
**THE PSYCHOLOGICAL CONTRACT AND ITS RELATIONSHIP WITH
ORGANIZATIONAL COMMITMENT AND JOB SATISFACTION OF
EMPLOYEES: A STUDY OF FAITH BASED CHILD DEVELOPMENT
PROJECTS IN NAIROBI-EAST**

BY

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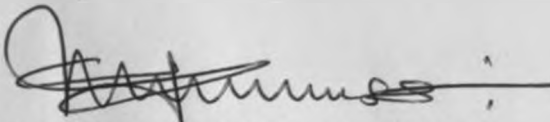
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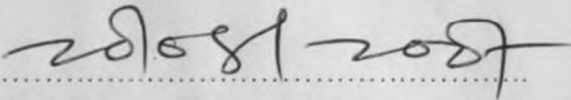


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DECLARATION

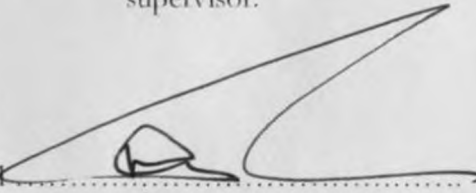
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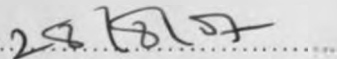
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This project has been submitted for examination with my approval as the university supervisor.

Signed 

Date 

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DEDICATION

To my wife Doreen and Daughter Precious Mwongeli for their constant understanding, love, prayers and support for which I will always be grateful.

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ACRONYMS

CDC – Child development centre

RGC – Redeemed Gospel Church

PCEA – Presbyterian Church of East Africa

CIK- Compassion International Kenya

PMC – Project Management Committee

LCC – local church council

KAG – Kenya Assemblies of God

QWL – Quality Work Life

KAG – Kenya Assemblies of God

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ABSTRACT

The title of this research is: The psychological contract and its relationship with Organizational Commitment and Satisfaction of Employees in Faith-Based Child development Project within Nairobi East.

This research was undertaken with two objectives in mind.

- i) To ascertain the relationship between employee psychological contract and job satisfaction.
- ii) To ascertain the relationship between psychological contract and employee commitment to the organization.

To meet the objective, the study involved the whole population of compassion international funded child development projects within the Nairobi East cluster. The seven projects had 29 social workers in total and were all presented with the questionnaire between June and July 2007 for information.

Primary data was collected using a questionnaire from 29 respondents. The data was analyzed using frequency distribution tables and percentages. The study revealed that poor psychological contract adversely affects the levels of job satisfaction and commitment of employees in Nairobi East.

The main factors that determine the employee level of job satisfaction include; recognition, promotions, good working conditions, remuneration, and supervision. It was clear that dissatisfied employees proportionately demonstrate low levels of organizational commitment, which translates into high turnover, absenteeism and increased wastes in resources and time.

It was therefore recommended that the management of these projects make efforts to ensure that these factors are put into operational consideration in their institutions to avert turnovers and low productivity by staff and the organization.

Further studies were recommended to find out how psychological contract relates with organizational commitment and satisfaction of employees in secular projects in Nairobi and other parts of the country as well.

CHAPTER ONE

INTRODUCTION

1.1 Background Information

Job satisfaction is an important element in a work situation and has been associated with improved performance as well as increased commitment to the organization. Therefore job satisfaction is not only important to the individual but also to the organization.

It's the responsibility of the human resource managers to sustain their employee's satisfaction with their jobs to reduce high rates of absenteeism and turnover in the organization, which is very costly and affects the overall performance of both the employees and the organization.

Job satisfaction and commitment is very important to all employees including social workers. The out put of wholistic (social, physical, spiritual, economic) development in backbone of a self-reliant society. It is thus of great significance that social workers are satisfied with their jobs to perform their full professional potential.

Major factors known to influence job satisfaction are; good pay, working condition, promotions, recognition at work place, work itself, supervision, personal values, skills and abilities.

The government bears the responsibility of facilitating social, physical and economic development among its citizens. The law has also provided for faith-based institutions to exercise the right of worship for their members and help in complementing the government efforts in building a healthy society. Churches have therefore started schools as recommended in the Kamunge Report (1988) to supplement government-supported schools. As the society continues to grow through by numbers and development needs Faith Based organizations have also designed more relevant development programmes to mould children into responsible citizens both for their individual and societal benefits.

For the objectives of nurturing fulfilled Christians through child development projects to be adequately realized the efforts of the social workers is of paramount significance. Their satisfaction is however the

propelling engine into their full potential being released for the job with enhanced organizational commitment.

In the 21st century Non Governmental Organizations no longer focus just on welfare programmes championed through flat model organizational structures (less structures), but advocate for enhanced effectiveness and efficiency in service delivery along accountability and transparency. However, in 1990's the Breton wood institutions heightened structural adjustment programmes (SAP's) that brought about a change in the employer – employee relationship.

In the past, employment was viewed as long term contract with an employee acquiring skills on the job and rising through the ranks, but today it is “dominated by short term contracts for highly skilled professionals and technical workers” (De Meuse, et. Al, 2001). In the 21st century staff are hired on a “need to have” basis to perform specific high skill tasks and are laid off when their specific skills are no longer helpful to the organization. De Meuse, et. Al. (2001,p.106) notes, “The work place of today is one of increased workload and stress and decreased job security and commitment”.

