# PERCIEVED RELATIONSHIP BETWEEN PSYCHOLOGICAL CONTRACT AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR AT WORLD VISION SOMALILAND

JOOHARA MOHAMMED TUBE

A RESEARCH PROJECT PRESENTED IN PARTIAL

FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF

MASTER OF BUSINESS ADMINISTRATION DEGREE, SCHOOL

OF BUSINESS, UNIVERSITY OF NAIROBI.

**NOVEMBER, 2015** 

# **DECLARATION**

This research project is my original work and has not been presented for a degree in any		
other university.		
Signed	Date	
JOOHARA MOHAMMED TUBE		
D61/60229/2013		
This research project has been submitted for e	examination with my approval as a	
University Supervisor.		
Signed	Date	
DR. MUINDI FLORENCE KAGENDO		
Department of Business Administration		
University of Nairobi		

## **DEDICATION**

This thesis work is dedicated to my beloved husband, Dr Mohamed Ahmed Abdilahi, who has been a constant source of support and encouragement during the challenges of post graduate school and life. I am truly thankful for having you in my life.

Also this work is also dedicated to my family, especially to my mother, who has always loved me unconditionally and who's good example have taught me to work hard for the things that I aspire to achieve.

Finally, this thesis is dedicated to all those who believe in the richness of learning.

## **ACKNOWLEDGEMENTS**

My special gratitude first goes to Allah Almighty for giving me strength and wisdom to complete this project. Special thanks to my dear family for support and sacrifice of their precious family time to enable me complete this process.

My supervisor DR. Muindi Florence Kagendo for her patience and guidance, her vast knowledge and experience has been valuable to me. Lastly, my MBA classmates.

# TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABBREVIATION AND ACROYNMS	X
ABSTRACT	xi
CHAPTER ONE INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Concept of Perception	3
1.1.2 Psychological Contract	4
1.1.3 Organizational Citizenship Behavior	6
1.1.4 World Vision Somaliland	7
1.2 Research Problem	8
1.3 Research Objective	11
1.4 Value of the Study	11
1.5 Chapter Summary	12
CHAPTER TWO_LITERATURE REVIEW	13
2.1 Introduction	13
2.2 Theoretical Background of the Study	13
2.2.1 Social Exchange Theory	13
2.2.2 Psychological Contract Theory	15

	2.3 Types of Psychological Contract	. 16
	2.3.1 Transactional Contract	. 17
	2.3.2 Relational Contract	. 18
	2.4 Factors that Influence Organization Citizenship Behavior	. 19
	2.5 Psychological Contract and Organizational Citizenship Behavior	. 21
	2.6 Conceptual Frameworks	. 24
	2.7 Chapter Summary	. 25
C]	HAPTER THREE_RESEARCH METHODOLOGY	. 26
	3.1 Introduction	. 26
	3.2 Research Design	. 26
	3.3 Population	. 26
	3.4 Data Collection	. 26
	3.5 Data Analysis	. 27
	3.6 Chapter Summary	. 28
C]	HAPTER FOUR_DATA ANALYSIS AND INTERPRETATION	. 29
	4.1 Introduction	. 29
	4.2 Response Rate	. 29
	4.3 Demographic Information	. 29
	4.3.1 Gender	. 30
	4.3.3 Age	. 30
	4.3.4 Educational Level	. 31
	4.3.5 Duration worked for World Vision Somaliland	. 32
	4.3.6 Current position	. 33

4.4 Psychological Contract	
4.5 Organizational Citizenship Behavior	36
4.6 Regression Analysis	39
4.6.1 Regression Analysis	39
4.6.2 ANOVA	40
4.6.3 Regression Coefficient	41
4.7 Discussions of the Findings	42
4.8 Chapter Summary	44
CHAPTER FIVE_SUMMARY, CONCLUSIONS AND RECOMM	MENDATIONS 45
5.1 Introduction	45
5.2 Summary	45
5.3 Conclusions	46
5.4 Recommendations	47
5.5 Suggestions for Future Research	48
REFERENCES	49
APPENDICES	53
APPENDIX I: QUESTIONNAIRE	53

# LIST OF TABLES

Table 4.1 Statements relating to Psychological Contract	.35
Table 4.2 Statements relating to Organizational Citizenship Behavior	.37

# LIST OF FIGURES

Figure 2. 1 The conceptual framework	24
Figure 4.1 Gender	30
Figure 4.3 Age.	31
Figure 4.4 Educational Level.	32
Figure 4.5 Duration worked for World Vision Somaliland	33
Figure 4.6 Current position.	34

## ABBREVIATION AND ACROYNMS

**BBK** Barclays Bank of Kenya

**NSSF** National Social Security Fund

OCB Organizational Citizenship Behavior

OI Organizational Identification

OJ Organizational Justice

**OVC** Orphans and Vulnerable Children

PC Psychological Contract

PCB Psychological Contract Breach

**PCT** Psychological Contract Theory

POS Perceived Organizational Support

**RCs** Relational Contracts

**SET** Social Exchange Theory

**TCs** Transactional Contracts

WV World Vision

#### **ABSTRACT**

In an environment of rapid organizational change, where the ideas of satisfaction and motivation are potentially meaningless, the psychological contract appears to provide a useful integrative concept around which to cover the concerns of the contemporary workplace. There exist a positive relationship between the Psychological Contract (PC) and Organizational Citizenship Behavior (OCB). This implies that if employees feel that their expectations are being met, they are motivated to engage in extra activities outside their job description. On the other hand, violation of the Psychological Contract can result into adverse effects. Investigations have shown that when violation does perceptually occur, it influences negatively positive work attitudes and behaviors. The objective of the research was to examine the perceived relationship between psychological contract and Organizational citizenship behavior at the World Vision Somaliland staff. The study adopted both cross sectional descriptive design; data was collected in one point in time, since it involved collection of data from the entire staff thus vacillating comparison and concrete conclusions arrived at. The data was collected by use of questionnaire that was administered by drop and pick method. However, the method was supplemented by email to those staff that was in the fields or even that was on leave. The data was sorted and coded accordingly to allow more appropriate analysis to be carried out. The data was analyzed using procedures within Statistical Package for Social Sciences (SPSS). The type of data was quantitative and descriptive statistics. Descriptive statistics such as mean, standard deviations, percentages and frequency distributions were used to generate meaning from the data in relation to the research objective. The study further found out that World Vision Somaliland was concerned for staff long-term well-being; WV helped them to develop externally marketable skills; a job only as long as the employer needs them; World Vision Somaliland makes no commitments to retain the staff in the future and employees could count on wages and benefits. The study concluded that supervisor fairness leads to employee citizenship because a social exchange relationship develops between employees and their supervisors. The study further concluded that psychological contracts afford employees a sense of control and security in their relationship with employers, while providing employers a way to manage and direct employee behavior without heavy handed surveillance. A regression analysis showed that PC is positively related to OCB. This is in line with Mac-Neil, (1985) who asserted that when properly implemented, PC will create organizational harmony which in turn will improve organizational citizenship behavior. The study recommends that World Vision Somaliland should be concerned for staff long-term well-being by helping them to develop externally marketable skills which are needed by the employer. The study also recommends that the WV Somaliland should offer equal opportunities for training and development of staff for their upward mobility and self-improvement so that the employees can be able to the organization's set goals. The study further recommends that the staff should turn in budgets, sales projections, expense reports, etc. in good time and keep up with developments in WV Somaliland and should feel comfortable with the nature of job responsibilities.

#### **CHAPTER ONE**

#### INTRODUCTION

### 1.1 Background of the Study

In an environment of rapid organizational change, where the ideas of satisfaction and motivation are potentially meaningless, the psychological contract appears to provide a useful integrative concept around which to converge the concerns of the contemporary workplace (Marks, 2010). He asserts that there exist a positive relationship between the Psychological Contract (PC) and Organizational Citizenship Behavior (OCB). This implies that if employees feel that their expectations are being met, they are motivated to engage in extra activities outside their job description. On the other hand, violation of the Psychological Contract can result into adverse effects. Investigations have shown that when violation does perceptually occur, it influences negatively positive work attitudes and behaviors (Cassar & Briner, 2009). Failure of the organization to live up to the promises made results in negative attitudes and behaviors such as intention to quit (Lester & Kickul, 2006), and low citizenship behavior (Robinsons & Morrison, 2006). Organization's failure to honor their promised inducements e.g. pay, promotion, and interesting work in return for what employees contribute to the firm inform of skills, efforts and loyalty may be construed as lack of fairness (Guest, 2006). The psychological contract is a less formal contract and represents the mutual beliefs, perceptions, and informal obligations underlying a relationship between individual employees and their organizations (Sim, 1994).

Prior research suggests that psychological contracts help to define the terms of the social exchange relationship that exists between employees and their organizations (Robinson & Morrison, 1995). These relationships are made up of the voluntary actions that each party engages in with the belief that the other party will reciprocate these behaviors in one way or another (Homans, 1961). In contrast to relationships based purely on economic exchange, social exchange relationships involve obligations which cannot be specified ahead of time and require the parties to trust one another (Blau, 1964). Although the obligations making up these types of relationships are somewhat diffuse, a general expectation of reciprocation drives their evolution.

