THE RELATIONSHIP BETWEEN EMPLOYEE PSYCHOLOGICAL CONTRACT AND
ORGANIZATION CITIZENSHIP BEHAVIOR AT THE NATIONAL SOCIAL
SECURITY FUND IN NAIROBI

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DECLARATION

This research project is my original work and has never been presented to the University of Nairobi for an academic award.

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God bless you all.
DEDICATION

To Mum and Dad; Thank you for instilling in me the importance of education, hardwork and achievement.

To my husband Mussa; thank you for your love, continued support and advice.

To my children Winkler and Patience; Thank you for your understanding and patience when I was not available for you when you needed me most.
ABSTRACT

This study sought to determine the relationship between employees’ psychological contract and organization citizenship behavior. The study was carried out between the 16th August and 10th September 2010. The population of interest consisted of the managerial level staff in the four branches of the NSSF in Nairobi.

Data was collected from eighty (80) employees of the four NSSF branches in Nairobi. The collected data was analyzed and interpreted in line with the objective of the study. The response rate was 90% of the target population.

The study established that there exists the exchange relationship between employee psychological contract and organization citizenship behavior, for instance the fulfillment of the organization’s obligations towards its employees is important in explaining the willingness of employees to engage in organization citizenship behavior.

On the basis of the above observation, management should be careful about promises they make to employees particularly in the context of organizational change when reneging of promises may be more prevalent. It also needs to be aware that employees may differ in the extent to which they accept the norm of reciprocity in their exchange relationship with the employer.
Table of Contents

CHAPTER ONE: INTRODUCTION ................................................................. 1
  1.1 Background of the Study ........................................................................ 1
  1.1.1 Psychological Contract (PC) ............................................................... 2
  1.1.2 Organization Citizenship Behavior (OCB) .......................................... 4
  1.1.3 The Link between Psychological Contract and Organization Citizenship Behavior 5
  1.1.4 The National Social Security Fund .................................................... 6
  1.2 Problem Statement .................................................................................. 7
  1.3 Objectives of the Study .......................................................................... 9
  1.4 Significance of the Study ....................................................................... 9

CHAPTER TWO: LITERATURE REVIEW ................................................. 10
  2.1 Introduction ............................................................................................. 10
  2.2 The Nature of Psychological Contract ................................................... 11
  2.3 The Formation of the Contract ............................................................... 12
  2.4 The Function of the Psychological Contract ......................................... 13
  2.5 Breach of the Psychological Contract ................................................... 15
  2.6 Organization Citizenship Behavior (OCB) .............................................. 16
  2.7 Dimensions of Organization Citizenship Behavior (OCB) ....................... 18
    2.7.1 Altruism ......................................................................................... 18
    2.7.2 Conscientiousness ........................................................................ 20
    2.7.3 Civic Virtue ................................................................................... 20
  2.8 The Link between Psychological Contract and Organization Citizenship Behavior 21
    2.9 Conceptual Framework ....................................................................... 22
      2.9.1 Conceptual Model ....................................................................... 23

CHAPTER THREE: RESEARCH METHODOLOGY .................................. 24
  3.1 Introduction ............................................................................................. 24
  3.2 Research Design ..................................................................................... 24
  3.3 Target Population ................................................................................... 24
  3.4 Sample Size and Selection Procedures .................................................. 24
  3.5 Data Collection ....................................................................................... 25
  3.6 Data Analysis .......................................................................................... 25
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION ........ 26
4.1 Introduction ......................................................................................... 26
4.2 Demographic Characteristics ................................................................. 26
  4.2.1 Gender ...................................................................................... 26
  4.2.2 Age of Respondents .................................................................... 30
4.3 Measure of the Psychological Contract ................................................ 30
  4.3.1 Perceived Employee Obligations to NSSF .................................. 30
  4.3.2 Perceived Obligation of NSSF to Employees ............................ 31
4.4 Measure of the Organization Citizenship Behaviour .............................. 33
4.5 Relationship between Employee’s Psychological Contract and Organization Citizenship Behavior ................................................................. 35

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS ........................................................................ 37
5.1 Introduction ......................................................................................... 37
5.2 Summary of Findings ........................................................................... 37
5.3 Conclusion .......................................................................................... 38
5.4 Recommendations ............................................................................... 39
5.5 Suggestions for Further Research ....................................................... 39
5.6 Limitations of the Study ..................................................................... 40
5.7 Reference ............................................................................................ 41
Appendix 1. Letter of Introduction ........................................................... 50
Appendix 2. Questionnaire ....................................................................... 51
LIST OF TABLES

3.1 Sample Frame.................................................................25

4.1 Gender of Respondents ....................................................27

4.2 Age..............................................................................28

4.3 Means and Standard Deviations of Perceptions of Employees Obligations...........30

4.4 Means and Standard Deviations of Perceived Obligations of NSSF to its employees .32

4.5 Means and Standard Deviations for Measures of Organization Citizenship Behavior …33

4.6 Correlation Coefficient for the Relationships Between Psychological Contract And Organization Citizenship Behavior .................................................35
LIST OF FIGURES

2.9.1 Conceptual Model .................................................................................................23

4.1 Distribution of Respondents by Gender .................................................................27

4.2 Distribution of the Respondents by Age ...............................................................28

4.3 Distribution of the Respondents by Department ....................................................29
ABBREVIATIONS

PC- PSYCHOLOGICAL CONTRACT
OCB- ORGANIZATION CITIZENSHIP BEHAVIOUR
NSSF- NATIONAL SOCIAL SECURITY FUND
PCB- PSYCHOLOGICAL CONTRACT BREACH
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In an increasingly competitive world and the changing business environments, organizations need effective strategies to manage businesses, deliver services and goods to customers. Markets, products, technology and competitive conditions are rapidly changing; therefore all organisations must possess the capacity to adapt to these changes effectively. The effects of rapid changes of the global world are frequently observed in the work life. Hard competition, slow economic growth and international crises are the basic factors that force the organizations to change (Beer, Spector, Lawrence & Quinn-Mills, 1984; Hiltrop, 1996; Robinson, 1996). Workforce is the most valuable tool for the organizations to survive in such difficult conditions. In order to manage this resource effectively, organizations create people - oriented business models, and tend to perceive employees as not only a production factor but also a partner in business of the organization (Keser, 2002). Organizations, which experience structural change as a result of the effects of global competition, need to create a workforce that adapts to changes easily.

The most significant change in the work life takes place in job descriptions of employees. Job descriptions include the broad range of duties and responsibilities (Drucker, 1998). Thus, selecting and hiring a workforce, who have to perform different duties and carry out different responsibilities, is considered as a strategic issue (Shakoglu, 1998; Capelli, 1999; Hitt, 1998, Kreitners & Kinicki, 1995; Robbins, 1994). Workers have been experiencing many changes in the work and social life simultaneously. Hence, their expectations and demands from the work and organizations have also been changing (Chrobot-Mason, 2003). In this respect,
effectively managing the change in the structure of the organizations and in social life becomes a must for the organizations of the 21st century. As mentioned earlier, the effective management of the relationships between employees and organizations is a vital factor for the success of both the organizations and employees (Lambert, Edwards$ Cable, 2003).

1.1.1 Psychological Contract (PC)

The term psychological contract (Argyris 1960; Schein 1980; Rousseau 1989) refers to a commonly used exchange concept providing a framework for understanding the ‘hidden’ aspects of the relationship between organizations and their employees (Shore & Tetrick 1994). Literature provides a number of definitions for psychological contract. For example: ‘the set of expectations held by the individual employee that specify what the individual and the organization expect to give to and receive from each other in the course of their working relationship’ (Sims 1994) ‘an individual’s system of belief, shaped by the organization, regarding terms of an exchange agreement between him/herself and the organization’ (Rousseau 1989; Rousseau & Aquino 1993). ‘What employees are prepared to give by way of effort and contributions in exchange for something they value from their employer, such as job security, pay and benefits or continuing training’ (Newell & Dopson 1996). It is an emotional bond between employer and employee. It is implicit and thus unofficial and includes mutual responsibilities and expectations. Compliance motivation reflects the degree of shared belief and trust (DeMeuse & Tornow 1990).