It's substantially true that due to lack of job security employees now focus on immediate job needs and career management through performing meaningful work, personal growth, development of transferable skills, and networking opportunities (Ambwavo, 2005). Nevertheless, with ever growing and changing needs of the urban poor (populations) many faith-based sponsored child development projects have opted to go for specialized work force.

On the other hand, the donor agencies have in particular instances emphasized on grass-root partnership with local Pentecostal churches that bear the responsibility of hiring and supervising the work force as well as any legal obligations involved in running the projects. This has increased job insecurity levels and those of stress to employees and a feeling that their employers (churches) are renegeing on their contractual obligations. It's the ultimate truth that this violation and uncertain situation does not tune well for employee satisfaction and commitment especially when the job market has very limited opportunities.

1.2 Statement of the Problem

In the recent past it has become common practice that civil servants leave their jobs for the NGO world where it is perceived to guarantee greener pastures. On the other hand within the NGO world there exist a similar exodus by staff from Faith –based institutions to secular organizations for better perks and quality work life (QWL). With improved government service delivery today it can be seen that majority professionals at low ranks in the NGO sector are taking up government appointments at junior positions with the expectations that things will improve with time and job security would be guaranteed among other benefits.

It therefore remains a puzzle as to whether Faith-Based development institutions are characterized by poor pay, working conditions, and recognition of human resources or the vice versa. It is true however, that Faith based development organizations have strict measures on performance and services provided are based on the spiritual calling (Vocation) one has to the ministry more than the extrinsic benefits derived out of the job.

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It therefore becomes important to critically think as to whether or not does the faith based organizations care about psychological contract and its relationship to organizational commitment and job satisfaction .

This study attempts to address these problems in the manner in which they influence or relate to each other.

The main aim of Compassion International Child Development projects is to release children from Physical, Economic, Social and Spiritual Poverty. However, just like any other non- governmental but Christian organizations efficiency and accountability of personnel for service delivery is of primary significance.

From the Compassion International Kenya Annual report 2004-2005 it is clear that only 4.5% and 7.1% of all the Audited 66 and 112 centres respectively scored expected excellent results. The remaining percentages every year may be as a result of negative or inadequate relation between psychological contract and commitment and job satisfaction.

McDonald and Makin, (1999); believes that violation of psychological contract impacts negatively on employee's job satisfaction and organizational commitment. It's therefore possible that the changes occurring in CIK sponsored centers provide a fertile ground for violations of employees psychological contract with adverse implications on organizational commitment and job satisfaction.

The job market in Kenya is currently characterized by limited employment opportunities despite the almost flooding supply of skilled labor. Existing employment is also faced with increased retrenchment, reduction of permanent employment, reduced medical benefits, pension schemes etc.

It's therefore important to understand whether psychological contract is significant in faith-based projects environment.

The reactions or perceptions the employees have towards the management imposed changes constitute the psychological contract, as such issues are not part of the written contract. The problem of the study is therefore; *the management-imposed changes attract employee's negative reactions in relation to their organizational commitment and job satisfaction.* This leads to poor service delivery and lack of organizational policy integration with employee's interests as much as those of the target community.

1.3 Objectives of the study

The following are the objectives of the study;

- 1) To ascertain the relationship between Employees (social workers) psychological contract and their job satisfaction.
- 2) To ascertain the relationship between employees (social workers) psychological contract to their commitment to the organization.

1.4 Significance of the Study

The findings of this study are very relevant and useful to three groupings of people as follows.

- 1) Project facilitators and sponsor Donor Ministry Associates – they know how to foster employer-worker relationships that will enhance employee job satisfaction and commitment to the organizations (partner churches).

- 2) Project management committee (PMC)- they know how to foster employer –worker relationships that will enhance employee’s job satisfaction and commitment to the organizations.
- 3) Academicians –can use the findings of the study as foundation or basis for further research on psychological contracts not only within Faith-Based sponsored projects but also other sections of secular charitable institutions.

1.5 Purpose of the Study

The purpose of this study shall be to identify and describe the relationship between psychological contract and social workers organizational commitment and job satisfaction within the different faith-based organizations they work for. The study will also enable the researcher to make generalized recommendations in relation to the findings for the benefit of the studied population and similar organizations as well.

1.6 Research Questions

The end of the research shall answer the following questions,

- 1) What is the nature of the relationship between employees psychological contract and their commitment to the organization?
- 2) What is the nature of the relationship between the employee’s psychological contract and their job satisfaction?

1.7 Research Hypothesis

- 1) Healthy psychological contract leads into increased organizational commitment.
- 2) Healthy psychological contract leads into increased job satisfaction.

1.8 Scope and Limitations of the Study

The researcher though careful not to involve any sensitive details that may reveal the identity of his respondents, there still could be laxity and fear of the subjects answering all the questions as honestly as expected. The respondents also may as well be fully occupied by their routine duties to an extent of failing to avail adequate time to answer the questionnaire on time.

1.9 THEORETICAL FRAMEWORK

Among early theorists of motivation Abraham Maslow hierarchy of needs theory is probably the best known. Maslow hypothesized that within every human being there exist a hierarchy of needs. Human beings would strive upon motivation to achieve the most basic needs and eventually be motivated towards other less tangible needs higher within the hierarchy.

Figure 1. Maslow Hierarchy of needs

				5
				4
				3
				2
				1
			Self actualization	
			Esteem needs	xxxxxxxxxxxxxxxx
		Social needs	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
	Safety / security needs	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
1				
Physiological needs	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
	xxxxxxxxxxxxxxxx			

The above variables apply differently to various groupings of people within the workplace and that means each of the variables influences or stimulates satisfaction of people differently.