Social exchange theory posits that the parties in an exchange relationship provide benefits to one another in the form of tangible benefits such as money or intangible benefits such as socio emotional support (Blau, 1964). The exchange of these benefits is a result of the norm of reciprocity. According to the norm of reciprocity, individuals are obligated to return favors that have been provided by others in the course of interactions in order to strengthen interpersonal relationships (Gouldner, 1960). In addition, social exchange theory maintains that trust is an essential condition for the establishment and maintenance of interpersonal relationships. Therefore, according to social exchange theory, individuals seek to enter and maintain fair and balanced exchange relationships. In organizations, employees seek a fair and balanced exchange relationship with their employers.

When Psychological Contract Breach (PCB) is perceived, an employee believes that there is a discrepancy between what he/she was promised and what was delivered by the organization (Morrison and Robinson, 1997; Rousseau, 1995). Discrepancies represent an imbalance in the social exchange relationship between the employee and employer. From

an equity perspective (Adams, 1965), the employee is motivated to restore balance in the social exchange relationship by various means including negative workplace attitudes and behaviors. It is suggested that an employee is more likely to reduce or eliminate OCBs rather than in-role job performance behaviors because OCBs are discretionary and failure to perform them should not be negatively reflected in performance evaluations (Organ, Podsakoff & MacKenzie., 2006; Robinson & Morrison, 1995).

The ever changing and growing demand, the challenges of work environment, issues of insecurity and hardship conditions under which employees of World Vision Somaliland withstand when executing their duties brings a twist to the relationship between PC & OCB. The agreement between employer and employee is equally of essence to organizations like World Vision Somaliland. When the agreement is fulfilled, increased job performance results; however, when the contract is violated by the employer, the employee may engage in negative workplace behaviors (Sturges & Liefooghe, 2005). An individual's commitment to the organization has a large influence on himself or herself at the workplace (Wasti, 2005). Through the examination of psychological contract within the context of employee commitment at world Vision, researchers can obtain a more in depth understanding of how perceived violation of the psychological contract can impact organizational citizenship behavior.

## 1.1.1 Concept of Perception

Social perception is the process of interpreting information or understanding of sensory information (Nelson and Quick, 1997). They argue that the opinions you form about something depends on the amount of information available to you and the extent to which you are able to correctly interpret the information you have acquired. In other words, you

may be in possession of the same set of information that other people have on a particular situation, person or group but still arrive at different conclusions due to individual differences in their capacity to interpret the information that you all have. Chalmers (1997) says that the process of perception routinely alters what a human being see. When people view something with a preconceived concept about it, they tend to take those concepts and see them whether or not they are there. He adds that this problem stems from the fact that humans are unable to understand new information without the inherent bias of their previous knowledge. A person's knowledge creates his or her reality as much as the truth because the human mind can only contemplate that to which it has been exposed.

Perception is also defined as the process whereby people select, organize, and interpret sensory stimulations into meaningful information about their work environment (Rao and Narayan, 1998). They add that perception ranks among the important cognitive factors of human behavior or psychological mechanisms that enable people to understand their environment. They also argue that perception is the single most important determinant of human behavior, stating further that there can be no behavior without perception.

#### 1.1.2 Psychological Contract

A psychological contract (PC) is systems of belief that encompasses the actions employees believe are expected of them and what response they expect in return from their employer. The concept of psychological contract highlights the fact that employee/employer expectations take the form of unarticulated assumptions (Armstrong2006). He argues that employees may expect to be treated fairly as human beings, to be provided with work that uses their abilities, to be rewarded equitably in

accordance with their contribution, to be able to display competence, to have opportunities for further growth and to know what is required of them.

According to Rousseau (2011) "psychological contract theory represents the employment relationship in terms of the subjective beliefs of employees and their employers". By its very nature, a psychological contract implies a subjective nature and thus indicating that in every mind there is a different world. A key issue in psychological contracts is the belief that some kind of promise is made and a consideration is offered in exchange for it, binding the parties to some set of reciprocal obligations. Employees change their perceived obligations to the organization as a function of their evaluations of the inducements and obligations offered by the organization adjusting thus their psychological contract with the employing organization (Tsai and Yang, 2010).

Promises are the inherent property of psychological contracting, as these messages encoded by individuals as promissory signify psychological contract creation (Rousseau, 2011). She further argues that promises express intentions to provide the recipient with some benefit. Thus, through promising not only obligations are created but also trust by providing information that people would otherwise possess about each other's' intention. As such, upon entry, promises are considered the main ingredient of psychological contract creation as these imply two primary functions: first, they initiate the negotiation between the two parties and, second, they engage both parties in achieving a perceived mutual agreement about their obligations.

Psychological contracts differ from legal contracts with respect to procedures followed in the event of violation of contract. When a legal contract is violated, the aggrieved party can seek redress in court of law. Violation 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). Employees regard violation of psychological contract when there is a perception "... that one's organization has failed to fulfill one or more obligations composing one's psychological contract," (Morrison and Robinson, 1997; 227). In such cases, individuals feel that the other party is unfair totem or has not kept its part of commitment.

#### 1.1.3 Organizational Citizenship Behavior

Organ (1988; p 4) Organizational citizenship behavior (OCB) is a special type of work behaviors that is 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. 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 the organizational sociologists, psychologists and management researchers.

Previous studies have mentioned two main facets of OCB. OCB altruistic and 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, Organ and Near (1983) observed that the two elements represent distinct classes of citizenship i.e. altruism is behavior directed towards individuals, whereas compliance is behavior directed towards the organization. To facilitate employees' OCB, organizations have to pay adequate attention to distributive justice which is rather neglected, and also must understand what types of psychological contract employees have (Byoung , Hyoung , Wook Ko &Kyoung 2014).

#### 1.1.4 World Vision Somaliland

World Vision International Somaliland is an Evangelical Christian humanitarian aid, development, and advocacy organization. Founded in 1950 by Bob Pierce, as a Christian relief and development organization, it is active in more than 60 countries with total revenue including grants, product and foreign donations of \$2.79 billion (World Vision International at Report, 2011).

During the 1990s, World Vision International began focusing on the needs of children who had been orphaned in Uganda, Romania, and Somalia in response to AIDS, neglect, and civil war, respectively. They began educating other African communities on AIDS after realizing its impact. They also joined the United Nations peacekeeping efforts to help those affected by civil war. World Vision also started to openly promote the international ban on landmines. In 1994 World Vision US moved to Washington State. According to Forbes Magazine, as of December 2014, World Vision is the 11th largest charity in the United States with total revenue of over 981 million dollars.

World Vision runs a child sponsorship program which aims to help needy children, families and communities access clean drinking water, sanitation, education, skills for future livelihood, nutrition, health care and development programs. World Vision operates on the theory that by changing the lives of children, the child sponsorship program facilitates overall growth and development in the community, as it helps communities to build a better future through empowerment, education, income generation, and self-sufficiency.

World vision Somaliland has worked with the children of Somaliland, their families and communities since 2005 through a variety of emergency and rehabilitative programs to address the emergency needs of communities while addressing some of the underlying causes of vulnerability in those same communities. During the last 20 years, the programme has grown to 13 districts spread over three main Somali, Puntland and Somaliland. World vision Somaliland have variety sectors such as wash and sanitation sector, Education sector, health sector, livelihood sector, orphans and vulnerable children (OVC) sector, food and commodity sector, child protection and Gender issue sector.

#### 1.2 Research Problem

According to Csoka (1995) and Deery (2006) the changing nature of the psychological contract that has resulted from global competition, technology and downsizing has triggered a growing empirical research on the PC at a phenomenal rate. Rousseau (1995), for instance, argues that psychological contracts have shifted from being relational in nature to being much more transactional. It has been demonstrated that when employees believe their employer is highly obligated to provide a broad range of obligations (e.g. relational contract), they may be more inclined to engage in a wider range of

organizational citizenship behaviors that sustain their employment (e.g. compliance OCB) as well as behaviors that benefit the employer (e.g. altruism OCB) (Hui, Lee, & Rousseau, 2004). However, when employees believe their employer is only obligated to them via a short-term economic exchange (e.g. transactional contract), they may be less likely to believe that extra-role contributions (e.g. altruism OCB) that may bring them special rewards or recognition, but instead only perform the minimal requirements of employment (e.g. compliance OCB).

The aims of World Vision Somaliland is to help needy children, families and communities access clean drinking water, sanitation, education, skills for future livelihood, nutrition, health care and development programs (World Vision Report, 2005). With the above mentioned aims it therefore concerned with changing the lives of children, the child sponsorship program facilitates overall growth and development in the community, as it helps communities to build a better future through empowerment, education, income generation, and self-sufficiency. OCB and PC at WV Somaliland is full of dynamics. Firstly, the employees work in the remote area where majority of the staff are not comfortable with, there is lack of motivation for self-development where staff are not given opportunity to further their studies at the same time working. The implication for the strained OCB and PC relationship has been high turnover and work compliance. The reasons for the researcher's interest for WV Somaliland are unique characteristics Somaliland exhibit that ranges from insecurity, harsh conditions, and lack of community receptivity, cultural practices and being mostly an Islamic country.