The common theme underlying these definitions is that the psychological contract refers to an employee’s unexpressed beliefs, expectations, promises and responsibilities with respect to what constitutes a fair exchange within the boundaries
Psychological contracts differ from other types of contracts not only because of the innumerable elements they may contain but also because the employee (the contract taker) and the employer (the contract maker) may have differing expectations with respect to the employment relationship. Few of these elements are likely to have been specifically discussed; most are inferred only, and are subject to change as both individual and organizational expectations change (Goddard 1984; Rousseau 1990; Sims 1990, 1991, 1992).

Psychological contracts differ from legal contracts with respect to procedures followed in the event of breach of contract. Breach of a legal contract allows the aggrieved party to seek enforcement in court. Breach of a psychological contract, however, offers no such recourse, and the aggrieved party may choose only to withhold contributions or to withdraw from the relationship (Spindler 1994). The psychological contract is a complex phenomenon. Considerable debate has taken place during the past decade over the validity of the concept in the new ‘lean and mean’ organization. Assessing its validity requires an understanding of the role played by the psychological contract in the organizational context.

1.1.2 Organization Citizenship Behavior (OCB)

Organization citizenship behaviors (OCBs) are a special type of work behavior that are defined as individual behaviors that are beneficial to the organization and are discretionary, not directly or explicitly recognized by the formal reward system. These behaviors are rather a matter of personal choice, such that their omission is not generally understood as punishable. OCBs are thought to have an important impact on the effectiveness and efficiency of work teams and organizations, therefore contributing to the overall productivity of the organization.
Organization citizenship behavior (OCB) is a unique aspect of individual activity at work, first mentioned in the early 1980s. It describes actions in which employees are willing to go above and beyond their prescribed role requirements. Prior theory suggests and some research supports the belief that these behaviors are correlated with indicators of organizational effectiveness. This special behavior has become a lively research field investigated by organizational sociologists, psychologists, and management researchers. Two main facets of OCB are mentioned in previous studies: (1) OCB altruistic, and (2) OCB compliance. Whereas altruism appears to represent help to specific persons, generalized compliance is a factor defined by a more impersonal sort of conscientiousness. It implies more of a "good soldier" or "good citizen" syndrome of doing things that are "right and proper", but doing them for the sake of the system rather than for specific persons. Smith et al. (1983) observed that the two elements represent distinct classes of citizenship that is altruism is behaviour directed towards individuals, whereas compliance is behaviour directed towards the organization.

### 1.1.3 The Link between Psychological Contract and Organization Citizenship Behavior

Psychological contracts help to accomplish two tasks — i.e. they help to predict the kinds of outputs employers will get from employees, and they help to predict what kind of reward the employee will get from investing time and effort in the organization (Sparrow & Hiltrop 1997). When properly implemented, Psychological Contracts will create organizational harmony (Mac-Neil, 1985; Rousseau &Wade-Benzoni, 1994), which in turn will improve organizational citizenship behaviour. Hence, the similarity of employer-employee perceptions of fairness, justice and
truthfulness is crucial for Psychological Contracts. In other words, if they mutually keep the promises, organizational trust and positive results of organizational trust will be achieved (Rousseau, 1995; Rousseau & Greller, 1994; Makin & Cooper, 1996).

Previous studies have tended to emphasize the positive organizational outcomes that occur when the employer and employees perceive their expectations and liabilities in a similar way. Also, previous studies stated that the negative organizational outcomes may arise when the perceptions of their expectations and liabilities are different or one of them disturbs the agreement. Other studies focus on the organizational and individual outcomes of the situations, in which the psychological contract is disturbed or expectations are not completely met (Robinson, Kraatz & Rousseau, 1994; Robinson & Rousseau, 1994; Robinson & Morrison, 1995; Robinson, 1996; Lester, Turnley, Bloodgood & Bolino, 2002). Previous studies claim that organization citizenship behaviors will decrease when the psychological contract is disturbed (Robinson & Morrison, 1995; Kickul, Lester & Belgio, 2004; Kickul, Neumann, Parker & Finkl, 2002, Lester et al 2002). In such cases, the interactive communication mechanism between the employer and employees is broken, and they will reconsider whether to keep their promises. As mentioned, when the psychological contract is disturbed, the organizational harmony and the effectiveness of organizational operations will be damaged due to the fact that workers' creativity, their willingness to be kept as organizational members (Khatz, 1964), and tendency to use their initiatives will decrease (Robinson & Rousseau, 1994; Robinson & Morrison, 1995).
1.1.4 The National Social Security Fund

The National Social Security Fund (NSSF) was established in 1965 by an Act of Parliament (CAP 258 of the Laws of Kenya) in order to administer a provident fund scheme for all workers in Kenya. Initially the fund operated as a government department under the Ministry of Labour but as its membership grew and its operations became complex, the NSSF Act was amended in 1987 to transform it into an autonomous State Corporation. Since 1988, the Fund has been operating under a Board of Trustees, which is constituted by representatives of 3 key stakeholders: the government, workers, and employers (National Social Security Fund Kenya 2010).

In recent years NSSF has embarked on an ambitious reform programme intended to convert it from a National Provident Fund Scheme to a Social Insurance Pension Scheme. As a converted scheme, the new NSSF will operate as a mandatory National Social Insurance Pension Scheme, serving as workers 1st pillar of social protection. Everyone with an income (except those excluded by national and international law) should be registered as a contributing member. Sadly, NSSF’s history has been marred by scandals and ill-conceived investment policies. Indeed, some regrettable investment decisions were made by the Fund in the early and mid 1990s (National Social Security Fund Kenya 2010). However, in recent times, aggressive reform policies have been implemented to prevent the errors of the past from recurring.

NSSF’s operations are now conducted in an atmosphere of transparency, accountability, and with a renewed commitment to efficient delivery of social security services in Kenya. Membership has grown steadily over the years and by the end of 2007, the Fund had a cumulative registered membership of about 3 million. The
average current membership accounts range from 900,000 to 1.2 million. Today, NSSF continues to work on enhancing its organizational performance and improving the quality of services it provides to its members. However, there has been restructuring and layoffs at the fund. This restructuring involves transfers and outsourcing of certain services plus layoff of senior management hence challenging the basis of the exchange relationship. This has increased the levels of insecurity and stress to employees and a feeling that the employer is reneging on the contractual obligations. The volatile and uncertain situation does not augur well for organization citizenship behavior in the Kenyan situation where employment opportunities are very limited thus forming the basis of this study at the NSSF.

1.2 Problem Statement

Empirical research on the psychological contract has grown at a phenomenal rate over the past 15 years. The impetus for the research is the changing nature of the psychological contract that has resulted from global competition, technology, and downsizing (Csoka, 1995; Deery et al., 2006). Rousseau (1995), for instance, argues that psychological contracts have shifted from being relational in nature to being much more transactional. The result has been a shift from a paternalistic employee-employer relationship, where the employer took care of employees by providing upward mobility, job security, and retirement benefits, to a much more transactional employee-employer relationship where there is far less job security and fewer provisions for retirement planning (Cavanaugh & Noe, 1999; Turnley et al., 2003). This has led to an increased level of ambiguity regarding what the employee can expect from the employer and thus an increased likelihood that the employee will perceive that the employer is not fulfilling its promises and obligations (Rousseau, 1995).
Several studies have been carried out locally on psychological contract, they include: Abwavo (2005); the psychological contract, organizational commitment and job study of commercial banks in Nairobi, which established that there exists a significant positive correlation between employer’s obligation/commitment and employee’s job satisfaction. However the PC does not positively correlate with organizational commitment thus need to study other areas; Longurasia (2008) studied employees’ perception of psychological contract: A case study of Kenya meat commission where she found that the company fulfills it’s PC largely by assigning jobs with responsibilities, facilitating a positive relationship between colleagues and fostering good communication while on the other hand employees fulfill their obligations to the company. Finally Njenga (2008) studied employees’ state of psychological contract following implementation of performance contracts: A case of municipal council of Thika Managers. The findings indicated that the obligations and commitments by the employer have been moderately fulfilled and the employer has moderately violated the PC either inadvertently or disruption or breach.