Douglas McGregor the proponent of theory X and Y define the employee's behavior through a set of assumptions that underlie management attitudes and beliefs regarding psychological contract. Theory X concept assumes employees have a natural dislike towards work and will function only in a highly controlled work environment. Employees inherently dislike work and, whenever possible will tend to avoid it. Since employees dislike work, they must be coerced, controlled or threatened with punishment to achieve desired goals. Employees avoid responsibility and seek formal directives whenever possible. Most employees place security above all other factors associated with work and will display little ambition.

Theory Y concept assumes that employees will accept responsibility and work towards the organizational goals only if they will achieve personal rewards. It assumes;

- ❑ Employees can view work as being as natural as rest or play
- ❑ Human beings will exercise self direction and self control if they are committed to the organizational objectives
- ❑ The average person can learn to acceptance and even seek responsibility
- ❑ The ability to make good decisions is highly dispersed throughout the population and it is not necessarily the sole responsibility of managers.

Motivation –Hygiene theory (two factor theory) by Fredrick Herzberg postulates that there are two sets of factors, which differ in their effects on people at work. Motivation factors increase motivation, but their absence does not necessarily resulting dissatisfaction. Hygiene factors are those that decrease dissatisfaction when presented to individuals at an acceptable degree.

Figure 2. Two factor theory

MOTIVATION FACTORS	HYGIENIC FACTORS
Achievement	Supervision
Recognitions	Working conditions
Responsibilities	Interpersonal relationships
Advancement	Pay
Growth	Hob security
The work itself	Company policy and administration

Contemporary theorists also have their share on motivation and how it influences employees.

Goal-setting theory leads to specific goals by employees a factor that increases performance. The intention to work towards such a goal is a major source of job satisfaction.

Reinforcement theory assumes that people are more likely to engage in desired behavior if they are rewarded for doing so.

Equity theory on the other hand assumes that employees make comparison of their job inputs outcomes in relation to others. They perceive what they get from a job satisfaction in relation to what they put into it, and then compare their input –output ratio with the input –output ratio of others in the same category. Employees may choose to compare themselves with others in the organization, the systems within, individual commitment or experiences.

Satisfaction and commitment is out of motivation, which is the willingness to exert high levels of efforts towards achieving organizational goals, and conditioned by the efforts ability to satisfy some individual need. Communication or its absence determines the perception of employees towards psychological contract something that could lead to satisfaction and commitment or it's opposite to the organization by employees.

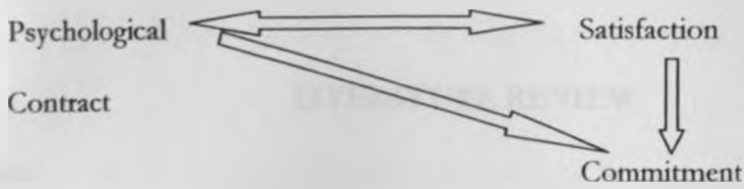
1.10 CONCEPTUAL FRAMEWORK

This study was undertaken with the underlying assumption that there exist various major variable In the relationship between the employees and the management in their work. Conceptually psychological contract was mainly perceived to be the independent variable. The depended variable therefore was thought to be the job satisfaction and commitment to the organization. The employees satisfaction and commitment may be gauged through other sub-variables like the pay, the work itself, the working conditions, relation with workmates and so on.

This study however revealed that there exist a considerable relationship between psychological contract and satisfaction and commitment. A healthy psychological contract facilitates satisfaction and commitment of employees. It was also evident that high levels of satisfaction lead into enhanced commitment of employees as well.

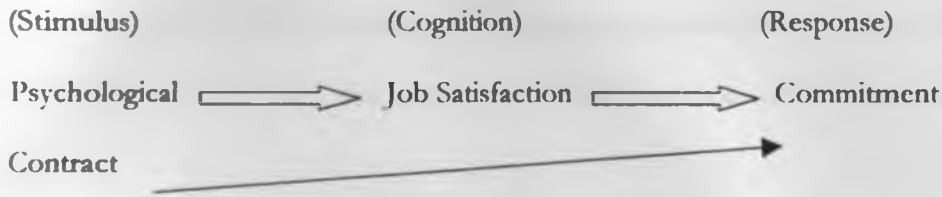
The relationship can be illustrated as below;

Figure 3. Variables Conceptual framework (a)



According to cognitive theorists, satisfaction could be understood to be the internal representation of an experience, which occurs between stimulus and a response and can affect that response. According to Nzuve (1999) this relationship can be illustrated as below;

Figure 4. Variables Conceptual framework (b)



Conscious mental activities such as thinking, knowing, understanding, and mental concepts like attitudes; beliefs and expectations are major determinants of human behavior. A healthy psychological contract (stimulus) may directly elicit commitment (response) by employees.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter strives to discuss various aspects of psychological; contracts, organizational commitment and job satisfaction.

2.1 Psychological Contracts

Chris Argyis, 1960 used psychological contract to refer to the relationship between factory line employees and their foremen. In this understanding, if the foremen respected the norms and values of the informal employee culture (way of life), the employees would continue satisfactory production with fewer problems.

From another contributor (Lester et. Al. 2002), psychological contract is an employees beliefs or perceptions about the obligations of his or her employer to him or her. In other words it can be defined as the stated and implied set of expectations, obligations, and understandings, existing between employees and their employers. It's a fact that psychological contract is perceptual and both the employee and the employer have a set of expectations about each other.