A number of studies have been carried out on psychological contract and organizational citizenship behavior. Kwon, et al (2014) study on the relationships between

organizational justices (OJ) and OCB; tests the mediating effect of organizational identification (OI) in the relationship between (OJ) and OCB. They concluded that among the three types of organizational justice, the effects of distributive and interactional justice on OCB were mediated by OI. In addition, the moderated mediation analyses confirmed that the indirect relationships between distributive, interactional justice and OCB through OI were valid for both high and low level of transactional contract, and only for low level of relational contract.

Nambaka, (2010) study on the relationship between employee PC and OCB at the National Social Security Fund (NSSF) in Nairobi Kenya found out that there exist the exchange relationship between psychological contract and organization citizenship behaviour. Khadenje (2012) study on perceived relationship between psychological contract and employee turnover at Barclays Bank of Kenya (BBK) found out that majority of employees at BBK were dissatisfied with the current state of their psychological contract. She concluded that while psychological contract influences employee turnover, it may not be the sole contributor to employee turnover at the bank. These studies had focused on different contexts and different variables. None of the previous researches had studied perceived relationship between psychological contract and Organizational Citizenship Behavior at World Vision Somaliland. This gap in knowledge necessitated the proposed study. This research problem lead to the following research question: What was the perceived psychological contract and Organizational Citizenship Behavior at World Vision Somaliland?

### 1.3 Research Objective

The objective of the research was to examine the perceived relationship between psychological contract and Organizational citizenship behavior at the World Vision Somaliland staff.

## 1.4 Value of the Study

The study findings would be of significant value to managers of WV Somaliland as their understanding of the relationship between psychological contract (PC) and Organizational citizenship behavior (OCB) at the work place to improve on management of Human Resources. When the recommendations of the research are used positively; there would be increase in productivity of the staff thus achieving the objectives and purpose of World Vision Somaliland.

Policy makers in the Ministry of Labor and Social Development would also use the study findings in coming up with sound human resource management policies that would ensure smooth human capital management. They would enhance formulation of viable policy documents that effectively address the guidelines on the relationship between employer and employee. The research would also be vital to researchers in the field of human resource as it would be significant in facilitation of theory building in line of PC & OCB. The study would therefore contribute to the existing body of knowledge in human recourse. The study would enrich the existing knowledge and be used as reference for further study.

## 1.5 Chapter Summary

The main focus on this chapter was to lay foundation of the study by giving a justification of why we need to carry out the research. It covered the concept of perception, psychological contract, Organizational Citizenship Behavior and the background of World Vision Somaliland. The chapter also gives a detailed statement of the problem and defines the objective of the study. In addition the chapter outlines the value of the study. Chapter two involves the literature review of the other research work that has been carried out on related topics.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter will review existing literature on the various aspects under consideration. It sets out the conceptual framework covering specific theories relating to PC & OCB. This literature review is important as it pays attention to a specific area inside the organizational context of the PC and OCB within their relationship. This chapter will also discuss the propositions as depicted by the conceptual framework.

## 2.2 Theoretical Background of the Study

This study is based on Social Exchange Theory (SET) and Psychological Contract Theory (PCT). The two theories which have extensively discussed the perceived relationship between Psychological Contract and Organizational Citizenship Behavior among employees.

## 2.2.1 Social Exchange Theory

Organ (1988) proposed that supervisor fairness leads to employee citizenship because a social exchange relationship develops between employees and their supervisors. When supervisors treat employees fairly, social exchange and the norm of reciprocity (Gouldner, 1960) dictate that employees reciprocate, and Organ suggested that organizational citizenship behavior is one likely avenue for employee reciprocation Blau (1964) was among the first to differentiate social exchange from economic exchange.

Social Exchange Theory was used in the preceding section to help understand why employees are likely to alter their in-role performance based on the extent to which their psychological contracts are fulfilled. This theory is also useful in helping to explain how the level of employees' organizational citizenship behaviors will be impacted by the extent of psychological contract fulfillment. In particular, Organ's (1990) "social exchange interpretation of OCB suggests that OCBs provide employees a means through which they might reciprocate the positive actions of employers who treat them well. In other words, social exchange theory suggests that employees are motivated to engage in extra-role behaviors when they perceive that their employment relationship is based upon the foundation of a fair social exchange (Moorman, 1991 & Organ, 1990). Based upon these arguments, it is expected that employees' perceptions of the extent to which their organizations have fulfilled the psychological contract will impact the extent to which they engage in OCBs. Specifically, it is expected that psychological contract fulfillment will be positively related to the performance of citizenship behaviors.

According to Blau (1990), social exchange refers to relationships that entail unspecified future obligations. Like economic exchange, social exchange generates an expectation of some future return for contributions; however, unlike economic exchange, the exact nature of that return is unspecified. Economic exchange is based on transactions, but social exchange relationships are based on individuals' trusting that the other parties to the exchanges will fairly discharge their obligations in the long run (Holmes, 1981). This trust is necessary for maintaining social exchange, especially in the short run, where some temporary or perceived asymmetries may exist between an individual's inducements i.e. the benefits received from participation in the social exchange

relationship and contributions, the individual's inputs into the relationship. Finally, the expectation of long-term fairness in social exchange contrasts with the expectation of short-term fairness that typically characterizes economic exchange.

### 2.2.2 Psychological Contract Theory

Psychological Contract Theory (PCT) gives primary attention to the relationship between the favorableness of work experiences and the favorableness of the treatments the organization has obligated itself to provide. Schein (1980) suggested that a psychological contract reflects the expectations that the employee and the organization have concerning the particular resources that each owes the other. Further, Schein maintained that psychological contracts are key determinants of employees' attitudes and behaviors in the workplace. Rousseau (1989) defined the psychological contract in terms of employees' perceptions of the mutual obligations existing between themselves and the organization. Shore and Tetrick (1994) argued that psychological contracts afford employees a sense of control and security in their relationship with employers, while providing employers a way to manage and direct employee behavior without heavy handed surveillance.

Rousseau and Parks (1993) maintained that psychological contracts vary in strength and generality. Transactional obligations are characterized by a close-ended time frame and the exchange of economic resources, whereas relational contractual obligations involve an open-ended time frame and the exchange of socio emotional resources. Accordingly, transactional and relational obligations have been found to be empirically distinct (Robinson, et al, 1994), although alternative multidimensional characterizations of obligations have been suggested (Coyle, et al, 2001). Regardless of how different kinds of contracts are characterized, the distinction between short-term, limited involvements

versus long-term, open-ended involvements remains a key feature of PCT (Rousseau & Tijoriwala, 1998).

A majority of the studies on PCT have focused on the effects of contract breach on employees' attitudes and behaviors (Lester, et al, 2002). Contract breach has been defined as an employee's belief that the organization has failed to fulfill its obligations to the employee (Morrison & Robinson, 1997). Rousseau (1995) suggested that the more closely an employee scrutinizes the organization's actions, the more contract breaches she is likely to notice. Robinson and Morrison (2000) found that employees who had experienced a contract breach with past organizations were more likely to report a contract breach in their current organization. Thus, a history of breaches involving a past organization would increase monitoring behavior and the likelihood that an employee would experience a contract breach.

## 2.3 Types of Psychological Contract

Rousseau (1995) suggested that employees derive the terms of their psychological contract in three main ways. First, individuals may receive persuasive communications from others. When being recruited, prospective employees may receive implicit or explicit promises from recruiters or interviewers. Once hired, coworkers and supervisors may describe their view of the obligations that exist between employees and the employer. Second, employees' observations about how their coworkers and supervisors behave and are treated by the organization act as social cues that inform employees of their contractual obligations. Third, the organization provides structural signals such as formal compensation systems and benefits, performance reviews, and organizational

literature, including handbooks and missions statements that all play a role in the creation of the employees' psychological contract.

Rousseau (2002) classifies psychological contract into two aspects: transactional contract and relational contract. The former is based on the material benefits' satisfaction for both sides. Employees do not become the organizational members really but they are only concerned about the short term material reward and personal benefits. In contrast, relational contract is based on the satisfaction of social affection of both sides, such as organizational support and organizational loyalty. Relational contract reflects employees' affective involvement and belief in organizations because organizations not only provide necessary material reward in return to employees, but also provide guarantees for employees' work safety, skill training and career development. Many empirical studies have supported these two dimensions of psychological contract.

