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Psychological Contract Structure of Banks and Credit Customers Based on the Empirical Study of Banking Industry in Jiangxi Province

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Abstract: Based on six banks including two state-owned commercial banks, two large joint-stock banks and two small medium-sized commercial banks and the survey data of credit customers, this article investigates the marketing channels of commercial bank credit between customers and banks in the bilateral structure of psychological contract dimension problem and we choose the banking industry in Jiangxi province as the investigation object. Using SPSS statistical analysis software, through the exploratory factor analysis and confirmatory factor analysis, we confirm that the psychological contract between bank and credit customers are constituted by the two dimensional structures of "relational psychological contract" and "transactional psychological contract". Simultaneously we have analyzed different connotation of the bank to the customer's psychological contract and customer of psychological contract, providing useful guidance to the bank credit marketing channel management and customer relationship management.

Key words: Channel relationship, psychological contract, credit marketing channel

INTRODUCTION

At present, the commercial banks' competition on credit quality customer resources intensified, especially in emerging background trend of the mercerization of interest rates and financial disintermediation, the domestic various commercial banks are taking credit quality customers as a primary target market, increasing the service resources distribution and relationship maintenance. Good credit customer not only can realize the comprehensive financial products consumption, but also can bring deposit supply chain upstream and downstream resources, intermediate business income and financial business channel. To some extent, the high quality credit customer resources have become the commercial Banks' strategic resources while facing fierce competition environment in the future.

So how to mining the deep relationship between bank and credit customers factors and to promote long-term relations of cooperation of high-quality credit bank and its clients, which have been extensively explored by the theoretical and practical circles. Among them, the theory of "psychological contract", which explains the marketing situation of the relationship between the enterprise and the customer problems, has provided useful guidance (Zhuang, 2000). With the development of banking

practice, the original simple contractual relationship of bank credit cooperation, has a richer connotation (Hu, 2008). In addition to the loan contract, guarantee contract text, the bank and credit customers "self-evident", informal psychological contract is also particularly important and has become an important means of commercial banks to compete against each other.

However, the researches in the past of the psychological contract focused on the organizational behavior field, used to describe both sides between employees and employers subjective expectations and understanding of each other's obligations or commitments, mainly within the enterprise organizational behavior relationship. Although later scholars also gradually explore the marketing situation of connotation of the psychological contract, which expanded into the tissue between or among marketing channel, but research in this specific service industry of the psychological contract of banking industry is rare, except Haicheng (2005) and Lin (2010) introduced psychological contract in the organizational behavior marketing situation of service industry and the maintenance and banking outside the empirical validation. The purpose of this paper is to through empirical research, the combination of banking industry in Jiangxi province test survey data analysis, to explore the bilateral psychological contract

structure between bank and credit customers, hoping to provide useful guidance for bank credit marketing channel management and customer relationship management.

RESEARCH HYPOTHESIS

The study of psychological contract dimension structure has formed rich research achievements, which mainly included transactions and relationships of two dimensions structure (Guo and Zhan, 2005; Zhang, 2005).

We believe that psychological contracts also exist objectively in the marketing channels of commercial bank credit and between bank and credit customers. Through this non-text contact contractual relationship, we can deepen the trust relationship between bank and credit customers, make joint plans, share information in time, solve the problems arising from the cooperation together and each other has the mutual firm belief of responsibility and commitment. In combination with the specific background of the industry in this paper, we moved the concept of psychological contract into credit marketing channel relationships, with "the customer perception of mutual obligations to each other with the enterprise and faith" as the foundation, define the banking and credit customer psychological contract concept for "bank and credit customer perception of mutual obligations to each other and faith", that is the customer and the bank on the basis of perceive their obligations, having obligations to the other party's perception expectations and beliefs, the emphasis on both sides of reciprocal obligations, rather than unilateral interests.

In addition, we also used the theory of psychological contract of two-dimensional structure and we believe that banks and credit the customer's psychological contract including relational psychological contract and transactional psychological contract two dimensions. Transactional psychological contract is a short-term sexual activity of the mutual expectations between the bank and credit customers, which in the main is material reward and relational psychological contract between the bank and credit customers a broad, long-term, social emotion, in addition to the preferential material which also has the emotional rewards. Some scholars pointed out that any psychological contract contains both trade and relationship factors, but the proportion is different.

Based on the above understanding, this article putted forward the following assumption: H1: The psychological contract that the bank to the credit customer has existed transactional and relational two-dimensional structure. H2: The psychological contract that the credit customer to bank has existed transactional and relational psychological two-dimensional structure.

DATA ANALYSIS

Sample: In this study, samples were taken from six banks in Jiangxi Province and their credit customers, including two state-owned commercial banks, two joint-stock banks large and two medium-sized commercial banks, representing the financial institutions under different types and scale levels. In addition, we have collected dual data from two angles, banks and credit customers. We have selected 55-tranche operations (22 business cases and 33 retail business cases), we have distributed 600 questionnaires in three ways, on-site fill, mailing and e-mail questionnaires (banks and credit customers per 300 copies), collected 457, response rate at 76.17%. Excluding blank volume, critical data loss and extreme questionnaires, 422 valid questionnaires were obtained; involving 216 copies from bankers and 208 from credit customers and the questionnaire response rate was 71.67 and 69%, respectively.