The recommendations on the findings of these studies indicate a knowledge gap on whether there are some areas that PC can be studied to determine how it affects both individual and organization performance. This laid a basis for this study since none of the local studies carried out research on the relationship between employees’ psychological contract and organization citizenship behavior. This study therefore seeks to fill the knowledge gap and look at the in-depth analysis of the relationship between employees’ psychological contract and organization citizenship behavior since when the psychological contract is disturbed, the organizational harmony and the effectiveness of organizational operations will be damaged due to the fact that workers' creativity, their willingness to be kept as organizational members, and
tendency to use their initiatives will decrease thus affecting performance, commitment and organizational productivity

1.3 Objectives of the Study

To establish the relationship between the psychological contract and organization citizenship behavior.

1.4 Significance of the Study

The study will be important to NSSF as they recognize the effect of psychological contracts both on the organization and individual employee. Management and staff of other organisations will also benefit as it will provide insight on the effect of psychological contracts on Organization citizenship behaviors and finally scholars/researchers will find it important as the study will increase to the body of knowledge in this area as the findings will act as basis for further research.
2.1 Introduction

Organisations and their employees face ongoing challenges in the form of new strategic initiatives designed to keep pace in an increasingly complex business environment. In order for these challenges to be successfully met, new behaviors are required on the part of employees (Sims 1994). Defining these new behaviors is initiated through the organization’s human resource (HR) practices (Rousseau & Wade-Benzi 1994). However, actual change in individual employees’ behaviour is determined by interpreting their employers’ HR practices. Such interpretation affects employee behaviour by altering perceptions of the terms of the individually held psychological contract.

Locally studies have been carried out on psychological contract for instance; Abwavo (2005); the psychological contract, organizational commitment and job study of commercial banks in Nairobi, which established that there exists a significant positive correlation between employer’s obligation/commitment and employee’s job satisfaction. However the PC does not positively correlate with organizational commitment thus need to study other areas; Longurasia (2008) studied employees’ perception of psychological contract: A case study of Kenya meat commission where she found that the company fulfills it’s PC largely by assigning jobs with responsibilities, facilitating a positive relationship between colleagues and fostering good communication while on the other hand employees fulfill their obligations to the company. Finally Njenga (2008) studied employees’ state of psychological contract following implementation of performance contracts: A case of municipal council of Thika Managers. The findings indicated that the obligations and commitments by the
employer have been moderately fulfilled and the employer has moderately violated the PC either inadvertently or disruption or breach.

2.2 The Nature of Psychological Contract
The psychological contract has been described as the terms and conditions of the reciprocal exchange relationship between an employee and employer (Rousseau, 1989). It represents the mutual beliefs, perceptions, and informal obligations between an employer and an employee. It sets the dynamics for the relationship and defines the detailed practicality of the work to be done. It is distinguishable from the formal written contract of employment which, for the most part, only identifies mutual duties and responsibilities in a generalized form.

As commercial organizations grew in size and complexity, there was a tendency to standardize rather than individualize the treatment of labor. Trade unions emerged to offer protection to ever larger groups of employees. The result was collective bargaining to define pay and conditions by reference to grades across industries and trades, and in public service. More recently, unions have lost some of their significance, leaving employees in more direct control. But societies have developed expectations of a better work-life balance, reinforced by legislation, and employers have found it in their own best interests to develop practices that respect equal opportunities and employment rights through professionalized human resource services because: the workforce has become more feminized; the workforce is better educated, less deferential to authority and less likely to remain loyal; the workforce is required to be more flexible to meet new challenges quickly and effectively, but this need to change can be a source of insecurity; the use of temporary workers as well as outsourcing of projects and whole business functions also changes workers’ expectations as to what they want to get out of their psychological contracts.
2.3 The Formation of the Contract

During the recruitment process, the employer and interviewee will discuss what they each can offer in the prospective relationship. If agreement is reached, most employers will impose a standard form contract, leaving the detail of the employee's duties to be clarified "on the job". But some of the initial statements, no matter how informal and imprecise, may later be remembered as promises and give rise to expectations (Rousseau, 1995). Whether they are incorporated into the parallel psychological contract will depend on whether both parties believe that they should be treated as part of the relationship. The better organized employers are careful to document offers to reduce the risk of raising false expectations followed by disappointment. The first year of employment is critical as actual performance by the employee can be measured against claims and promises made during the interview, and the management has begun to establish a track record in its relationship with the employee at supervisor and manager level. Feldhiem (1999) reflects these two strands by dividing the psychological contract into:

**Transactional**: this is the economic or monetary base with clear expectations that the organization will fairly compensate the performance delivered and punish inadequate or inappropriate acts. An individual's identity is said to be derived from their skills and competencies rather than being closely tied with the organization. They are likely to display lower levels of citizenship behaviour, lower levels of collaboration and teamwork. In transactional contracts employers are free to “hire and fire” Davidson (2001).

**Relational**: this is a socio-emotional base that underlies expectations of shared ideals and values, and respect and support in the interpersonal relationships. Relational contracts are more open ended, long-term arrangements with a wider range
of employees. The exchange between employer and employee involves monetary and non-monetary benefits. Employers expect greater flexibility and loyalty from employees whereas employees come to recognize with the organization through promotion, mentoring and socialization (Davidson 2001).

**Hybrid**: this incorporates a blending of both elements in of transactional and relational psychological contract. It incorporates shared values and commitment as well as specified results and time frames (Armstrong 2001; Davidson 2001). The psychological contract versatility suggests that it, along with related constructs such as violation and change has a central role to play in organizational behavior by better specifying the dynamics of the employment relationship. It is an important ingredient in the business relationship between employer and employee and can be a powerful determinant of workplace behavior and attitudes which in turn affect employee performance. Modern economic changes have resulted in both the organization and employee having a changed psychological contract. Today the contract formed is more transactional and about self actualization. Firms and their managers need to be aware of this change and invest time and effort in forming the right kind of psychological contract with their employees and prospective employees.

**2.2.4 The Function of the Psychological Contract**

The primary function of the psychological contract has been described in a number of ways; It represents an essential feature of organizational life (Robinson, Kraatz, & Rousseau 1994), serving to bind individuals and organisations together and to regulate their behaviour, it acts to sustain the employment relationship over time (Rousseau & Wade-Benzoni 1994), the psychological contract enables the human side of organisations to function smoothly and is particularly important in times of
uncertainty and risk such as during corporate restructuring, psychological contract acts in a similar manner to hygiene factors. Good contracts may not always result in superior performance but poor contracts tend to act as demotivators and can be reflected in lower commitment and heightened absenteeism and turnover, it helps to accomplish two tasks — i.e. help to predict the kinds of outputs employers will get from employees, and also help to predict what kind of reward the employee will get from investing time and effort in the organization (Sparrow & Hiltrop 1997), predictability, contributes significantly to the employment relationship created by psychological contracts.