Through research (O'Driscoll, et .al (1999) confirms that aligned and healthy psychological contracts contribute to;

1. Commitment – including affective commitment, which is positively related to higher performance.
2. Job satisfaction – which is related to higher motivation, lower workplace stress and more satisfied clients intention to stay with the organization (in other words retention).

Rousseau (1995) thinks that the respective parties do not have to agree on the terms of the contract. On the other hand Argyis (1960) views the psychological contract as founded on mutual agreement. She argues that the psychological contract “exists as a result of level of social consensus regarding what

constitutes a contractual obligation” i.e. implied contracts exist at the relational level and must be identifiable by observers while psychological contracts are subjective and exist in the minds of the perceivers.

i) Relevance of Psychological Contracts

From the contributions of Rousseau, (1995) she suggests that there is great need to link psychological contracts with human resources policies and practices and the business strategy.

However, she further stipulates that the types of psychological contracts organizations would wish to form with their employees rely on;

- i. The strength of the external business environment
- ii. The appropriate customer service to the organization
- iii. The background and positioning of the organization
- iv. Skill and values that employees inject into the organization

Many organizations in the contemporary set up would acknowledge different psychological contracts with their employees depending on the above stated attributes.

ii) Types of Psychological Contracts

a) Transactional contracts: These are contracts oriented towards economic performance based on the considerations, with finite time frames and clearly defined work tasks and responsibilities.

Under this type of contracts employees identity is perceived to be derived from their skills and competencies, rather than being intimately linked with the organization. As a result they are more likely to manifest lower levels of citizenship behavior, and lower levels of cooperation and teamwork.

Transactional contracts avail for flexibility in minimum training, but they do not solve critical organizational problems with such practices, foregoing opportunities down the road based on the learning and development of distinctive strategic competencies (Davidson, 2001). Davidson also affirms that employers have the discretion to hire and fire at their will.

b) Relational Contracts: Ambwavo (2005) states that relational contracts are more open ended, longer-term arrangements, with a wider range of obligations on the part of both the organization and its employees. The exchange between the two involves monetary benefits e.g. mutual loyalty, support, training, career development, etc.

Ambwavo (2005) further argues that employers expect greater flexibility and loyalty from employees, including a commitment to the community and purpose of the organization. Employees on the other hand also come to identify with the organization through mentoring, promotions, and socialization.

Davidson (2001) states as fact that managements best chance of retaining core knowledge employees lies with the attainment of business success, and offering these employees job challenges and opportunities for their growth and development.

c) Hybrid Contracts: The hybrid contract incorporates shared values and commitments, as well as specified results and time frames (Amstrong, 2001). This type of contracts is well perceived to blend elements of the two (transactional and relational) other contracts.

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In the contemporary set up, the most successful organizations are those that have tried to balance the unwritten needs of their employees with the needs of the firm.

The psychological contract is clearly an important ingredient in the business relationship between employers and employees and can be a powerful determinant of workplace behavior and attitudes.

However, its better understood that such contracts are subject to change and development throughout the employment period, but due to their subjective nature, are potentially prone to violation by both the employer and the employee.

Niehoff and Paul suggest that a successful organization begins the managing of psychological contract needs before the hiring of the employees. They state that an organizations publications, the interview process, contract negotiation and the orientation process all contribute towards the formation of employees psychological contract with the organization.

However, by providing realistic job previews, recruits can be given a clear and realistic view of the actual expectations of their duties, work hours, and performance levels. Further opportunity to clarify the specific details of the expectations of both parties is given during the negotiations process after an offer is made to a candidate.

2.2 Job Satisfaction

Spector, (1997), defines job satisfaction as the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs. Ambwavo (2005) further elaborates that job satisfaction is a general or global affective reaction that individuals hold about their job. In other words job satisfaction may indicate how workers or employees appreciate or dislike their jobs or occupations in relation with their perceived expectations.

Generally job satisfaction may be influenced positively or adversely by values and attitudes of the employees in their perceptions.

a) Values: Values are relative convictions that lay principle belief or direction to ones conscience and may range from freedom, pleasure, obedience, honesty, equity, humility, faith, peace, love, meritocracy, prosperity etc.

Employees join organizations with a mindset of value systems upon which if proven right or wrong may affect their functioning positively or adversely respectively. Robbins (1998) views values as of great influence to the study organizational behavior because they lay the foundation for the understanding of attitudes and motivation and because they influence our perceptions.

For instance, employees convinced salary review is based on performance (meritocracy) may be shocked and affected adversely to realize the organization reviews salary based on seniority.

b) Attitudes: According to Ambwavo (2005), attitudes are evaluative statements – either favorable or unfavorable concerning objects, people or events. Attitudes reflect how one feels about something though values are more stable than attitudes (Robin, 1998)

Attitudes are also seen as persistent tendency to feel and behave in a particular way toward some object.

Attitudes are complex cognitive processes that;

- Persist unless changed in some way.
- Range along a continuum.
- They are directed toward an object about which a person has feelings or affect and beliefs.

Attitudes may also exhibit emotional, informational and behavioral components. However, attitudes have four functions in adaptation to work environment;

1. They help people adjust to their environment
2. Help people defend their self- image
3. Provide people with a basis for expressing their values
4. Help supply standards and frames of reference that allow people to organize and explain world around them.

The employee perception either positively or negatively may be taken to be their attitudes towards their work. Where job satisfaction is propelled by motivational framework, employees measure job satisfaction based on what they get verses what they think they ought to have.