The duration of the research is around 45 days, firstly, the group directed the customer managers who are responsible for filling in and sending the questionnaire for instructions and then through the bank customer manager filling in and issuing questionnaires to their customers, the questionnaire validity and recovery percentage increased significantly. Sample data and description were shown in Table 1: Analysis research samples in the bank, gender ratio difference was small (54.42% women, 45.58% men) and mainly concentrated in the bachelor's degree in education (87%), reflecting the current bank staff gradually improved quality standards; Due to credit account manager for cutting-edge marketing position, the length of service mainly concentrated in 1-2 years, embodying the characteristics of younger and professional bank staff. In the credit customer survey samples, because we focused on corporate executives, financial manager and accounting handling personnel, the survey data on length of service and education was different from that of the banks, college degree and below accounted for more (43%), length of service focused on more than 3 years (73%).

The exploratory factor analysis: First of all, the article have taked the factors of the KMO and Bartlett sphere test to verify suitability, the analysis showed that sample data KMO's value is 0.812 (greater than 0.70) and Bartlett sphere test reached significant level ($p < 0.001$), suggesting that the survey data is suitable for exploratory factor analysis. Then adopt principal component analysis (pca) to build a factor and use Promax rotation oblique rotation of factors, extracting the factors that the characteristic value is greater than 1 and get the factor structure. Then

Table 1: Component analysis results of psychological contract that the banks to the customers

| Numerical order | Observation project | Factor a (transactional) | Factor b (relational) |
|---|---|--------------------------|-----------------------|
| BC3 | To provide customers with competitive products | 0.721 | |
| BC7 | Design the lower pricing plan, reduce the financing cost | 0.798 | |
| BC8 | Provide patient answer to the customers who have questions | 0.645 | |
| BC6 | Provide efficient service emphasizing the customer's time | 0.537 | |
| BC4 | provide customers with a good consumer environment | 0.626 | |
| BC5 | Care for the growth of customers in credit business | | 0.697 |
| BC1 | Respect customer choice | | 0.710 |
| BC2 | Customer as the center to provide optimal services | | 0.688 |
| BC10 | Take responsibility and do not shuffle when mistake is made | | 0.734 |
| BC9 | Can trust each other at a critical moment | | 0.527 |
| BC11 | Provide more value-added services, enhance our friendship | | 0.503 |
| Factor variance explained (%) | | 32.104 | 31.113 |
| Cumulative variance contribution rate (%) | | 63.217 | |

Table 2: Component analysis results of the psychological contract that the customers to the banks

| Numerical order | Observation project | Transactional | Relational |
|---|---|---------------|------------|
| CB5 | The willingness to negotiate with business problem | 0.724 | |
| CB6 | Respect the bank service person and their work | 0.641 | |
| CB8 | Accept bank related credit policies and procedures | 0.668 | |
| CB7 | Provide real and effective credit information voluntary | 0.796 | |
| CB13 | Don't damage the bank services | 0.613 | |
| CB2 | Don't damage the reputation of partners in public place | 0.597 | |
| CB10 | Cooperate with bank credit due diligence and check | 0.671 | |
| CB1 | Recommend to people the bank or service team | | 0.631 |
| CB4 | Understand the difficulties of banks | | 0.609 |
| CB12 | Can understand bank staff, When failure | | 0.718 |
| CB11 | Offer a proposal to improve service quality | | 0.765 |
| CB9 | Willing to accept the adjustment of the special service | | 0.507 |
| CB3 | Agree with culture and style of the bank | | 0.448 |
| Factor variance explained (%) | | 26.315 | 32.706 |
| Cumulative variance contribution rate (%) | | 59.021 | |

we get the two factor structure of “bank credit responsibility” and “responsibility of credit customers” respectively.

Visible Table 1, the 11 measurement program of the psychological contract from the bank to the credit customer could be summarized as two factors. The variance explanatory variables respectively is 32.104 and 31.113% and the total variance accounted for 63.217%. We respectively named the two factors as relational psychological contract and transactional psychological contract. The former one focus on short-term the economic interests of the reward and satisfaction, including five measuring project, the loading of the factors were 0.721, 0.798, 0.645, 0.798 and 0.645, the reliability Cronbach's alpha coefficient was 0.911. While the latter one focuses on the partnerships and satisfy the social needs, including 6 measuring project, the loading of the factors were 0.697, 0.710, 0.688, 0.734, 0.527 and 0.503, the reliability Cronbach's alpha coefficient was 0.877.