Predictability is a critical underpinning to motivation. To be motivated, an employee should be able to predict that performance will result in desired outcomes (Vroom 1964). Predictability, understanding and a sense of control are also key factors in preventing stress (Sutton & Kahn 1986) and in developing trust (Morrison 1994). Morrison argues that predictability, reliability, credibility, loyalty and trust all reinforce one another. These factors are essential for a continued harmonious relationship between the employee and the organization. The extent to which people work effectively and are committed to the organization depends on the degree to which their own expectations of what the organization will provide to them and what they owe to the organization in return match the organization’s expectations of what it will give and get in return and the nature of what is actually exchanged. Money is exchanged for time at work; social need satisfaction and security in the exchange of hard work and loyalty; opportunities for self actualization and challenging work in exchange for high productivity, high quality of work and creative effort in the service of organization’s goals.
2.5 Breach of the Psychological Contract

The failure of an organization to fulfill employee perceived promises and obligations has been defined as psychological contract breach (Rousseau, 1989). Psychological contract breach (PCB) has been found to have a negative impact on a wide variety of employee workplace attitudes and behaviors. Psychological contract breach may occur if employees perceive that their firm, or its agents, have failed to deliver on what they perceive was promised, or vice versa. Employees or employers who perceive a breach are likely to respond negatively. Responses may occur in the form of reduced loyalty, commitment, and organizational citizenship behaviour. Perceptions that one’s psychological contract has been breached may arise shortly after the employee joins the company or even after years of satisfactory service.

The impact may be localized and contained, but if morale is more generally affected, the performance of the organization may be diminished. Further, if the activities of the organization are perceived as being unjust or immoral, e.g. aggressive downsizing or outsourcing causing significant unemployment, its public reputation and brand image may also be damaged. Manager-subordinate mismatch may also cause a breach of the psychological contract. Researchers have found that "failure to honor a psychological contract creates a sense of wrongdoing, deception and betrayal with pervasive implications for the employment relationship." For example, Robinson and Rousseau (1994) examined the reaction of recent MBA graduates to employers who promised but failed to provide adequate training, compensation, prospects for promotion, job security, feedback, responsibility, and other desirable attributes of their jobs. They found that those who believed their employer breached such a contract experienced heightened levels of distrust of their employers and job dissatisfaction, and were more likely to leave.
For a successful organization, managing the psychological contract needs to begin before the hiring of an employee. Niehoff and Paul (2001), observes that an organization’s publications, the interview process, contract negotiation and the orientation process all contribute towards the formation of the employee’s psychological contract to the organization. By providing realistic job previews, candidates can be given a clear and realistic view of the actual expectations of the duties, work hours and performance levels (Niehoff and Paul 2001). The negotiation process after an offer is made to the candidate provides a further opportunity to clarify the specific details of the expectations of both parties. Finally the orientation program (either formal or informal) gives an opportunity to re-enforce the psychological contract that has been formed. All these in line with each other and organization’s expectations allows the organization to form a contract that is more likely to be clearly understood by both parties and has a less chance of being breached (Rousseau, 1989,1995).

2.6 Organization Citizenship Behavior (OCB)

OCB typically refers to behaviors that positively impact the organization or its members (Poncheri, 2006). OCB can be defined as defending the organization when it is criticized or urging peers to invest in the organization (Turnipseed & Rassuli, 2005), or a behavior that exceeds routine expectations (Joireman et al. 2006). Discretionary behavior that is not part of an employee’s formal job requirements, but that nevertheless promotes the effective functioning of the organization; work behavior that goes above and beyond the required duties of the job. Examples of Organizational Citizenship are: Helping others on one's work team, Volunteering for extra job activities, avoiding unnecessary conflicts and Making constructive statements about one's work group and the overall organization.
OCB can be affected by instilling in employees a perception of expertise in their job tasks (Todd, 2003). There is persuasive evidence that OCB is an outcome consistent with a social exchange relationship (Deckop et al. 1999). Organizational concern emerged as the motive most closely related to OCB directed towards the organization (Dick et al. 2006). OCBs yield significantly higher outcomes in the long term than in the short term for the organization (Joireman et al. 2006). The importance of OCB can be realized by the argument of Koys (2001) who suggests; Organization citizenship behavior had an impact on profitability but not on customer satisfaction. Jacqueline et al. (2004) indicates that individuals engage in OCB as a form of reciprocity based on organizational treatment.

Turnipseed & Rassuli (2005) found that the ‘best’ performing workers produced the strongest link between performance and functional participation, which is a helping-type (Altruism) OCB. Employee attitudes were found to influence subsequent organizational citizenship. Indeed, as citizenship appears to consist of discretionary behaviors, how the employee perceives the organization (as evidenced by his/her attitude toward it) would likely predispose this employee to either perform or withhold such performance (Dick et al. 2006). Results indicate that perceptions of citizenship performance predict overall performance equally well across all task performance levels (Coole, 2003). Results from the studies of Yorges (1999) suggest, that creating a group atmosphere can have detrimental consequences, particularly regarding OCB (due to competition). Deckop et al. (1999) argue that, for employees low in value commitment, a pay-for-performance system appears to be a disincentive for engaging in OCB. To the extent organizations can manage their relationship with employees; they are more likely to engage in OCB (Jacqueline et al. 2004). The belief
among theorists is that as more employees engage in OCB, the organization becomes more successful (Neihoff & Yen, 2004).

2.7 Dimensions of Organization Citizenship Behavior (OCB)

There are many factors that can contribute to the determination of Organization Citizenship Behavior (OCB) which include Altruism, Conscientiousness, Civic Virtue, Sportsmanship and Courtesy. The factors that have been researched to have a significant relationship with Organization citizenship behavior, are the first three i.e. Altruism, Conscientiousness, and Civic Virtue. As Borman et al. (2001) finds Altruism and conscientiousness are the two major or overarching dimensions of OCB.

2.7.1 Altruism

Todd (2003) Altruism, is interpreted to reflect the willingness of an employee to help a coworker, it is also referred to and explained as the selflessness of an employee towards organization. According to Redman & Snape, (2005) ‘Altruism’ is concerned with going beyond job requirements to help others with whom the individual comes into contact. Altruism is accounted as a one of the significant antecedents of Organization citizenship behavior (OCB), reason being, according to Pare’ & Tremblay (2000) - behaviors such as helping a colleague who has been absent from work, helping others who have heavy workloads, being mindful of how one’s own behavior affects others’ jobs, and providing help and support to new employees represent clear indications of an employee’s interest for its work environment.

Socially driven values emphasizing the group over individual concerns are likely to encourage altruistic behaviors benefiting the group. Altruism and compassion may arise as a natural consequence of experiences of interconnection and oneness (Vieten
et al. 2006). Altruism or helping coworkers makes the work system more efficient because one worker can utilize his or her slack time to assist another on a more urgent task (Neihoff & Yen, 2004). Redman & Snape (2005), ‘altruism’ involves helping specific individuals in relation to organizational tasks. The altruistic person can obtain utility from other persons’ utility (by convincing them with their selflessness aspect of personality) (Wu, 2001).

### 2.7.2 Conscientiousness

‘Conscientiousness’ refers to discretionary behaviors that go beyond the basic requirements of the job in terms of obeying work rules, attendance and job performance (Redman & Snape, 2005). In other words, conscientiousness means the thorough adherence to organizational rules and procedures, even when no one is watching. It is believed to be, the mindfulness that a person never forgets to be a part of a system (organization). Conscientiousness, and Openness are all better predictors of decision-making performance when adaptability is required than decision-making performance prior to unforeseen change (Lepine et al. 2000). Konovsky & Organ (1996) found in their study that, conscientiousness was significantly related to all five types of OCB.

Conscientiousness was also significantly related to Generalized Compliance and to Civic Virtue, (two of the antecedents of Organization citizenship behavior). More conscientious employees will stay informed with up-to date knowledge about products or services offered (Neihoff & Yen, 2004). High conscientious individuals, in contrast, persisted longer than individuals lower in conscientiousness whether or not there was an additional benefit and whether or not they varied the procedure while performing (Sansone et al. 1999). Conscientiousness, with its emphasis on
responsibility and dedication, is likely to underlie the first motive for interpersonal helping—taking the initiative to engage in behaviors for the good of the organization.