According to Ambwavo (2005), organizations that do satisfy employees for good managerial relations, respect, fair and adequate compensation, and opportunities for growth and development through training, reaping the benefits.

c.) Dimensions of Job Satisfaction

Understanding that there is no single theory that can explicitly explain job satisfaction Mullins, (2005) lays emphasis on the following elements;

1. **Individual elements** comprise personality, professional training, intelligence and abilities, age, marital status, orientation to work etc.
2. **Social elements** include relationships with colleagues, group working, norms, opportunities for interaction, and informal organization, etc.

3. **Cultural elements** include underlying attitudes, beliefs and values
4. **Organizational elements** involve nature and size, formal structures, human resource policies and protocol, employee relations, nature of work, technology and work organizations, control and styles of leadership, management strategies, working environment etc.
5. **Environmental elements** involve economic, social, technical and governmental influences,

According to (Robbins, 1998) the best known example of dissatisfaction is turnover; dissatisfied employees move out for greener pastures thus wasted recruitment and training costs and the loss of valued – even critical employees.

When the organization managers words and actions are inconsistent, the credibility of management is undermined; and employees, feeling angry, betrayed, and helpless, lose their effectiveness and job satisfaction. Violations of psychological contracts regarding job satisfaction relates those commonly concerned with training and development, pay and benefits, and promotion opportunities. Such violations lead to fall in job satisfaction; performance and motivation as the employee can no longer rely on promised inducements.

d) Measuring Job Satisfaction

Job satisfaction being the pleasurable or positive emotional state resulting from the appraisal of ones job or experience can be measured through various rating scales approaches. The most common are as follows;

➤ **The Minnesota satisfaction questionnaire (MSQ)**

It details specific satisfaction and dissatisfactions of employees.

➤ **Job descriptive index (JDI)**

It measures the dimensions identified by Smith, Kendall, and Hulin in the job itself, pay, promotion opportunities, supervision, co-workers.

➤ **Need satisfaction questionnaire (NSQ)**

Its by porter and is typically used for management personnel only.

1) Advantages of Rating Scales

- a) Are usually short and can be filled out quickly and easily.
- b) They tend to be worded in general language so that they can be used with employees in many different types of organizations.
- c) Have been widely used in research, there is usually normative data available so that the responses can be compared with those of employees from other organizations who have taken the test in previous years.

2) Disadvantages of Rating Scales

- a) Based on assumption that personnel are willing to respond honestly and that they are able to describe their feelings accurately.
- b) Underlying assumption that the questionnaire items are valid (they measure what they are supposed to measure) and reliable (they accurately and consistently measure).

Job satisfaction influences productivity positively reduces turnover, and absenteeism, and influences better mental and physical health, learning of new job tasks quickly, reduced wastes and accidents, fewer grievances.

2.3 Organizational Commitment

Organizational commitment as an attitude is defined as;

1. A strong desire to remain a member of a particular organization.
2. A willingness to exert high levels of effort on behalf of the organization.
3. A definite belief in, and acceptance of, the values and goals of the organization.

However, organizational commitment attitude is determined by a number off personal variables like age, tenure in the organization, dispositions such ass positive or negative affectivity, or internal or

external control attributions. It's also determined by organizational variables like; job design and the leadership style of ones supervisor.

For most leading organizations commitment is a critical concern as low levels among employees into high turnover. Taormina (1999) believes that high turnover potentially impacts negatively on the organizations since loss of employees mean reduction in the organizational productivity.

He further argues that normative commitment is based on the notion of social desirability, the expectation that commitment should be demonstrated though difficult to define.

Continuance commitment on the other hand is on the "need" of the individual to remain with the organization either for economic gain or due to lack of opportunities elsewhere.

Continuance commitment is a utilitarian model to commitment, since the worker shall stick with the organization until a better opportunity arises elsewhere. It's a self-serving commitment that is questionable as to its genuineness.

However, O'Driscoll and Randall (1999,p 205) realized that "...perceived organizational support and satisfaction with intrinsic rewards made significant positive contributions to both job satisfaction and affective commitment". In reality commitment is two-way because the nature of commitment given by the individual may be associated to the magnitude of commitment initially and subsequently received from the organization in terms of tenure, employment status and career.

Lastly, if the organizational commitment is perceived by the individual to be a long-term relationship, it is likely to lead to a "relational" psychological contract, thereby creating affective commitment typified by sharing of goals and ideologies and a mutual intention for continued association (Ambwavo, 2005).

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This research is a survey of identified child development centers under various Faith-Based organizations in Nairobi East region. It was done in two phases the first comprising qualitative research that primarily involved literature review. A questionnaire was formulated from the contents obtained through the literature review. See sample questionnaire in the appendix.7.0.

The second phase involved administering of the questionnaires on the population of employees (social workers) in the identified Faith-Based sponsored child development centers in Nairobi to determine the relationship between the psychological contract and their organizational commitment and job satisfaction.

3.1 Research Design

The research is a survey of seven (7) church based child development centres in partnership with Compassion International in Nairobi East region .The study involved two phases the first comprising of the qualitative research which primarily involved literature review. The second phase however, involved administering of the questionnaire to the selected sample from the 7 projects. The questions were formulated based on the literature review contents to determine the relationship between the psychological contract and their organization commitment and job satisfaction. The finality of the research was crowned by quantitative means of data analysis that drew generalized conclusions about the findings.

3.3 Population of the Study

The population consisted of employees (social workers) of child development centers under the sponsorship of Compassion International Kenya in partnership with various local Pentecostal churches in Nairobi East Cluster. With a total population of 29 employees from the 7 projects in Nairobi East region

all employees in each project were involved in the study. The researcher considered that the entire population was minimal and sampling to of a few units would further marginalize the possibility of making logical conclusions.