From the Table 2, the 13 measuring project of bank psychological contract from credit customers, also summarized as two factors (relational psychological contract and transactional psychological contract), The variance explanatory variables respectively is 26.315% and 32.706%, the total variance accounted for 59.021%. “transactional psychological contract” includes 7

measuring project, mainly from the aspects of the economic interests of the return, the loading of the factors were 0.724, 0.641, 0.668, 0.796, 0.613, 0.597 and 0.671, the reliability Cronbach's alpha coefficient was 0.837. "Relational psychological contract" includes six measuring project, mainly from the perspective of long-term cooperation relations, the loading of the factors were 0.631, 0.609, 0.718, 0.765, 0.507 and 0.448, the reliability Cronbach's alpha coefficient was 0.755.

The confirmatory factor analysis: This research take the software LISREL 8.70 to have confirmatory factor analysis on the rest of the half sample data (N = 211), to verify the two tables of "bank credit responsibility" (Table 3) and "credit customers responsibility" (Table 4), respectively and validation the fitting degree of the two models (single factor model and the two factor model). Among them, the single factor model of overall situation of the psychological contract, the two factor model refers to the transactional psychological contract and relational psychological contract.

In general, when we evaluation measurement model is scientific or not and its fitting degree, we need to check many multiple indicators, rather than rely on a certain index (Hoyle, 1995). This article take the RMSEA, CFI, NNFI, GFI and IFI indicators to measure the fitness of the

Table 3: Verification results of “bank credit responsibility” structure dimension

| Model | χ^2/df | RMSEA | GFI | AGFI | NFI | CFI | IFI | PGFI |
|-------------------|-------------|-------|-------|-------|-------|-------|-------|-------|
| Unifactor model | 2.22 | 0.047 | 0.707 | 0.713 | 0.765 | 0.694 | 0.813 | 0.468 |
| Two factor models | 1.67 | 0.033 | 0.923 | 0.971 | 0.955 | 0.945 | 0.926 | 0.643 |

Table 4: Verification results of “Credit customers responsibility” structure dimension

| Model | χ^2/df | RMSEA | GFI | AGFI | NFI | CFI | IFI | PGFI |
|-------------------|-------------|-------|-------|-------|-------|-------|-------|-------|
| Unifactor model | 2.17 | 0.057 | 0.837 | 0.643 | 0.796 | 0.845 | 0.783 | 0.394 |
| Two factor models | 1.98 | 0.041 | 0.914 | 0.996 | 0.938 | 0.978 | 0.987 | 0.545 |

measurement model. Scholars generally believe that χ^2/df is less than 3, RMSEA is less than 0.08, CFI, NNFI, GFI and IFI is greater than 0.90 and index model fitting PGFI greater than 0.5 are the suggested value. Among them, χ^2/df is a subjective overall goodness of fit indices. CFI, NNFI, GFI and IFI respectively was 0.923, 0.955, 0.945 and 0.926, significantly greater than the critical value 0.90, show that the goodness of fit of the two factors to transactional and relational model is higher. Also, in the psychological contract structure model of bank to the credit customers, χ^2/df of the two factor model is 1.98 less than 2, the goodness-of-fit ideal. CFI, NNFI, GFI and IFI respectively was 0.914, 0.938, 0.978 and 0.914, on indicators were greater than 0.90, the fitting are within the scope of the suggested values, ideal model fitting degree.

ANALYSIS AND DISCUSSION

Through the exploratory factor analysis and confirmatory factor analysis, we found that in bank credit marketing channel relations, which has bilateral psychological contract relationship between the bank and credit customers, both sides based on their expectations of the reciprocal exchange and this kind of contract is a implicit contracts, existing in the counterparty's own judgment and subjective perception. The two sides do not clear their respective floor-mat or should reap the benefits, but the informal obligations, embodied in the execution and subjectivity of self. Psychological contract between bank and credit customers will have the same meaning (Zhuang and Li, 2008; Heide, 1994). At the same time, this study also verified the research hypothesis, confirmed the transactional and relational two-dimensional structure between bank and credit customers.

The above research conclusion also provides the practice of bank some management beneficial enlightenment and guidance, especially for how to strengthen bank credit quality and customer relational contract between a prominent practical problems. First of all, the bank as the credit channel relationship needs more initiative to assume greater responsibility and obligation, take active measures to promote the credit customer interaction and interaction quality and advocate a broader (in the background are involved), a more long term

(long-term orientation) of marketing culture and service oriented. Secondly, banks should strengthen customer analysis and market research, know more credit to their customers the implicit expectation, clear credit the customer's demand, personalized service is need, for convenient service efficiency, or respect for individual services and so on. On this basis, banks should promote consumer services and improve service conditions, to provide customers with optimal service experience. Again, based on the background of mutual exchange, the banks on the basis of understanding that the credit customers should bear responsibility for themselves and can ask the customer to ask for more clear, which will strengthen the mutual exchange of their own gains, the implicit explicit, specific in the parts of the psychological contract. And banks also can be more convenient and understanding of the implied obligations to each other, establishing an effective communication and consultation mechanism, to strengthen the contact contractual relationship.

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