### 2.7.3 Civic Virtue

‘Civic Virtue’ refers to behaviors that demonstrate a responsible concern for the image and wellbeing of the organization (Redman & Snape, 2005). Borman et al. (2001) defines civic virtue as responsibly involving oneself in and being concerned about the life of the company. Civic virtue is behavior indicating that an employee responsibly participates in, and is concerned about the life of the company (represented by voluntary attendance at meetings) (Todd, 2003). Baker (2005) explains Civic Virtue as responsible, constructive involvement in the political processes of the organization.

Neihoff & Yen (2004) suggests acts of civic virtue to include employees offering suggestions for cost improvements or other resource-saving ideas, which might directly influence operating efficiency. Coole (2003) argues that civic virtue was more limited in their relation to organizational effectiveness; i.e. the more the organization is effective the chances of emergence of this very behavioral aspect is the most. Extraversion is negatively related to the citizenship behaviors of Altruism, Civic Virtue, and Conscientiousness (Baker, 2005). Todd (2003) points out that it is noteworthy that some different types of OCBs such as helping behavior and civic virtue appear to impact distinct measures of organizational effectiveness in their own ways.
2.8 The Link between Psychological Contract and Organization Citizenship Behavior

Psychological contracts help to accomplish two tasks — i.e. they help to predict the kinds of outputs employers will get from employees, and they help to predict what kind of reward the employee will get from investing time and effort in the organization (Sparrow & Hiltrop 1997). When properly implemented, Psychological Contracts will create organizational harmony (Mac-Neil, 1985; Rousseau & Wade-Benzi, 1994), which in turn will improve organizational citizenship behaviour. Hence, the similarity of employer-employee perceptions of fairness, justice and truthfulness is crucial for Psychological Contracts. In other words, if they mutually keep the promises, organizational trust and positive results of organizational trust will be achieved (Rousseau, 1995; Rousseau & Greller, 1994; Makin & Cooper, 1996). Studies emphasize the positive organizational outcomes that occur when the employer and employees perceive their expectations and liabilities in a similar way. Also, previous studies stated that the negative organizational outcomes may arise when the perceptions of their expectations and liabilities are different or one of them disturbs the agreement.

Other studies focus on the organizational and individual outcomes of the situations, in which the psychological contract is disturbed or expectations are not completely met (Robinson, Kraatz & Rousseau, 1994; Robinson & Rousseau, 1994; Robinson& Morrison, 1995; Robinson, 1996; Lester et al 2002). Those studies claim that organization citizenship behaviors will decrease when the psychological contract is disturbed (Robinson & Morrison, 1995; Kickul et al2004; Kickul, Neumann, Parker &
Finkl, 2002, Lester et al. 2002). In such cases, the interactive communication mechanism between the employer and employees is broken, and they will reconsider whether to keep their promises. As mentioned, when the psychological contract is disturbed, the organizational harmony and the effectiveness of organizational operations will be damaged due to the fact that workers' creativity, their willingness to be kept as organizational members (Khatz, 1964), and tendency to use their initiatives will decrease (Robinson & Rousseau, 1994; Robinson & Morrison, 1995).

2.9 Conceptual Framework

Psychological contracts are the beliefs individuals hold regarding terms and conditions of the exchange agreement between themselves and the organization. By filling the gaps between the formal contract and all that applies to the working relationship, it reduces uncertainty, shapes behaviour and gives people a feeling about what happens to them in the organization. PC can be seen as the foundation of the relationship originating during recruitment phase and further developing the first few months after entry. This contract can have an important role in interacting with cynicism in employees displaying OCB. Establishing this potential interaction could have important implications for managers trying to gain a more comprehensive understanding of antecedents of OCB. The employee’s behavior/beliefs and the organization’s potential bottom-line effectiveness are impacted.

Change, downsizing, flatter organizations, and increased use of technology have all contributed to organizations doing more with less. To increase organizational effectiveness and ability to change, managers and leaders should understand the importance of the impact the psychological contract has on employee attitudes and behavior. A satisfied worker that believes or perceives that the psychological contract
with the employer is healthy is more likely to display positive attitudes and perform extra-role behaviors. The reverse is also true (Mac-Neil, 1985; Rousseau & Wade-Benzi, 1994). Workers that perceive or believe their psychological contract with the employer has been violated will display more negative attitudes (i.e., cynicism), thus affecting the organization’s bottom line effectiveness. Understanding the relationships between these variables helps the employer better manage and lead their organization in this ever-changing environment.

### 2.9.1 Conceptual Model

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>The psychological contract.</td>
<td>Organization citizenship behavior.</td>
</tr>
</tbody>
</table>
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction.
This chapter presents the methodology that was used to carry out the research. It presents the research design, the target population, sampling procedures, data collection procedures and instruments and data analysis.

3.2 Research Design
The research design used was a descriptive survey of employees at the NSSF. This design was considered for this study because of comparative analysis that was done to achieve the research objective.

3.3 Target Population
The population of this study was managerial staff in the various departments/divisions within the 4 branches of the NSSF in Nairobi. The total number of this cadre of staff was 100.

3.4 Sample Size and Selection Procedures
The sample size was eighty (80) respondents drawn from the various divisions within the four branches of the NSSF in Nairobi. Respondents were managerial staff from each of the four branches from different departments/divisions. Proportional sampling technique was used to select the sample size of each branch.
### Table 3.1; Sample Frame

<table>
<thead>
<tr>
<th>BRANCH</th>
<th>MANAGERIAL STAFF</th>
<th>SAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Area</td>
<td>26</td>
<td>21</td>
</tr>
<tr>
<td>City Centre</td>
<td>24</td>
<td>19</td>
</tr>
<tr>
<td>Westlands</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>Hill Branch</td>
<td>33</td>
<td>26</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>

Source: Research Data (2010)

#### 3.5 Data Collection

Primary data was used in this study; a structured questionnaire was used to collect data. The questionnaire contained both closed-ended questions and few open ended. The questionnaire consisted of three sections. Section one was designed to obtain general information on person and organization profile. Section two consisted of questions on measure of the psychological contract and section three contained questions on the measures of the organization citizenship behaviour. The questionnaire was administered through “drop and pick later” method. Respondents were employees in various departments/divisions in the four branches of the NSSF within Nairobi.

#### 3.6 Data Analysis

Before analysis, the data was checked for completeness and consistency. Descriptive statistics were used to analyze the questionnaire. Data was summarized and presented in form of tables and charts. The mean, standard deviation, frequencies and percentages were used. Pearson’s product moment correlation technique was used to establish the relationship between psychological contract and organization citizenship behavior.
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter analyses the data collected from the data collection tools, that is the questionnaire presented. It interprets the data in relation to the research objectives and questions. The findings or results are analyzed using different data analysis methods. The purpose of the analysis was to establish the relationship between the employee psychological contract and organization citizenship behavior. Mean scores, standard deviation, frequencies and percentages were used to carry out analysis of data collected. Pearson’s product moment correlation technique was used to establish the relationship between psychological contract and organization citizenship behavior. The raw data was coded, evaluated and tabulated to depict clearly the results of the problem encountered.

4.2 Demographic Characteristics

The respondents were asked to show their demographic characteristics as was presented in the questionnaire. The characteristics included, departments worked, designation, age of the respondent and gender. These were analyzed as follows.

4.2.1 Gender

The respondents were asked to indicate their gender; this was expected to guide the researcher on the conclusions regarding the congruence of responses to the gender characteristics. The results in table 4.1 and figure 4.1 show that a majority of the respondents were male at 63.9% whereas the female employees were at 36.6%.
### Table 4.1: Gender of respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>46</td>
<td>63.9</td>
</tr>
<tr>
<td>Female</td>
<td>26</td>
<td>36.1</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>100.0</td>
</tr>
</tbody>
</table>

#### Figure 4.1: Distribution of Respondents by Gender

Source: Research Data (2010)

#### 4.2.2 Age Bracket of Respondents

According to the study, the following was the age distribution of the respondents. It shows that the age of most of the respondents was of middle age levels between 31-40 years at 50%, followed by 41-50 years at 23.6%, below 30 years at 16.7% and lastly 51-60 years at 6.9%. None of the respondents was 60 years and above. Since age influences formation and evaluation of the psychological contract by employees the
findings indicate that apart from the respondents’ rich experiences they could also appreciate the importance of the study.