3.4 Data Collection

The study relied on primary data that was collected from the respondents about their perceptions and beliefs regarding their relation with their employers. The Questionnaire had four parts as below;

Part one – Information on the profile of the organization and respondent.

Part two – Measures of organizational commitment

Part three – Job satisfaction

Part four – Psychological contract

The questionnaire was self-administered and the drop and pick method was used. Envelopes were used for purposes of confidentiality.

3.5 Data Analysis

Data obtained from this study was analyzed through descriptive statistics such as frequency distribution, tables, percentages and pie charts.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATIONS

4.1 Introduction

The data in the study was summarized and presented in form of tables, frequency distribution, and percentages. The presentations make it easy and possible to draw meaningful interpretations of the study .

Table 1. Distribution of respondents per project

Name of project	Project Number	Frequency	Percentage %
Mlango Kubwa KAG CDC	KE 320	4	13.7931
Mathare RGC CDC	KE 373	4	13.7931
Mathare Community Outreach CDC	KE 355	4	13.7931
Huruma RGC CDC	KE 372	5	17.24138
Mathare North PCEA CDC	KE 911	4	13.7931
Kariobagi North PCEA CDC	KE 909	4	13.7931
Korogocho RGC CDC	KE 371	4	13.7931

The table above shows that all staff in each project was involved in the study six of them each having four (4) staff with a percentage of 13. 7931 of the total population. One project with five (%) staff assumed the largest share in the distribution of respondents with 17.24138.

Table 2. Respondent's distribution by Gender

GENDER	Frequency	Percentage %
MALE	11	38
FEMALE	18	62
Total	29	100

It is clearly evident from the table above that ladies are majority workers with at 62 % while men were at 38 %. This may translate into the indication that either men have low retention to the organization and are more often attracted by greener pastures elsewhere compared to the ladies who are many may be due to their level of satisfaction or sense of belonging to the projects they work for.

In regard to age distribution it is seen that age 30 and below comprise the majority at 55 % a clear indication that there could be high turnover rate with the projects, which leads into recruitment of new staff into the system.

Table 3. Respondent's distribution by Age

AGE	Frequency	Percentage %
30 & BELOW	16	55
31 TO 40	7	24
41 TO 50	5	17
51 TO 60	1	3
Total	29	100

Employees between 31 to 40 years are at 24 %, 41 to 50 years are at 17 % and least is 51-60 years at 3%. This means that the number of staff declines with rise in age. It is therefore possible to justify that as the employees grow within the organization to gain experience and perhaps advance their capacity they get attracted to better jobs and occupations elsewhere and thus leave the projects.

Table 4. Employees Experience in the projects

Number of years Worked with the project	Frequency	Percentage %
0 to 2 years	21	72
2 to 5 years	2	7
5 to 7 years	2	7
7 and above years	4	14
TOTAL	29	100

From the table above it is clear that majority employees have less than two (2) years experience with the project at 72 %.

However, there is a very sharp difference with succeeding years of experience as those with experience of 2 to 5 years and 5 to 7 years have 7 % each meaning there must have been a mass exodus (turnover) or dismissal of staff thus new replacements a characteristic of low psychological contract influencing the variables of job satisfaction and organizational commitment negatively.

There are 14 % of employees with 7 years experience and above. This may mean that there are a few employees who still have a sense of belonging to their organizations and would want to continue working in the same projects. However, it may also signify that they were unable to get jobs elsewhere by virtue of their age or professional capacity if they left the organization and their life would be disrupted greatly if they took off.

ORGANIZATIONAL COMMITMENT

In relation to this variable 69 % disagreed that they would be happy to spend the rest of their careers with the organizations they serve. However 10 % strongly disagreed that they could do the same making a total of 79% of all those who would never want to spend their careers with their current organizations. This means that there are very low levels of organizational commitment by the employees. This is a variable that may be as a result of poor psychological contract and low job satisfaction. Only 21% agreed they would be very happy to spend the rest of their career with the organizations they work for.

Those that said they personally feel the problems of their organizations are their own were 48% while those that disagreed were 52% meaning they had no much commitment to the organizations they serve.

Those that feel sense of belonging to their organizations were 41% while those who disagree were 31% with 28 % having no opinion as to whether they belong or not. This tells you that a greater percentage may not have a sense of belonging because their expectations are not met in a way that satisfies their interests.

Those that would not move out of their organization in fear their lives would be disrupted made up 41% while those that would move without any such fear comprised 51% and 8% had no idea what would happen. This still explains a high percentage would move out of the organization and they are confident nothing much would happen against their personal lives.

However, those that believe they have very limited options to consider leaving the organization were 7% while those that disagreed were 72% with 21% had no opinion. This explains that very minimal percentage would stick with the organization for lack of options, which is continuance commitment that may not be genuine because if a better opportunity were availed such staff would move.

It was revealed through the study that 65% of the employees felt no obligation to remain with their current employer a clear indication of poor psychological contract hence low levels of job satisfaction.

Only 24% felt the obligation to remain with their current employer.

