Please answer each question using the following scale:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>Slightly</td>
<td>Somewhat</td>
<td>Moderately</td>
<td>To a great extent</td>
</tr>
</tbody>
</table>

EE LOYALTY

_____ Make personal sacrifices for IMU
_____ Take IMU’s concerns personally
_____ Protect IMU’s image
_____ Commit myself personally to IMU

EE STABILITY

_____ Remain with IMU indefinitely
_____ Plan to stay in IMU a long time
_____ Continue to work in IMU
_____ Make no plans to work anywhere else

II. Employer Obligations

Consider your relationship with your current employer. To what extent has your employer made the following commitments or obligations to you? Please answer each question using the following scale:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>Slightly</td>
<td>Somewhat</td>
<td>Moderately</td>
<td>To a great extent</td>
</tr>
</tbody>
</table>

ER LOYALTY

_____ Concern for my personal welfare
_____ Be responsive to my personal concerns and well-being
_____ Make decisions with my interests in mind
_____ Concern for my long-term well-being

ER STABILITY

_____ Secure employment
_____ Wages and benefits I can count on
_____ Steady employment
_____ Stable benefits for employees’ families
Appendix B

Short Grit Scale

Directions of taking the Grit Scale: Please respond to the following 8 items. Be honest - there are no right or wrong answers!

1. New ideas and projects sometimes distract me from previous one. *
   - Very much like me
   - Mostly like me
   - Somewhat like me
   - Not much like me
   - Not like me at all

2. Setbacks don’t discourage me.
   - Very much like me
   - Mostly like me
   - Somewhat like me
   - Not much like me
   - Not like me at all

3. I have been obsessed with a certain idea or project for a short time but later lost interest. *
   - Very much like me
   - Mostly like me
   - Somewhat like me
   - Not much like me
   - Not like me at all

4. I am a hard worker.
   - Very much like me
   - Mostly like me
   - Somewhat like me
   - Not much like me
   - Not like me at all

5. I often set a goal but later choose to pursue a different one.*
   - Very much like me
   - Mostly like me
   - Somewhat like me
   - Not much like me
   - Not like me at all

6. I have difficulty maintaining my focus on projects that take more than a few months to complete.*
   - Very much like me
   - Mostly like me
   - Somewhat like me
   - Not much like me
   - Not like me at all

7. I finish whatever I begin.
   - Very much like me
   - Mostly like me
   - Somewhat like me
8. I am diligent.

- Very much like me
- Mostly like me
- Somewhat like me
- Not much like me
- Not like me at all

- Not much like me
- Not like me at all
Appendix C

**Utilisation of Emotion Scale**

Directions: Each of the following items asks you about your emotions or reactions associated with emotions. After deciding whether a statement is generally true for you, use the 5-point scale to respond to the statement. Please circle the “1” if you strongly disagree that this is like you, the “2” if you somewhat disagree that this is like you, “3” if you neither agree nor disagree that this is like you, the “4” if you somewhat agree that this is like you, and the “5” if you strongly agree that this is like you.

There are no right or wrong answers. Please give the response that best describes you.

1 = strongly disagree  
2 = somewhat disagree  
3 = neither agree nor disagree  
4 = somewhat agree  
5 = strongly agree

1. When my mood changes, I see new possibilities.  
   1  2  3  4  5

2. Emotions are one of the things that make my life worth living.  
   1  2  3  4  5

3. When I am in a positive mood, solving problems is easy for me.  
   1  2  3  4  5

4. When I am in a positive mood, I am able to come up with new ideas.  
   1  2  3  4  5