#### **2.3.1** Transactional Contract

Transactional contracts (TCs) are similar to formal legal contracts, which are characterized by formal rules, quantifiable contents, and a defined term for the contractual arrangement (Lindvall, 2001; Sjöstrand, 1985). Transactional contracts may be compared to the complete contract (Hart and Holmström, 1987; Williamson, 1975). A contrast can be made between complete contracts (which specify all conceivable scenarios) and incomplete contracts (in which it is recognized that not all factors capable of affecting a particular contract are foreseeable at the time of finalizing it) (Hart and Holmström, 1987). The latter type allows the scope for interpretation, discussion, and possibly disagreement, and although such a contract might be less secure, it is simultaneously more open and flexible (Hart and Holmström, 1987).

Typically, transactional contracts are of short duration and focus little on "personal" activities; rather, they tend to focus on issues that can easily be measured, preferably in monetary terms (Macneil, 1978). Transactional psychological contracts include such terms as narrow duties and limited. Workers with transactional contracts tend to adhere to its specific terms and to seek employment elsewhere when conditions change or when employers fail to live up to their agreement. Transactional contracts characterize workers whose contributions are less critical to the firm's comparative advantage and employers who operate in highly unstable markets (e.g., entertainment, fashion). Both worker and employer are likely to immediately terminate a transactional arrangement that fails to meet their needs. Transactional contracts shift the risk associated with economic uncertainties from the employer to workers. And the risk to workers can be particularly significant if they have few alternatives elsewhere.

#### 2.3.2 Relational Contract

Relational contracts (RCs) are more difficult to describe and specify. In these types of contracts, there is less focus on legalities and more on reaching mutual understanding concerning the meaning of the relationship and the benefits to be gained from the contractual agreement in question (Macneil, 1978). In such "relational contracts", the structures and processes of relationships take precedence over attempts to foresee and resolve all problems that might arise in the contractual setting (Macneil, 1978). Another type of more flexible, relationally focused contract is the type that Mouzas and Ford (2006, 2007) have discussed in various articles, labeled "umbrella agreements" or "framework contracts". An "... umbrella agreement is a joint consent which explicitly sets

out a framework of principles with the aim of providing flexible guidance for future contractual decisions" (Mouzas and Ford, 2006).

Relational psychological contracts include such terms as loyalty (worker and employer commit to meeting the needs of the other) and stability (an open-ended commitment to the future). Workers with relational contracts tend to be more willing to work overtime whether paid or not, to help coworkers on the job, and to support organizational changes that their employer deems necessary. Although workers with a relational contract are likely to be particularly upset when it is violated, the commitment embedded in such contracts often causes workers to seek remedies that will maintain the relationship with the employer. Failure to remedy the situation typically leads to turnover or, if the employee remains, to reduced contributions.

## 2.4 Factors that Influence Organization Citizenship Behavior

Rhoades and Eisenberger (2002) revealed that OCB is motivated by a number of factors, including organizational fairness, supervisor support, organizational rewards, and job conditions. Rhoades and Eisenberger (2002) suggested that, of these three factors, discretionary actions taken by the organizational agents ranked next to fair treatment to make the largest contribution to OCB. As noted by Levinson (1965), leaders are viewed as the agents of the organization and their discretionary actions are indicative of the intent of an organization rather than of the agents' personal motives. In other words, when the organizational agents provide favorable interpersonal and informational treatment to employees, they will perceive such treatment of the agents as those of the organization, which values the employees.

Furthermore, social exchange scholars contend that individuals may value the resources if these are given as voluntary aids rather than as the forced actions of individuals. Such voluntary aids may represent the benevolent motives of organizational agents to have fair interpersonal and informational treatment of their subordinates. In this context, the subordinates may welcome the voluntary aids as reflective of the organization that genuinely values and respects them, Cotterell et al., 1992. Accordingly, employees' receipt of discretionary treatment such as respect, dignity, and adequate explanation on decision making from the organizational agents may contribute to a higher level of OCB.

Omer (2007) study on "Materialistic attitude as an antecedent of organizational citizenship behavior," summarized the results of the study as follows: satisfaction, organizational commitment, and trust in leader have positive correlations with OCB under an employee attitudes dimension. In employee role perceptions, both role ambiguity and role conflict generally have negative effects. While the OCB is positively related with need for independence, task feedback, and intrinsically satisfying task, the sign of its relationship with indifference to rewards and task reutilization under task characteristics category. In the organizational characteristics category, cohesive group affects OCB positively but a reward outside the leader's control affects it negatively. Finally, leadership behaviors; transformational leadership, contingent reward behavior, leader role clarification and supportive leader behaviors encourage the behavior, while, non-contingent punishment behavior discourages OCB (Podsakoff et al., 2000).

Many studies post-1999 continue to examine the antecedents. Lambert (2000) finds significant and positive relationships between worker's assessments of the usefulness of work-life benefits (e.g. child care and elder care) and OCB. Bell and Mengüc, (2002)

having insurance salespeople as a sample show that the relationship between organizational identification and OCB is positive and significant. Youn and Suh (2003) indicate in their research on the contact employee of travel agencies that the more trust employees have in their managers the more OCB they demonstrate. Moreover, Turnely et al.'s (2003) study suggests that the extent of psychological contract fulfillment is positively related to OCB.

## 2.5 Psychological Contract and Organizational 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, PC will create organizational harmony (Mac-Neil, 1985; Rousseau & Wade-Benzoni, 1994), which in turn will improve organizational citizenship behavior. Hence, the similarity of employer-employee perceptions of fairness, justice and truthfulness is crucial for PCs. In other words, if they mutually keep the promises, organizational trust and positive results of organizational trust will be achieved (Rousseau & Greller, 1994; Makin & Cooper, 1996).

Previous studies emphasized the positive organizational outcomes that occur when the employer and employees perceive their expectations and liabilities in a similar way. Rousseau (2000) 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 focused on the organizational and individual outcomes of the situations in which the PC is disturbed or expectations are not completely met (Robinson, et al, 1994). According to Kickul, Lester and Belgio (2004); Neumann, Parker and Finkl

(2002), OCBs will decrease when the PC is disturbed. In such cases, the interactive communication mechanism between the employer and employee is broken and they will reconsider whether to keep their promises or not. As mentioned, when the PC is disturbed, the organizational harmony and the effectiveness of the 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 & Morrison, 1995).

The psychological contract literature suggests that an employee's beliefs regarding the terms and status of the employment contract will affect that employee's behavior with respect to the contract (Robinson and Rousseau, 1994). Drawing on this argument, we predict that employees' beliefs about the extent to which their organization has fulfilled its obligations to them will affect their citizenship behavior within the organization. More specifically, we predict that perceived contract fulfillment will impact OCB that is directed at the organization. Williams and Anderson (1991) make an important distinction between OCB that is directed at benefiting the organization and OCB directed at supervisors or co-workers that contributes only indirectly to the organization. Because the psychological contract consists of beliefs about obligations on the part of the organization rather than particular individuals, we expect that perceived violation of that contract will impact organizationally directed OCB rather than OCB directed at supervisors or co-workers.

Pate and McGoldrick (2003), the impact of Psychological Contract violation on employee attitudes and behavior did find out that triggers of violation impinged on employee attitudes but not on behaviour, trends substantiated by analysis of the organization's

absenteeism records. Torlak and Koc (2007) study on Materialistic attitude as an antecedent of organizational citizenship behavior, did found out that materialistic attitude is one of the antecedents that have negative impacts on OCB. There are negative correlations between all dimensions of OCB and materialistic attitude.

Seeck and Parzefall (2008), Employee agency: Challenges and opportunities for Psychological Contract Theory reveals that employee agency manifests itself as self-actualization, action, influence and creativity, all of which have implications for employees' psychological contracts. Employees emerge as active parties to the psychological contract, consciously modifying and constructing it instead of simply reacting to employer behavior. Enrico Sevi (2010) study on Effects of organizational citizenship behavior on group performance concluded that when there are group members withholding effort, OCB decreases organizational effectiveness; on the contrary, when individuals provide much effort in the job, OCB enhances group performance. High performance is reached by the group who are able to learn when OCB is appropriate and fitting.

Millissa Cheung (2013) study on the mediating role of perceived organizational support in the effects of interpersonal and informational justice on organizational citizenship behaviors established that Perceived Organizational Support (POS) fully mediated the effects of interpersonal and informational justice on citizenship behaviors that are directed at the organization (OCBO) and its members (OCBI). Byoung et al., (2014) in their study, "A cross-sectional study of the relationships between organizational justices and OCB"., Among the three types of organizational justice, the effects of distributive and interactional justice on OCB were mediated by Organizational Identification (OI).

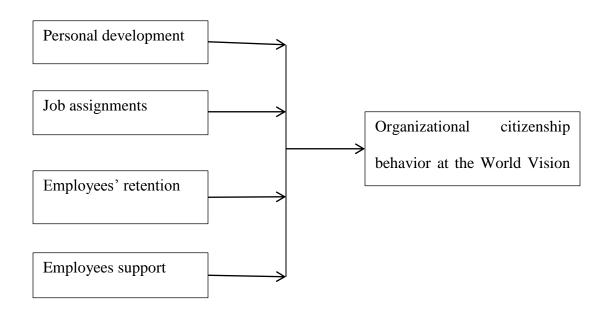
The authors also found that the positive relationship between OI and OCB was stronger for both a low level of transactional and a high level of relational contract. In addition, the moderated mediation analyses confirmed that the indirect relationships between distributive, interactional justice and OCB through OI were valid for both high and low level of transactional contract, and only for low level of relational contract.