Table 4.2; Age Bracket

<table>
<thead>
<tr>
<th>No. of years</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 and below</td>
<td>12</td>
<td>16.7</td>
</tr>
<tr>
<td>31-40</td>
<td>36</td>
<td>50.0</td>
</tr>
<tr>
<td>41-50</td>
<td>17</td>
<td>23.6</td>
</tr>
<tr>
<td>51-60</td>
<td>5</td>
<td>6.9</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>97.2</td>
</tr>
<tr>
<td>Missing System</td>
<td>2</td>
<td>2.8</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 4.2; Distribution of the Respondents by Age

Source: Research Data (2010)
4.2.3 Departmental Representation

The study was supposed to cover employees in proportionate levels so as to allow generalization. Figure 4.3 shows the distribution of employees across the departments in the four branches at the NSSF head office in Nairobi. Generally all departments were well represented; therefore the results can generalized to the entire organization.

Figure 4.3; Distribution of the Respondents by Department

Source: Research Data (2010)
4.3 Means and standard deviations for respondents on measures of the Psychological Contract

In this section, respondents were asked to indicate their (i.e. employees) obligations to the organization and the organization’s (i.e. employer’s) obligations to them (i.e. employees). The results are presented and explained in subsection 4.3.1 and 4.3.2.

4.3.1 Perceived Employee’s Obligations to NSSF

The respondents were asked to rate the extent to which they believed they had obligation to their organization with respect to various organizational inputs and outcomes. The results are presented in table 4.3. As shown in the table the obligation highly fulfilled by the employees is the employees get along well with others $\bar{x} = 5.2778$, followed by the employees follow organization’s policies and norms $\bar{x} = 4.6528$, the employees cooperate well with others $\bar{x} = 4.5278$, employees use organizations property honestly $\bar{x} = 4.4722$, among others whereas the least obligation fulfilled by the employees is employees participating in training outside work hours $\bar{x} = 2.5882$

Table 4.3; Means and Standard Deviations of Perceptions of Employees’ Obligations

<table>
<thead>
<tr>
<th>Obliagions</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The extent employees work extra hours to get the job done</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>2.9722</td>
<td>1.25566</td>
</tr>
<tr>
<td>The extent employees volunteer to carry out duties that are not theirs</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.5833</td>
<td>1.12275</td>
</tr>
<tr>
<td>The extent the employees cooperate well with others</td>
<td>72</td>
<td>3.00</td>
<td>5.00</td>
<td>4.5278</td>
<td>.58073</td>
</tr>
<tr>
<td>The extent the employees work well with others</td>
<td>72</td>
<td>3.00</td>
<td>5.00</td>
<td>4.3333</td>
<td>.69201</td>
</tr>
</tbody>
</table>
The respondents (employees) were required to rate various statements on scales ranging from 1 to 5 that described obligations of their employer (i.e. NSSF) to them. The results are presented in table 4.4. As indicated in the table, the obligation that is

<table>
<thead>
<tr>
<th>The extent the employees share information with colleagues</th>
<th>72</th>
<th>1.00</th>
<th>5.00</th>
<th>3.6250</th>
<th>1.06728</th>
</tr>
</thead>
<tbody>
<tr>
<td>The extent the employees deliver qualitative work</td>
<td>69</td>
<td>2.00</td>
<td>5.00</td>
<td>4.0435</td>
<td>.89828</td>
</tr>
<tr>
<td>Whether the employees get along with others</td>
<td>72</td>
<td>2.00</td>
<td>35.00</td>
<td>5.2778</td>
<td>5.10791</td>
</tr>
<tr>
<td>The extent the employees work during weekends or holidays</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7917</td>
<td>1.19786</td>
</tr>
<tr>
<td>The extent the employees protect confidential information</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.2778</td>
<td>1.37608</td>
</tr>
<tr>
<td>The extent employees use organizations property honestly</td>
<td>72</td>
<td>2.00</td>
<td>5.00</td>
<td>4.4722</td>
<td>.94901</td>
</tr>
<tr>
<td>The extent employees follow organization’s policies and norms</td>
<td>72</td>
<td>4.00</td>
<td>5.00</td>
<td>4.6528</td>
<td>.47943</td>
</tr>
<tr>
<td>Whether employees will remain with the organization for as long as possible</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>4.3333</td>
<td>1.18678</td>
</tr>
<tr>
<td>The extent employees will not look for work elsewhere</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>2.9583</td>
<td>1.27199</td>
</tr>
<tr>
<td>The extent employees will participate in training outside work hours</td>
<td>68</td>
<td>1.00</td>
<td>5.00</td>
<td>2.5882</td>
<td>1.42719</td>
</tr>
<tr>
<td>The extent employees take initiative to attend additional training</td>
<td>69</td>
<td>1.00</td>
<td>5.00</td>
<td>3.2899</td>
<td>1.18943</td>
</tr>
<tr>
<td>The extent employees set own performance goals</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.0833</td>
<td>1.26435</td>
</tr>
<tr>
<td>The extent employees do everything possible to achieve set targets</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.3056</td>
<td>1.42056</td>
</tr>
</tbody>
</table>

Valid N (list wise) 62

**4.3.2 Perceived Obligations of NSSF to its Employees**
highly fulfilled by the employer is conducive work environment $\bar{x}=4.06$. This is followed by organization offers attractive pay and benefits package $\bar{x}=3.96$ the organization provides regular benefits and extras $\bar{x}=3.93$ organization provides a job the employee makes own decisions $\bar{x}=3.93$, among others whereas the least fulfilled obligation as perceived by respondents is organization offers opportunities to decide when to take leave $\bar{x}=3.13$.

Table 4.4; Means and Standard Deviations of Perceived Obligations of NSSF to Its Employees

<table>
<thead>
<tr>
<th>Obligation</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The extent the organization offers conducive work atmosphere</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>4.0556</td>
<td>.90209</td>
</tr>
<tr>
<td>The extent the organization provides a job the employee makes own decisions</td>
<td>70</td>
<td>1.00</td>
<td>5.00</td>
<td>3.9286</td>
<td>1.08108</td>
</tr>
<tr>
<td>The extent the organization provides a job with responsibilities</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.2778</td>
<td>1.43617</td>
</tr>
<tr>
<td>The extent the organization provides opportunities to use own skills</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7222</td>
<td>1.22443</td>
</tr>
<tr>
<td>The extent the organization offers a job to show what employees can do</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7917</td>
<td>1.24400</td>
</tr>
<tr>
<td>The extent organization offers opportunities for promotion and career development</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8750</td>
<td>1.33150</td>
</tr>
<tr>
<td>The extent organization offers wage increases based on performance</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7222</td>
<td>1.43617</td>
</tr>
<tr>
<td>Whether the organization offers attractive pay and benefits package</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.9583</td>
<td>1.39857</td>
</tr>
<tr>
<td>The extent the organization provides regular benefits and extras</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.9306</td>
<td>1.14235</td>
</tr>
</tbody>
</table>
4.4 Measure of the Organization Citizenship Behaviour

The respondents were asked to rate the extent they believed they had a duty to exhibit various behaviour characteristics in the organization. The results in table 4.5 indicate that the highly rated behaviour characteristic is employees take action to protect the organization from potential problems $\bar{x}=4.34$, followed by employees obey organization rules and regulation when no one is watching $\bar{x}=4.29$, employees demonstrate concern for organization’s image $\bar{x}=4.208$, employees are ready to assist their supervisor with work $\bar{x}=4.043$, whereas the least exhibited behaviour characteristic is extent employees avoid extra duties and responsibility at work $\bar{x}=1.569$.