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Table 5. Percentages on Employee Commitment

Commitment to the Organization	High levels			low Levels	
	1 Strongly agree %	2 Agree %	3 No opinion %	4 Disagre e %	5 Strongly Disagree %
I would be very happy to spent the rest of my career with this organization	0	21	0	69	10
I personally feel the problems of this organization are my own	14	34	0	34	18
I feel a sense of belonging to my organization	13	28	28	31	0
Too much of my life would be disrupted If I decided to leave my organization at this time	10	31	8	41	10
I feel that I have very few options to consider leaving my organization at this time	0	7	21	62	10
I feel an obligation to remain with my current employer	0	24	11	34	31

JOB SATISFACTION

As to whether the employees have been able to keep busy within their work stations 21% were not satisfied while 21 percent were somehow satisfied, 48% satisfied and 10 % very satisfied. This means their workload is high and the employees are busy throughout.

The study revealed that 34% were not satisfied by the way their supervisors handled workers while 34 % were some how satisfied meaning they had issues with the manner in which the supervisor conducts their job. On the other hand 31% were satisfied meaning psychological contract in relation with job supervisions is not healthy.

Concerning the employees personal values 41 % were not satisfied with the manner in which they were not able to do things that don't go against their conscience. Those that said they could do things without contradiction of their values were 41%.

The study interestingly revealed that 48 % were out rightly not satisfied with their pay in relation amount of work they undertake. However, 41% were somehow satisfied meaning they had reservations concerning their pay and amount of workload. On the other hand only 10% were satisfied with their pay and amount of work they do. This makes it clear that remuneration, as a variable does not motivate the workers situation that leads to low commitment. This could be the reason for higher levels of labour turnover to other well paying institutions.

Regarding chances for advancement or promotions on their jobs 62% were not satisfied at all. On the other hand only 17% were somehow satisfied though they had concerns about the chance available for promotions. It's important to note that only 20% were satisfied with the possibility to advance on their jobs. This means many employees have no hope of ever advancing or getting promotions on their job a situation likely to spark high exodus to other better organizations were their motivation is of priority and one can advance within their jobs.

Regarding their working conditions 62% were not satisfied at all. 17 % were somehow satisfied but with reservations. Only 21% were certainly satisfied meaning there is existence of low psychological contract

and workers are not motivated a fact that they would leave the organization for better organizations that would guarantee job satisfaction their improved working conditions.

On whether the employees are recognized and praised for their achievements 34% were absolutely not satisfied, 31 somehow satisfied, and 35% were satisfied. This means employees satisfaction through recognition was low and could lead into low productivity arising from poor psychological contract .

Table 6. Percentages on Employee Satisfaction

Job Satisfaction	1	2	3	4	5
	Not satisfied %	Some what satisfied %	Satisfied %	Very satisfied %	Extremely satisfied %
Being able to keep busy all the time	21	21	48	3	7
The way my supervisor handles his/her workers	34	34	31	0	0
Being able to do things that don't go against my conscience	41	17	34	7	
My pay and the amount of work that I do	48	41	10		
The chances for advancement on this job	62	17	17	3	
The working conditions	62	17	21		
The praise I get for doing a good job	34	31	21	14	

PYSCHOLOGICAL CONTRACT

Regarding psychological contract it was evident that majority employers withhold information from the employees to a greater extent at 34%. However, employees also felt that employers withheld information from them slightly at 7%, somewhat at 17% and moderately at 7%. Only 34 % were certain that their employers don't withhold information from them. This indicates the highest possibility of a poor psychological contract that consequently leads into low job satisfaction and low commitment.

More interestingly, the study revealed that only 14% of employees felt that their employer does not act as if they don't trust them. On the other hand majority 24% felt that their employers act as if they don't trust them. Others with the same opinion were moderately at 3%, somewhat at 21% and slightly at 3%. This brings out the availability of poor psychological contract or perception that definitely influences job satisfaction and commitment negatively.

Majority employees at 76% said they would build their skills to increase their future employment opportunities elsewhere to a greater extent. However, 14% and 3% would do the same thing slightly and moderately respectively. Only 7 % would not do it at all. This reflects the possibility that majority employees prefer to leave the organization for a better opportunity elsewhere as clear sign of poor psychological contract that leads to low satisfaction and commitment.

Table 7. Percentages on Psychological Contract

Psychological Contract					
The extent to which the employer relates to the employees.					
	1	2	3	4	5
	Not at all %	Slightly %	Some what %	Moderately %	To a great extent %
Withholds information from its employees	34	7	17	7	34
Acts as if it doesn't trust its employees	14	3	21	3	24
Build skills to increase my future employment opportunities elsewhere	7	14	0	3	76
Overall, how satisfied are you in your job	17	41	10	21	10

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The objectives of the study were to;

- i) To ascertain the relationship between Employees (social workers) psychological contract and their job satisfaction.
- ii) To ascertain the relationship between employees (social workers) psychological contract to their commitment to the organization.

A questionnaire with structure questions was used to collect data. A total population of social workers was 29 in seven different projects in Nairobi East and all filled the questionnaires.

Data was analyzed using tables, frequency distribution, percentages and graphs.

5.2 Research Findings

The research found out that poor psychological contract stimulates low levels of job satisfaction, which negatively affects the productivity of the individual as well as the organization. This confirms that that in the presence of a healthy psychological contract the employee's job satisfaction would be enhanced thus increased productivity in both the individual and the organization.

The research also found out that poor psychological contract leads to low levels of employees commitment to the organization. This therefore confirms that healthy psychological contract is absolutely essential for a committed workforce to the organization that is productive.

The research however, found out that low level of job satisfaction lead to low commitment to the organization by the employees. This confirms that organizational commitment is dependent on the nature of both the psychological contract and job satisfaction. It was found out that the psychological contract determined both the job satisfaction and commitment of employees to the organization.