It is evident that there exists no study on both PC and OCB. The researcher will aim to narrow this research gap focusing on the case of World Vision Somaliland and to study the relationship between PC and OCB and the resulting effects for their violation.

## 2.6 Conceptual Frameworks

#### **Independent Variables**

#### **Dependent Variable**



**Source**: (own computation)

Figure 2. 1 The conceptual framework

## 2.7 Chapter Summary

This chapter provides literature review on other research work that has been carried out on related topic. It covered the theoretical foundation, types of psychological contract, factors that influence organization citizenship behavior, psychological contract and organizational citizenship behavior and conceptual framework. The next chapter details the methodology that was adopted in the research. The chapter outlined the research design, the population, the data collection method, the data analysis method and gives the justification of the research methodology adopted.

#### **CHAPTER THREE**

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter described the steps, procedures and approaches that were followed in executing this study. It discussed the research design, target population, sampling design and sample size, data collection procedures and instrument, determination of reliability and validity as well as data analysis techniques.

### 3.2 Research Design

The study adopted both cross sectional descriptive design; data was collected in one point in time, since it involved collection of data from the entire staff thus vacillating comparison and concrete conclusions arrived at. These method present facts concerning variables investigated as they existed at the time of study as well as trends that are emerging. It was appropriate method for this study because it made it possible to compare and verify information across entire staff (Bryman, 2004).

## 3.3 Population

The population of the study was the WV Somaliland staff. According to the World Vision Report (2015) there were 125 employees of World Vision Somaliland. The researcher therefore carried out a census due to the manageable number of the employees.

#### 3.4 Data Collection

It was the intention of the researcher to collect primary data from the staff of WV Somaliland. The data was collected by use of questionnaire that was administered by

drop and pick method. The questionnaire contained three sections (A, B & C). Section A sought data on staff profile, Section B had questions on Psychological Contract and Section C sought information on Organizational Citizenship Behavior. However, the method was supplemented by email to those staff that was in the fields or even that was on leave.

### 3.5 Data Analysis

The data was sorted and coded accordingly to allow more appropriate analysis to be carried out. The data was analyzed using procedures within Statistical Package for Social Sciences (SPSS). The type of data was quantitative and descriptive statistics. Descriptive statistics such as mean, standard deviations, percentages and frequency distributions were used to generate meaning from the data in relation to the research objective. Frequencies were used to report on the respondents profile while regression analysis was used to explain the relationship between PC & OCB. The use of tables and histograms was also used to enhance output presentation. The study also employed inferential statistics to establish the relationship between psychological contract and Organizational citizenship behavior at the World Vision Somaliland staff. Specifically, the study used Spearman correlation to establish this relationship.

The following regression equation was used;

$$Y = \beta_{0+} \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \beta_2 X_4 + e$$

Where Y= Organizational citizenship behavior

 $X_1$ = Personal development

 $X_2 =$ Job assignments

 $X_3 =$  Employees' retention

 $X_4$  = Employees support

e = Error

 $\beta$ o = The constant which is the value of dependent variable when all the independent variables are 0.

 $B_i$  = The regression coefficient or change induced by  $X_1$ ,  $X_2$ ,  $X_3$  and  $X_4$  on Y. It determines how much each  $(X_1, X_2, X_3 \text{ and } X_4)$  contributes to Y (Organizational citizenship behavior)

### 3.6 Chapter Summary

The chapter described the methodology that was used to carry out the study. The research design was descriptive in nature focusing on the perceived relationship between psychological contract and Organizational citizenship behavior at the World Vision Somaliland staff. The population of the study was the WV Somaliland staff. The sample size and the sampling techniques as well as the questionnaire as a primary data collection instrument were described. The chapter also indicated that, data was analyzed using SPSS and presented in inform of chart and tables. The next chapter presents the findings of the research.

#### **CHAPTER FOUR**

### DATA ANALYSIS AND INTERPRETATION

#### 4.1 Introduction

The study sought to establish the perceived relationship between psychological contract and Organizational citizenship behavior at the World Vision Somaliland staff. Data was collected from the staff of WV Somaliland. The findings are presented in the following sections.

### **4.2 Response Rate**

Of the 125 questionnaires that were distributed to the respondents, 85 useable questionnaires were returned in good time, giving a response rate of 68%. This response rates were sufficient and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. The chapter covered the demographic information, and the findings were based on the objectives.

# 4.3 Demographic Information

The analysis of the demographic characteristics showed the perceived relationship between psychological contract and organizational citizenship behavior at the World Vision Somaliland staff. The analysis and discussion below captures the findings and the implications that the same have on the organizational citizenship behavior.

### **4.3.1 Gender**

The researcher sought to find out the gender of the respondents. The findings are shown in the figure below.

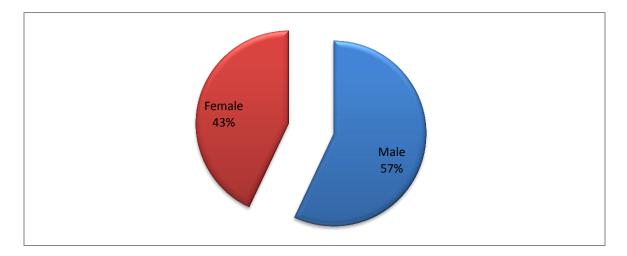


Figure 4.1 Gender

From the study findings, majority (57%) of the World Vision Somaliland staff were male while 43% were female. This implies that there is poor representation of women in the work force.

### 4.3.3 Age

The study further sought to establish the age of the respondents. The findings are stipulated in the figure below.

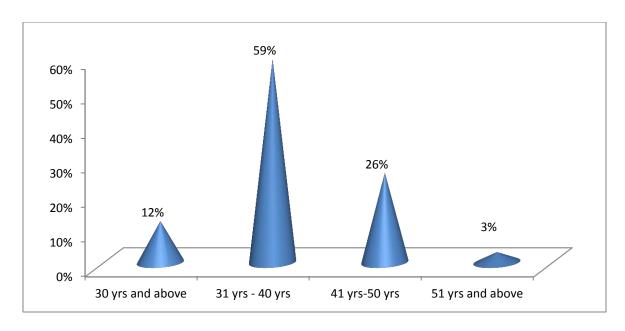


Figure 4.2 Age

From the study findings presented in the figure above, majority (59%) of the respondents were aged between 31-40 years, 26% were aged between 41-50 years and 12% were over 30 years and below while 3% were above 51 years. This implies that majority of the World Vision Somaliland staff were aged between 41-50 years.

### **4.3.4 Educational Level**

The study also sought to establish the level of education of the respondents. The findings are stipulated in the figure below.

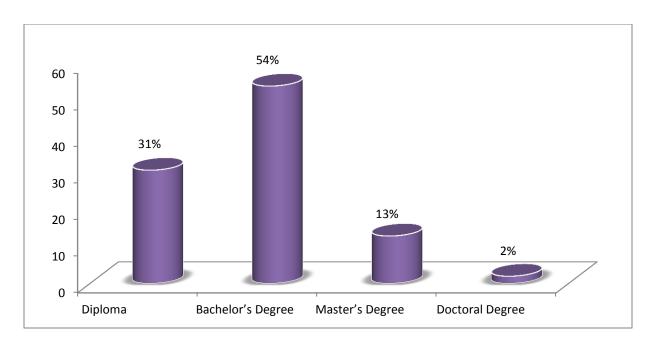


Figure 4.3 Educational Level

From the study findings presented in the figure above, majority (54%) of the respondents had university degree as their highest level of education, 31% had diplomas and 13% had Master's degree while 2% had Doctoral degree as their highest level of education. This implies that majority of the World Vision Somaliland staff had university degree as their highest level of education

### 4.3.5 Duration worked for World Vision Somaliland

The research sought to establish respondents' working experience based on the number of years they have worked at World Vision Somaliland. The findings are as stipulated in figure below.