Table 4.5; Means and Standard Deviations for Measures of Organization Citizenship Behaviour

<table>
<thead>
<tr>
<th>Measure</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The extent organization respects personal situations like sickness and bereavement</td>
<td>70</td>
<td>1.00</td>
<td>5.00</td>
<td>3.4857</td>
<td>1.03199</td>
</tr>
<tr>
<td>The extent organization offers opportunities for flexible work hours</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.5694</td>
<td>1.11110</td>
</tr>
<tr>
<td>Whether organization offers opportunities to decide when to take leave</td>
<td>70</td>
<td>1.00</td>
<td>5.00</td>
<td>3.1286</td>
<td>1.28448</td>
</tr>
<tr>
<td>The extent employees adjust work schedules to accommodate colleagues</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.3611</td>
<td>1.20218</td>
</tr>
<tr>
<td>The extent employees help others who have been absent</td>
<td>70</td>
<td>1.00</td>
<td>5.00</td>
<td>3.3857</td>
<td>1.18313</td>
</tr>
<tr>
<td></td>
<td>Score</td>
<td>Rating</td>
<td>Factor Loadings</td>
<td>Communalities</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------</td>
<td>-------</td>
<td>--------</td>
<td>-----------------</td>
<td>---------------</td>
<td></td>
</tr>
<tr>
<td>The extent employees show concern and courtesy to coworkers</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.4861</td>
<td></td>
</tr>
<tr>
<td>The extent employees offer ideas to improve organization functioning</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.6111</td>
<td></td>
</tr>
<tr>
<td>Whether employees are loyal to the organization</td>
<td>72</td>
<td>2.00</td>
<td>5.00</td>
<td>3.9028</td>
<td></td>
</tr>
<tr>
<td>The extent employees take action to protect the organization from potential problems</td>
<td>70</td>
<td>2.00</td>
<td>5.00</td>
<td>4.3429</td>
<td></td>
</tr>
<tr>
<td>The extent employees demonstrate concern for organization’s image</td>
<td>72</td>
<td>2.00</td>
<td>5.00</td>
<td>4.2083</td>
<td></td>
</tr>
<tr>
<td>The extent employees troubleshoot and solve technical problems without supervisor’s help</td>
<td>72</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8889</td>
<td></td>
</tr>
<tr>
<td>The extent employees volunteer to do more than the job requires</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.9306</td>
<td></td>
</tr>
<tr>
<td>The extent employees make creative work related suggestions to coworkers</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7917</td>
<td></td>
</tr>
<tr>
<td>The extent employees make innovative suggestions to improve department functions</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.5556</td>
<td></td>
</tr>
<tr>
<td>Whether employees participate in outside groups for organization’s benefit</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.2778</td>
<td></td>
</tr>
<tr>
<td>The extent employees are ready to assist their supervisor with work</td>
<td>70</td>
<td>2.00</td>
<td>42.00</td>
<td>4.0429</td>
<td></td>
</tr>
<tr>
<td>The extent employees exceed formal work requirements</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8056</td>
<td></td>
</tr>
<tr>
<td>The extent employees are willing to go the ‘extra mile’ for the organization</td>
<td>72</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8194</td>
<td></td>
</tr>
<tr>
<td>The extent employees neglect some aspects of job responsibility</td>
<td>72</td>
<td>1.00</td>
<td>24.00</td>
<td>2.2778</td>
<td></td>
</tr>
<tr>
<td>The extent employees waste time on personal matters at work</td>
<td>72</td>
<td>1.00</td>
<td>3.00</td>
<td>1.6944</td>
<td></td>
</tr>
<tr>
<td>The extent employees avoid extra duties and responsibility at work</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>1.5694</td>
<td></td>
</tr>
<tr>
<td>The extent employees are willing to help colleagues</td>
<td>72</td>
<td>1.00</td>
<td>5.00</td>
<td>3.1806</td>
<td></td>
</tr>
</tbody>
</table>
on work related problem
The extent employees are willing to help recruit and train new employees
Whether employees rarely take long lunch breaks or other breaks
Whether employees do not take unnecessary time off work
The extent employees never take extra breaks
The extent employees attendance at work is above the norm
The extent employees obey organization rules and regulation when no one is watching
Whether employees attend functions not required but help the organization’s image
Whether employees attend training they are encouraged to but not required to attend
The extent employees attend and actively participate in organization meetings
Valid N (list wise)
<table>
<thead>
<tr>
<th>Component of the psychological contract</th>
<th>Statistic</th>
<th>Organization citizenship behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>+Employer obligation</td>
<td>Pearson correlation</td>
<td>.569*</td>
</tr>
<tr>
<td>++Employee obligation</td>
<td>Pearson correlation</td>
<td>.427</td>
</tr>
</tbody>
</table>

*p ≥ 0.05 two tailed, n=72

4.5 Relationship between Employee’s Psychological Contract and Organization Citizenship Behavior

Table 4.6; Correlation Coefficients for the Relationship between Psychological Contract and Organization Citizenship Behavior
Note;

+ Employer obligation is the extent to which employees perceive that the employer discharges his obligation towards the employee.

++ Employee’s obligation addresses the extent to which the employee is loyal to the organization measured by their desire to remain in the organization whatever the circumstances.

Pearson’s product moment correlation statistic was used to test for the strength and significance of the relationship between employee’s psychological contract and organization citizenship behavior.

The correlation matrix given in table 4.6 shows that there exist a positive correlation between employer obligation and organization citizenship behavior $r=0.57$, $p \geq 0.05$. That is, the more the employer is committed to meeting employees’ balanced form of psychological contract the more the employees’ exhibit organization citizenship behaviour.
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter contains a summary of the research, gives conclusions on the findings of the research and makes recommendations on areas management should get involved in to design programmes that would enhance organization citizenship behaviour.

5.2 Summary of the Findings

This research project was a descriptive survey on the relationship between employee’s psychological contract and organization citizenship behaviour at the NSSF head office in Nairobi. It was noted from the results that the age of most of the respondents was between 30 years and 60 years. Therefore apart from their rich experiences they could also appreciate the importance of the study. All departments were well represented, thus the data can be relied upon for generalization to the whole population.

Respondents rated the extent to which they believed they had obligation to serve the organization to the best of their abilities for instance by working extra hours to get their job done, work efficiently and fast, deliver qualitative work, protect confidential information, set own performance goals. On the other hand NSSF was obligated to provide to the employees with conducive work atmosphere, a job with responsibilities and where they can make own decisions, wage increases based on performance, opportunities to use skills and capabilities among others.

The findings also indicated the extent to which employees exhibited organization citizenship behaviour such as taking initiative to troubleshoot and solve technical
problems without help from the supervisor, offering ideas to improve organization functioning, exceeding formal job requirements.

However, the biggest challenge for most organizations is the fulfillment of the psychological contract, since it is unwritten and employee expectations can vary from time to time depending on the prevailing environment, especially in regard to key issues affecting employees work life. Employees acknowledge that NSSF fulfills its psychological contract to a great extent. The results further show that there is a significant positive correlation between perceived fulfillment of employer’s obligations to the employees and employees’ organization citizenship behaviour.

5.3 Conclusion

It was established that majority of the respondents were male as compared to the female. Age of most of the respondents was in middle range, and since age influences people’s abilities to make decisions it can be concluded that most employees had a rich experience that enabled them appreciated the study.

The results of this study further supported the exchange relationship between employee psychological contract and organization citizenship behaviour; for instance, the fulfillment of the organization’s obligations towards its employees is important in explaining the willingness of employees to engage in organization citizenship behaviour. Second, the difference between perceived obligations and inducements is supported in terms of their respective relationship with organization citizenship behaviour; trust in the employer strengthens the relationship between employer obligations and organization citizenship behaviour; acceptance of the norm of reciprocity strengthens the relationship between employer inducements and organization citizenship behaviour.
5.4 Recommendations

Most organizations could benefit from thinking about the balanced form of the psychological contract. Employers should focus on ensuring that they help employees develop marketable skills and support them in career development. The anticipation of future inducements facilitates organizationally desirable behaviours, in the longer term if not fulfilled could lead to perceptions of contract breach and the undermining of trust that is central to the development of exchange relationships.