5.3 Conclusions

From the research it was obvious that employees (social workers) within Faith based child development project in Nairobi East were greatly not satisfied with their jobs as a result of poor psychological contract on the part of the organization. A higher percentage of the employees were also not committed to their employers. All these findings concluded that such staff was not productive and so was their organizations . This realization was very important especially to the management of the projects if they were to act on the situation and rectify things related to remuneration of its workers, improvement on the working conditions, staff recognition, supervision, the work itself, respect to workers personal values ,open communication channels among other variables.

5.4 Recommendations

There is absolutely no one single variable that leads to very low or very high levels of job satisfaction or commitment to the organization. The projects management should thus ensure that a variety of variables are considered to ensure that the status of psychological contract remains healthy to stimulate job satisfaction and commitment of employees to their organizations.

The projects management should ensure;

- ❑ Staffs are well remunerated for the work they do
- ❑ Clear promotion and human resource development structures
- ❑ Standard working conditions and appropriate facilities and equipment for the job
- ❑ Provision of the room for flexibility and independence at work place
- ❑ Adequate involvement participation of workers in decision-making
- ❑ Respect and dignity in regard to ethical relations through supervision
- ❑ Recognition and appreciation towards excellence in performance

It is the responsibility of the employers to ensure that their employees are satisfied and committed to their jobs and organization to reduce the rates of absenteeism and turnover in the projects, which is very costly and affects the overall performance of both the employee and the employer.

5.5 Limitations of the study

The study was limited to Nairobi East cluster project in partnership with Compassion international only.

Due to unavailability of adequate time and resources the views of social workers from other projects in the city and the country at large were excluded.

Some respondents did not respond to certain questions.

It is also possible that some respondents may have withheld some important information by filling incorrectly the questionnaire. This may have introduced some bias in the study.

5.6 Suggestions for further Research

A comparative survey should be conducted to find out the psychological contract relationship to job satisfaction and commitment of social workers in secular child development organizations in Nairobi.

More study should be conducted to determine the levels of job satisfaction and commitment among workers in rural Christian based child development organizations.

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7.0 Appendix

THE QUESTIONNAIRE GUIDE

Survey on the psychological contract and its relationship with job satisfaction and organizational commitment of employees in faith based child based child development projects in Nairobi East.

Introduction

I am a Post Graduate Student at the University of Nairobi. I am conducting a survey on Psychological contract and its relationship with Organizational commitment and satisfaction of employees in Faithbased child development projects in Nairobi East Cluster.

This survey will help I establishing the factors that determine employee commitment and satisfaction at their workplace.

The information shall be treated with strict confidence and used for the sole purpose of improving the level of job satisfaction and organizational commitment among workers in Faith based child development projects.

Therefore, kindly be honest and frank and give objective answers to the questions asked.

Thanks in advance

Kilonzi, Jimmy Kimau

QUESTIONNAIRE

Instructions

Please answer all questions in order

- i. Filling in one of the answer spaces may complete most questions. If you do not find the exact answer that suits your case, use the one that is closest to it.
- ii. For most of these questions you will have five possible answers to choose from to indicate your thinking about each question.
- iii. Remember the accuracy of your description depends on being straightforward in answering this questionnaire. You will not be identified with your answers.
- iv. Definitions;
 1. Your organization – means the largest unit where you work (the church you work for)
 2. Your supervisor – means the person to whom you report directly.
 3. Your co-worker – means those person(s) you work with (colleagues, workmates) and report to the same supervisor that you do.
- v. Now that you have completed the instructions please kindly complete the questions starting with part one below;

Part one: Respondents Profiles

1. Gender of respondent. Male -----Female ----- (Tick one)
2. Age group of respondent (circle one);
 - 30 and below
 - 31 to 40
 - 41 to 50
 - 51 to 60
 - 61 and above
3. How long have you been working with this church project (circle one)
 - 0-2 years
 - 2-5 years
 - 5-7 years
 - 7 and above
4. How many times have you transferred from similar church projects? -----

5. How many of your co-workers are males -----, females -----
6. How many years has your project been in existence in its present status -----
7. What cluster is your project in -----
8. What is the name of your project-----

Part two: Commitment to the organization and Jo satisfaction

Please indicate how personally you feel about your job. Each of the statements below is something that a person may say about his or her job. Tick appropriately how much you agree with each statement along the provided scale on the right side columns.

Part two: Commitment to the Organization

High levels

low Levels

	1	2	3	4	5
	Strongly agree	Agree	No opinion	Disagree	Strongly Disagree
I would be very happy to spent the rest of my career with this organization					
I personally feel the problems of this organization are my own					
I feel a sense of belonging to my organization					
Too much of my life would be disrupted If I decided to leave my organization at this time					
I feel that I have very few options to consider leaving my organization at this time					
I feel an obligation to remain with my current employer					

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Part Three: Job Satisfaction

	1	2	3	4	5
	Not satisfied	Some what satisfied	Satisfied	Very satisfied	Extremely satisfied
Being able to keep busy all the time					
The way my supervisor handles his/her workers					

Being able to do things that don't go against my conscience					
My pay and the amount of work that I do					
The chances for advancement on this job					
The working conditions					
The praise I get for doing a good job					

Part Four: The extent to which the employer relates to the employees.

	1	2	3	4	5
	Not at all	Slightly	Some what	Moderately	To a great extent
Withholds information from its employees					
Acts as if it doesn't trust its employees					
Build skills to increase my future employment opportunities elsewhere					
Overall, how satisfied are you in your job					