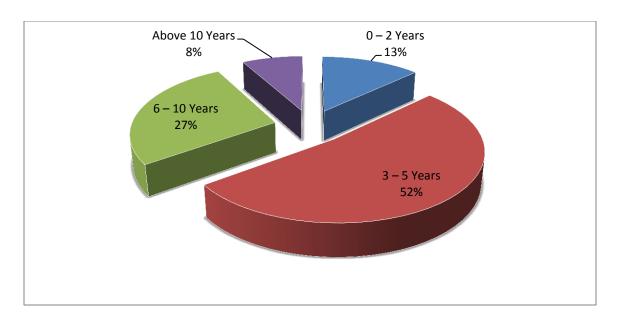
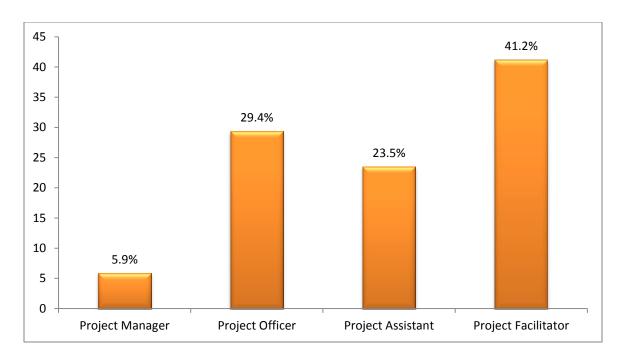


Figure 4.4 Duration worked for World Vision Somaliland

From the findings in the figure above, majority (52%) of the respondents had worked at World Vision Somaliland for 3-5 years, 27% for 6-10 years and 13% for 0-2 years while 8% had worked at World Vision Somaliland for more than 10 years. This implies that majority of the staff had worked at World Vision Somaliland for 3-5 years. This is because the staffs were project based and when the project was over the staff moved to look for other jobs. Most of the projects also run for between 3-5 years.

### 4.3.6 Current position

The researcher sought to determine the position held by the respondents.. The findings are given in figure below.



**Figure 4.5 Current position** 

From the findings in the figure above, most (41.2%) of the respondents were project facilitators, 29.4% were project officers and 23.5% were project assistants while 5.9% were project managers. This implies that all the levels of the staff were covered in the study and therefore the results could be generalized.

# **4.4 Psychological Contract**

The objective of the study was to examine the perceived relationship between psychological contract and Organizational citizenship behavior at the World Vision Somaliland staff. To establish this, it was appropriate to find data on Psychological Contract.

**Table 4.1 Réponses on Psychological Contract** 

	Mean	Std. V
A job only as long as the employer needs me	4.52	0.502
Concern for my personal welfare	3.94	0.542
Wages and benefits I can count on	4.00	0.690
Help me develop externally marketable skills	4.59	0.780
I intend to stay with my current employer for the longest time possible.	3.70	1.078
Makes no commitments to retain me in the future	4.22	0.710
Be responsive to my personal concerns and well-being	3.73	0.753
WV Somaliland has equal opportunities for training and development of staff.	3.71	0.828
Job assignments that enhance my external marketability	3.82	0.710
Support me to attain the highest possible levels of performance	3.88	0.836
Make decisions with my interests in mind	3.52	0.700
A job limited to specific, well-defined responsibilities	3.76	0.811
Support me in meeting increasingly higher goals	3.57	0.780
Concern for my long-term well-being	4.82	0.515
Require me to perform only a limited set of duties	3.87	0.679
At WV Somaliland there is opportunity for upward mobility and self-improvement	3.64	0.76

From the table above, majority of the respondents strongly agreed that World Vision Somaliland were concerned for staff long-term well-being; WV helped them to develop externally marketable skills; a job only as long as the employer needs them; World Vision Somaliland makes no commitments to retain the staff in the future and employees could count on wages and benefits as indicated by the mean scores of 4.82, 4.59, 4.52, 4.22 and 4.00 respectively.

On the other hand, most of the respondents agreed that World Vision Somaliland was concern for the employee's personal welfare; WV support the staff to attain the highest possible levels of performance; WV required the staff to perform only a limited set of duties; WV have job assignments that enhance external marketability; WV have a job limited to specific, well-defined responsibilities; WV Somaliland has equal opportunities

for training and development of staff; WV is responsive to staff personal concerns and well-being; most of the staff intended to stay with the current employer for the longest time possible; at WV Somaliland there is opportunity for upward mobility and self-improvement; WV supports the staff in meeting increasingly higher goals and WV makes decisions with staff interests in mind as shown by the mean scores of 3.94, 3.88, 3.87, 3.82, 3.76, 3.73, 3.71, 3.70, 3.64, 3.57 and 3.52 respectively.

From these findings, it is clear that World Vision Somaliland was concerned for staff long-term well-being; WV helped them to develop externally marketable skills; a job only as long as the employer needs them; World Vision Somaliland makes no commitments to retain the staff in the future and employees could count on wages and benefits. From these findings, PC can help World Vision Somaliland 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. When properly implemented, PC will create organizational harmony at World Vision Somaliland which in turn will improve organizational citizenship behavior. Hence, the similarity of employer-employee perceptions of fairness, justice and truthfulness is crucial for PCs. In other words, if they mutually keep the promises, organizational trust and positive results of organizational trust will be achieved.

## 4.5 Organizational Citizenship Behavior

The objective of the study was to examine the perceived relationship between psychological contract and Organizational citizenship behavior at the World Vision Somaliland staff. To establish this, it was appropriate to find data on Organizational Citizenship Behavior.

**Table 4.2 Responses on Organizational Citizenship Behavior** 

	Mean	Std. V
I always focus on what's wrong with my situation, rather than the	3.41	0.695
positive side of it		
I attend functions that are not required, but that help with WV Somaliland image.	4.35	0.591
I am willing to risk disapproval in order to express my beliefs about what's best for the Organization.	3.82	0.515
I consume a lot of time complaining about trivial matters.	3.47	0.609
I am comfortable with the nature of job responsibilities	4.41	0.603
I "keep up" with developments in WV Somaliland.	4.61	0.776
I am involved in the change process at WV Somaliland.	3.58	0.603
I am always ready to help or to lend a helping hand to those around me.	3.85	0.515
I conscientiously follow WV Somaliland regulations and procedures.	4.23	0.426
I turn in budgets, sales projections, expense reports, etc. earlier than required.	4.70	0.897
I would feel guilty if I stopped working for WV Somaliland.	3.59	0.979
There exist good working environment at WV Somaliland	3.35	0.684
I help orient new agents even though it is not required.	4.29	0.753
Resources are always availed to me on time to support my work.	4.21	0.849
There are flexible, accommodative working hours.	3.61	0.495
I am consulted in decision making in line with my tasks.	3.64	0.591

From the table above, majority of the respondents strongly agreed that they turned in budgets, sales projections, expense reports, etc. earlier than required; they "keep up" with developments in WV Somaliland; they were comfortable with the nature of job responsibilities; they attended functions that were not required, but that helped with WV Somaliland image; they helped orient new agents even though it was not required; they conscientiously followed WV Somaliland regulations and procedures and resources were always availed to them on time to support my work as indicated by the mean scores of 4.70, 4.61, 4.41, 4.35, 4.29, 4.23 and 4.21 respectively.

On the other hand, most of the respondents agreed that they were always ready to help or to lend a helping hand to those around them; they consumed a lot of time complaining about trivial matters; they were consulted in decision making in line with their tasks; there were flexible, accommodative working hours at WV; they would feel guilty if they stopped working for WV Somaliland; they were involved in the change process at WV Somaliland; they were always focused on what's wrong with their situation, rather than the positive side of it and there existed a good working environment at WV Somaliland as shown by the mean scores of 3.85, 3.82, 3.64, 3.61, 3.59, 3.58, 3.47, 3.41 and 3.35 respectively.

From these findings, it is clear that World Vision Somaliland turned in budgets, sales projections, expense reports, etc. earlier than required; they "keep up" with developments in WV Somaliland; they were comfortable with the nature of job responsibilities; they attended functions that were not required, but that helped with WV Somaliland image; they helped orient new agents even though it was not required; they conscientiously followed WV Somaliland regulations and procedures and resources were always availed to them on time to support their work.

The study can therefore deduct that individuals may value the resources if these are given as voluntary aids rather than as the forced actions of individuals. Such voluntary aids may represent the benevolent motives of organizational agents to have fair interpersonal and informational treatment of their subordinates. The results on OCB can therefore be summarized as satisfaction, organizational commitment, and trust in leader have positive correlations with OCB under an employee attitudes dimension. In employee role perceptions, both role ambiguity and role conflict generally have negative effects. While the OCB is positively related with need for independence, task feedback, and intrinsically satisfying task, the sign of its relationship with indifference to rewards and task

reutilization under task characteristics category. In the organizational characteristics category, cohesive group affects OCB positively but a reward outside the leader's control affects it negatively.

### 4.6 Regression Analysis

### **4.6.1 Regression Analysis**

Further the researcher conducted a multiple regression analysis so as to analyze the perceived relationship between psychological contract and Organizational citizenship behavior at the World Vision Somaliland staff. The researcher applied the statistical package for social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study.

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Personal development, Job assignments, Employees' retention and Employees support). The psychological contracts explain 83.4% of Organizational citizenship behavior as represented by the adjusted R<sup>2</sup>.