Management therefore needs to be careful about promises they make to employees particularly in the context of organizational change when reneging of promises may be more prevalent. It also needs to be aware that employees may differ in the extent to which they accept the norm of reciprocity in their exchange relationship with the employer. The extent to which employees respond to organizational inducements is influenced by the strength of reciprocity norm governing the relationship.

Employers also need to make it clear to new recruits what they can expect from the job. Management may have a tendency to emphasize positive messages and play down more negative ones, but employees can usually distinguish rhetoric from reality and management’s failure to do so will undermine employees’ trust. Managing expectations especially when bad news is anticipated will increase the chances of establishing a realistic psychological contract.

5.5 Suggestions for Further Research

The success of an organization depends on its people and therefore understanding the psychological contract in existence may help in getting to appreciate the importance of the people to an organization. Hence further research should be done in other sectors of the Kenyan economy, both the public and private sectors. It is also
important to study the psychological contract in other areas for instance the relationship between justice and psychological contracts since perceptions of justice have been treated as antecedents of contract violations and also an outcome of contract breach/fulfillment.

On the other hand, motivational basis of organization citizenship behaviour is firmly grounded in social change. Therefore future research could expand the theoretical basis of organization citizenship behaviour by examining a communal exchange perspective. This is because the norm governing pro-social acts under communal exchange has a different motivational basis to the exchange relationship since the primary concern is the welfare of the other party.

5.6 Limitations of the Study

Some of the respondents were not conversant with the subject matter of the research and hence shied away from filling the questionnaire or failed to return the questionnaire. Other respondents kept the questionnaires and never bothered to answer them.
Reference:


Baruch, Y., Hind, P. (1999), "Perpetual motion in organizations: effective management and the impact of the new psychological contracts on 'survivor
syndrome”, European Journal of Work and Organizational Psychology, 8(20), 295-306.


Journal of management studies 41:1.


Lester, Scott W; Kickul, Jill (2001). Psychological contracts in the 21st century: What employees’ value most and how well organizations are responding to these expectations. *Human Resource Planning, 24*(1), 10


Todd, S. A (2003). Causal Model Depicting the Influence of Selected Task and Employee Variables on Organization citizenship behavior


Appendix 1. Letter of Introduction

Dear sir/madam,

RE: REQUEST FOR RESEARCH PROPOSAL DATA

I am a student undertaking a degree in master of business administration (MBA) at the University of Nairobi. I’m carrying out a research project proposal in partial fulfillment of the degree requirements.

Research proposal topic; **The Relationship between Employee Psychological Contract and Organization Citizenship Behavior at the National Social Security Fund in Nairobi.**

I kindly request you to fill the attached questionnaire. The information you will provide will be treated with utmost confidentiality and will be used purely for academic purposes.

I will pick the questionnaire from your office after you have completed filling it.

Thank you for cooperation.

Yours faithfully,

Fridah k. Nambaka.
Appendix 2. Questionnaire
The information provided here will be used solely for academic purposes and will be treated with maximum confidentiality.

INSTRUCTIONS:
1. Please answer all questions in order
2. The accuracy of your description depends on your being straight forward in answering this questionnaire.
3. You will not be identified by your answer.

PART 1: DEMOGRAPHIC INFORMATION

1. Name of the respondent (optional) .................................................................

2. Gender ........................................

3. Age group
   - 30 years and below [ ]
   - 31-40 years [ ]
   - 41-50 years [ ]
   - 51-60 years [ ]
   - 61 years and above [ ]

4. Designation/job title.................................................................

5. Please tick the department you belong to
   Human resource and administration [ ]
PART 2: SPECIFIC INFORMATION

Measure of Psychological Contract Contents

a) Perceived employee obligations to the organization.

6. To what extent do you believe you have a duty to provide the organization with the following? Please tick the appropriate option using the scale provided against each statement. The scale points stand for the following:

   1-Not at all
   2-Small extent
   3-Moderate extent
   4-Great extent
   5-Very great extent

<table>
<thead>
<tr>
<th>My employer expects the following from me;</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work extra hours to get your job done.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volunteer to carry out duties that are not yours.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperate well with others.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work fast and efficiently.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assist colleagues in their work.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share information with colleagues.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Deliver qualitative work.  
Get along with others.  
Work during weekend or holidays if necessary.  
Protect confidential information.  
Use the organization’s property honestly.  
Follow the organization’s policies, norms and procedures.  
Remain with the organization for as long as possible.  
Not to look for work elsewhere.  
Participate in training outside your work hours.  
Take personal initiative to attend additional training courses.  
Set your own performance goals.  
Do everything possible to achieve set targets.

<table>
<thead>
<tr>
<th>b) Perceived organizational obligation to the employee.</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. To what extent is the organization obligated to provide each of the following to you? Please tick the appropriate option using the scale provided below:</td>
</tr>
<tr>
<td>1-Not at all</td>
</tr>
<tr>
<td>2-Small extent</td>
</tr>
<tr>
<td>3-Moderate extent</td>
</tr>
<tr>
<td>4-Great extent</td>
</tr>
<tr>
<td>5-Very great extent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I expect the following from my employer;</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducive atmosphere at work.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A job where i can make own decisions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A job with responsibilities.

Opportunities to use my skills and capabilities.

A job which allows me to show what I can do.

Opportunities for promotion and career development and in the organization.

Wage increases based on performance.

An attractive pay and benefits package.

Regular benefits and extras.

Respect for my personal situation such as bereavement or sickness.

Opportunities for flexible working hours depending on my personal needs.

Opportunities to decide when to take my vacation/leave.

---

**Organization Citizenship Behavior Questionnaire**

8. To what extent do you exhibit the following behavior? Please tick the appropriate option using the scale provided below, where:

   1-Not at all
   
   2-Small extent
   
   3-Moderate extent
   
   4-Great extent
   
   5-Very great extent

<table>
<thead>
<tr>
<th>I exhibit the following behaviour at work;</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>I adjust my work schedule to accommodate other employees'</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
requests for time off.

<table>
<thead>
<tr>
<th>I help others who have been absent</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I show genuine concern and courtesy toward coworkers, even under the most tiring business or personal situations.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I offer ideas to improve the functioning of the organization</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I am loyal to my organization.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I often take action to protect the organization from potential problems.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I frequently demonstrate concern about the image of the organization.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I take the initiative to troubleshoot and solve technical problems before requesting help from my supervisor.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I frequently volunteer to do more than the job requires helping others or contributing to the overall functioning of the organization.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I often make creative work related suggestions to co-workers.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I often make innovative suggestions to improve the functioning of the department.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I participate in outside groups for the benefit of the organization.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I am always ready to assist my supervisor with his/her work.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I often exceed formal requirements of my job.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I am willing to go the ‘extra mile’ for the organization.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>I sometimes neglect some aspects of my job responsibility.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

| I sometimes waste time while at work on personal matters. |   |   |   |
I often try to avoid extra duties and responsibilities at work.

<table>
<thead>
<tr>
<th>Helping Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>I always willingly give of my time to help others out who have work-related problems.</td>
</tr>
<tr>
<td>I am willing to take time out of my busy schedule to help with recruiting or training new employees.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conscientiousness (Carefulness)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I rarely take long lunch or other breaks</td>
</tr>
<tr>
<td>I do not take unnecessary time off work.</td>
</tr>
<tr>
<td>I never take extra breaks</td>
</tr>
<tr>
<td>My attendance at work is above the norm.</td>
</tr>
<tr>
<td>I always obey company rules and regulations even when no one is watching</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Civic Virtue</th>
</tr>
</thead>
<tbody>
<tr>
<td>I attend training/information sessions that I am encouraged to, but not required to attend.</td>
</tr>
<tr>
<td>I attend and actively participate in company Meetings.</td>
</tr>
</tbody>
</table>

Thank you for your cooperation.