**Table 4.3 Model Summary** 

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.913	0.834	0.751	0.4538

4.6.2 ANOVA
Table 4.4 ANOVA (Analysis of Variance)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.424	9	.208	3.23	.002 <sup>a</sup>
	Residual	5.375	20	.232		
	Total	6.799	29			

a. Predictors: (Constant), (Personal development, Job assignments, Employees' retention and Employees support)

b. Dependent Variable: Organizational citizenship behavior at the World Vision Somaliland staff

Analysis of Variance (ANOVA) consists of calculations that provide information about levels of variability within a regression model and form a basis for tests of significance. The "F" column provides a statistic for testing the hypothesis that all  $\beta \neq 0$  against the null hypothesis that  $\beta = 0$  (Weisberg, 2005). From the findings the significance value is .002 which is less that 0.05 thus the model is statistically significance in predicting how Personal development, Job assignments, Employees' retention and Employees support affect Organizational citizenship behavior at the World Vision Somaliland staff. The F critical at 5% level of significance was 3.23. Since F calculated is greater than the F critical (value = 2.21), this shows that the overall model was significant.

### 4.6.3 Regression Coefficient

Multiple regression analysis was conducted as to determine the relationship between Organizational citizenship behavior and the four variables. As per the SPSS generated table 4.5, the equation

$$(Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + + \epsilon)$$
 becomes:

$$Y = 1.308 + 0.558X_1 + 0.785X_2 + 0.620X_3 + 0.731X_4$$

The regression equation above has established that taking all factors into account (Personal development, Job assignments, Employees' retention and Employees support) constant at zero, Organizational citizenship behavior at the World Vision Somaliland staff will be 1.308. The findings presented also shows that taking all other independent variables at zero, a unit increase in Personal development will lead to a 0.558 increase in Organizational citizenship behavior; a unit increase in Job assignments will lead to a 0.731 increase in Organizational citizenship behavior; a unit increase in Employees' retention will lead to a 0.785 increase in Organizational citizenship behavior and a unit increase in Employees support will lead to a 0.620 increase in Organizational citizenship behavior at the World Vision Somaliland staff. This infers that use of Personal development contributed most to Organizational citizenship behavior at the World Vision Somaliland staff followed by Job assignments then Employees' retention while Employees support contributed the little to Organizational citizenship behavior at the World Vision Somaliland staff.

**Table 4.5 Regression Coefficients** 

			Standardize		
	Unstand	lardized	d		
	Coefficients		Coefficients		
		Std.			
Model	В	Error	Beta	t	Sig.
(Constant)	1.308	1.342		1.623	0.357
Personal development	0.558	0.310	0.172	4.342	.0276
Job assignments	0.731	0.156	0.210	3.592	.0285
Employees' retention	0.785	0.322	0.097	3.542	.0202
Employees support	0.620	0.285	0.148	3.458	.0249

### 4.7 Discussions of the Findings

On Psychological Contract, the study further found out that World Vision Somaliland was concerned for staff long-term well-being; WV helped them to develop externally marketable skills; a job only as long as the employer needs them; World Vision Somaliland makes no commitments to retain the staff in the future and employees could count on wages and benefits. These findings agree with Rousseau (2000) who 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. Parker and Finkl (2002) also stated that OCBs will decrease when the PC is disturbed. In such cases, the interactive communication mechanism between the employer and employee is broken and they will reconsider whether to keep their promises or not. As mentioned, when the PC is disturbed, the organizational harmony and the effectiveness of the organizational operations will be damaged due to the fact that workers' creativity, their willingness to be kept as organizational members. Williams and Anderson (1991) made an important distinction between OCB that is directed at benefiting the organization and OCB directed at supervisors or co-workers that contributes only indirectly to the organization. Because the psychological contract consists of beliefs about obligations on the part of the organization rather than particular individuals, we expect that perceived violation of that contract will impact organizationally directed OCB rather than OCB directed at supervisors or co-workers. Pate and McGoldrick (2003), the impact of Psychological Contract violation on employee attitudes and behavior did find out that triggers of violation impinged on employee attitudes but not on behavior, trends substantiated by analysis of the organization's absenteeism records. Millissa Cheung

(2013) established that Perceived Organizational Support (POS) fully mediated the effects of interpersonal and informational justice on citizenship behaviors that are directed at the organization (OCBO) and its members (OCBI).

The study also established that World Vision Somaliland turned in budgets, sales projections, expense reports, etc. earlier than required; they "keep up" with developments in WV Somaliland; they were comfortable with the nature of job responsibilities; they attended functions that were not required, but that helped with WV Somaliland image; they helped orient new agents even though it was not required; they conscientiously followed WV Somaliland regulations and procedures and resources were always availed to them on time to support my work. These findings agree with Rhoades and Eisenberger (2002) who revealed that OCB is motivated by a number of factors, including organizational fairness, supervisor support, organizational rewards, and job conditions. Omer (2007) found out that satisfaction, organizational commitment, and trust in leader have positive correlations with OCB under an employee attitudes dimension. Lambert (2000) found a significant and positive relationship between worker's assessments of the usefulness of work-life benefits (e.g. child care and elder care) and OCB.

A regression analysis showed that PC is positively related to OCB. This is in line with Mac-Neil, (1985) who asserted that when properly implemented, PC will create organizational harmony which in turn will improve organizational citizenship behavior. Hence, the similarity of employer-employee perceptions of fairness, justice and truthfulness is crucial for PCs. In other words, if they mutually keep the promises, organizational trust and positive results of organizational trust will be achieved.

## **4.8 Chapter Summary**

This chapter provided the results and findings of the study with respect to the data collected from the respondents. The findings based on the background of the respondents are given in the first section followed by the findings on the Psychological Contract. The third section presents the results on Organizational Citizenship Behavior and the final section provided the discussions of the findings. The next chapter focused on the summary of the findings, conclusion and recommendation of the study.

#### **CHAPTER FIVE**

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### **5.1 Introduction**

This chapter presents the summary of the findings, and the conclusions and recommendations of the study based on the objectives of the study. The objective of this study was to examine the perceived relationship between psychological contract and Organizational citizenship behavior at the World Vision Somaliland staff.

### **5.2 Summary**

From the findings, majority of the staff at World Vision Somaliland staff were male who were married and aged between 41-50 years. The study also found out that majority of the World Vision Somaliland staff had university degree as their highest level of education and had worked at World Vision Somaliland for 3-5 years. Further, majority of the staff at World Vision Somaliland who participated in the study were project facilitators and project officers respectively.

On Psychological Contract, the study further found out that World Vision Somaliland was concerned for staff long-term well-being; WV helped them to develop externally marketable skills; a job only as long as the employer needs them; World Vision Somaliland makes no commitments to retain the staff in the future and employees could count on wages and benefits.

Lastly, the study established that World Vision Somaliland turned in budgets, sales projections, expense reports, etc. earlier than required; they "keep up" with developments

in WV Somaliland; they were comfortable with the nature of job responsibilities; they attended functions that were not required, but that helped with WV Somaliland image; they helped orient new agents even though it was not required; they conscientiously followed WV Somaliland regulations and procedures and resources were always availed to them on time to support my work

#### **5.3 Conclusions**

The study concluded that supervisor fairness leads to employee citizenship because a social exchange relationship develops between employees and their supervisors. When supervisors treat employees fairly, social exchange and the norm of reciprocity dictate that employees reciprocate, and Organ suggested that organizational citizenship behavior is one likely avenue for employee reciprocation was among the first to differentiate social exchange from economic exchange. Based upon these arguments, it is expected that employees' perceptions of the extent to which their organizations have fulfilled the psychological contract will impact the extent to which they engage in OCBs. Specifically, it is expected that psychological contract fulfillment will be positively related to the performance of citizenship behaviors.

The study further concluded that psychological contracts afford employees a sense of control and security in their relationship with employers, while providing employers a way to manage and direct employee behavior without heavy handed surveillance. Further, the more closely an employee scrutinizes the organization's actions, the more contract breaches she is likely to notice. Employees who had experienced a contract breach with past organizations were more likely to report a contract breach in their current organization. Thus, a history of breaches involving a past organization would

increase monitoring behavior and the likelihood that an employee would experience a contract breach.

Lastly, the study concluded that satisfaction, organizational commitment, and trust in leader have positive correlations with OCB under an employee attitudes dimension. In employee role perceptions, both role ambiguity and role conflict generally have negative effects. While the OCB is positively related with need for independence, task feedback, and intrinsically satisfying task, the sign of its relationship with indifference to rewards and task reutilization under task characteristics category. In the organizational characteristics category, cohesive group affects OCB positively but a reward outside the leader's control affects it negatively. Finally, leadership behaviors; transformational leadership, contingent reward behavior, leader role clarification and supportive leader behaviors encourage the behavior, while, non-contingent punishment behavior discourages OCB

#### **5.4 Recommendations**

The study recommends that World Vision Somaliland should be concerned for staff long-term well-being by helping them to develop externally marketable skills which are needed by the employer. The World Vision Somaliland should also make commitments to retain the staff in the future and employees should be able to count on wages and benefits. The organization should also be concern with the employee's personal welfare for it to attain highest possible levels of performance. The study also recommends that the WV Somaliland should offer equal opportunities for training and development of staff for their upward mobility and self-improvement so that the employees can be able to the organization's set goals.

The study further recommends that the staff should turn in budgets, sales projections, expense reports, etc. in good time and keep up with developments in WV Somaliland and should feel comfortable with the nature of job responsibilities. WV on the other hand should involve the staff in the change process so that the staff can feel tpo be part of the organization and for good working environment.

## **5.5 Suggestions for Future Research**

Future research should endeavor to focus on NGOs in other part of the Country so as to shed more light on perceived relationship between psychological contract and organizational citizenship behavior in the NGO world.

#### REFERENCES

- Adams, J.S. (1965), *Inequity in social exchange*, in Berkowitz, L. (Ed.), *Advances in Experimental Social Psychology*, Academic Press, New York, NY, pp. 267-99
- Blau, P.M. (1964), Exchange and Power in Social Life, Wiley, New York, NY.
- Byoung K.C., Hyoung K.M. and , Kyoung M.K., (2014) A cross sectional study of the relationships between organizational justices and OCB: Roles of organizational identification and psychological contracts, *Leadership & Organization Development Journal*, Vol. 35 Iss: 6, pp.530 554.
- Camén C., Gottfridsson P. and Rundh B, (2011), To trust or not to trust? *Management Decision*, Vol. 49 Iss 3 pp. 365 383.
- Enrico S, (2010), Effects of organizational citizenship behaviour on group performance, *Journal of Modelling in Management*, Vol. 5 Iss 1 pp. 25 – 37.
- Gouldner, A.W. (1960), The norm of reciprocity: a preliminary statement, *American Sociological Review*, Vol. 25, pp. 161-78.
- Hannele S. and Parzefall M.R, (2008), Employee agency: challenges and opportunities for psychological contract theory, *Personnel Review*, Vol. 37 Iss 5 pp. 473 489.
- Hart, O. and Holmström, B. (1987), *The Theory of Contracts*, University Press, Cambridge.
- Levinson, H. (1965), Reciprocation: the relationship between man and organization, Administrative Science Quarterly, Vol. 9 No. 4, pp. 370-390.

- Macneil, I.R. (1978), *Contracts Exchange Transactions and Relations*, The Foundation Press Inc, Mineola, NY.
- Mark M.S, (2009), The mediating role of psychological contract violation on the relations between psychological contract breach and work-related attitudes and behavior, *Journal Managerial Psychology*, Vol. 24 Iss 2 pp. 136 – 160.
- Marks, A. (2010), Developing a multiple foci conceptualization of the psychological contract, *Employee Relations*, Vol. 23 No.5, pp.454-67.
- Millissa F.Y.C, (2013), The mediating role of perceived organizational support in the effects of interpersonal and informational justice on organizational citizenship behaviors, *Leadership & Organization Development Journal*, Vol. 34 Iss 6 pp. 551 572.
- Morrison, E.W. and Robinson, S.L. (1997), When employees feel betrayed: a model of how psychological contract violation develops, Academy of Management Review.
- Mouzas, S. (2006), Negotiating umbrella agreements, *Negotiation Journal*, Vol. 22 No. 3, pp 279-302.
- Mouzas, S. and Ford, D. (2006), Managing relationships in showery weather: the role of umbrella agreements, *Journal of Business Research*, Vol. 59 No. 12, pp. 1248-56.
- Mouzas, S. and Ford, D. (2007), Contracting in asymmetric relationships: the role of framework contracts, *The IMP Journal*, Vol. 13, pp. 42-63.
- Newell, S., and Dopson J. (2002), *Managing Knowledge Work*, Palgrave, New York, NY.

- Omer T. and Umut K., (2007), Materialistic attitude as an antecedent of organizational citizenship behavior, *Management Research News*, Vol. 30 Iss 8 pp. 581 596.
- Organ, D.W., Podsakoff, P.M. and MacKenzie, S.B. (2006), *Organizational Citizenship Behavior:* Its Nature, Antecedents, and Consequences, Sage, Thousand Oaks, CA.
- Pate J. & McGoldrick J., (2003), The impact of psychological contract violation on employee attitudes and behavior, *Employee Relations*, Vol. 25 Iss 6 pp. 557 573.
- Rhoades, L. and Eisenberger, R. (2002), Perceived organizational support: a review of the literature, *Journal of Applied Psychology*, Vol. 87 No. 4, pp. 698-714.
- Robinson, S.L. and Morrison, E.W. (2000), The development of psychological contract breach cand violation: a longitudinal study, *Journal of Organizational Behavior*, Vol. 21, ppc525-46.
- Robinson, S.L. and Rousseau, D.M. (1994), Violating the psychological contract: not the exception but the norm, *Journal of Organizational Behavior*, Vol. 15, pp. 245-59.
- Rousseau, D. M. (2000), *Psychological Contract Inventory, Revised Version*: Technical Report, Pittsburgh, PA': Carnegie Mellon University, Heinz School of Industrial Administration.
- Rousseau, D.M. (2011), Psychological Contracts in Organizations. Understanding Written and Unwritten Agreements, Sage, Thousand Oaks, CA.
- Spindler, G. S. (1994), Psychological Contracts in the work place: A lawyer's view.

  Human Resources Management Journal, 33 (3), 325 333

- Sturges, J., Conway, N., Guest, D., & Liefooghe, A. (2005), Managing the Career Deal

  The psychological contract as a framework for understanding career management,

  organizational commitment and work behavior. Journal of Organizational

  Behavior, 26.821-838 1
- Tsai, L.M., and Yang, L.E. (2010), The psychological contract as an explanatory framework in the employee relationship, in Cooper, C., Roussear, D. (Eds), Trends in Organizational Behavior, Wiley, New York, NY, Vol. Vol. 1 pp.91-109.
- Wasti, S. A. (2005), Commitment profiles: Combinations of organizational commitment forms and job outcomes. *Journal of Vocational Behavior*, 67, 290-308.
- Williamson, O.E. (1975), Markets and Hierarchies: Analysis and Antitrust Implications,
  The Free Press, New York, NY.

### **APPENDICES**

## **APPENDIX I: QUESTIONNAIRE**

This questionnaire is designed to collect data on Perceived Psychological Contract and Organizational Citizenship Behavior at World Vision Somaliland. This is entirely meant for academic purposes. All the information will be treated with confidentiality it deserves. At no particular point your identity will be disclosed in the final report of this study.

### **Section A: Respondents Profile**

Q1.	(a)		Name		(Optional)
(b) Ger	nder: Male [ ]; Fem	ale [ ]			
(c) Sta	tus: Single [ ]; Marri	ed [ ]			
(d) Age	e bracket (Tick appropr	•			
	30 Years and Below				
	31 Years – 40 Year				
	41 Years – 50 Year				
	51 Years and Abov	e [ ]			
(e) Edu	icational Level				
	Diploma	[ ]	Bachelor's Degree	[	]
	Master's Degree	[ ]	Doctoral Degree	[	]
	Any Other, Please	Specify			

0 – 2 Years [ ] 6 – 10 Years [ ]			Years [ ]		
(g) What current position do you hold?					
Project Manager	[	]	Project Coordinator	[	]
Project Officer	[	]	Project Assistant	[	]
Project Facilitator	Γ	1			

**Section B: Psychological Contract Q2 (a):** Please indicate with a tick ( $\sqrt{}$ ) the extent to which you agree with the following statements using a rating scale where 5 = Strongly Agree, 4 = Agree, 3 = Moderate (Neither Agree nor Disagree), 2 = Disagree and 1 = Strongly Disagree.

NO	Psychological Contract	5	4	3	2	1
1	A job only as long as the employer needs me					
2	Concern for my personal welfare					
3	Wages and benefits I can count on					
4	Help me develop externally marketable skills					
5	I intend to stay with my current employer for the longest time possible.					
6	Makes no commitments to retain me in the future					
7	Be responsive to my personal concerns and well-being					
8	WV Somaliland has equal opportunities for training and					
	development of staff.					
9	Job assignments that enhance my external marketability					
10	Support me to attain the highest possible levels of					
	performance					
11	Make decisions with my interests in mind					
12	A job limited to specific, well-defined responsibilities					
13	Support me in meeting increasingly higher goals					
14	Concern for my long-term well-being					
15	Require me to perform only a limited set of duties					
16	At WV Somaliland there is opportunity for upward					
	mobility and self improvement					

Section C: Organizational Citizenship Behavior Q2 (b): Please indicate with a tick ( $\sqrt{}$ ) the extent to which you agree with the following statements using a rating scale where 5 = Strongly Agree, 4 = Agree, 3 = Moderate (Neither Agree nor Disagree), 2 = Disagree and 1 = Strongly Disagree.

NO	Organizational Citizenship Behavior	5	4	3	2	1
1	I always focus on what's wrong with my situation, rather					
	than the positive side of it					
2	I attend functions that are not required, but that help with					
	WV Somaliland image.					
3	I am willing to risk disapproval in order to express my					
	beliefs about what's best for the Organization.					
4	I consume a lot of time complaining about trivial matters.					
5	I am comfortable with the nature of job responsibilities					
6	I "keep up" with developments in WV Somaliland.					
7	I am involved in the change process at WV Somaliland.					
8	I am always ready to help or to lend a helping hand to					
	those around me.					
9	I conscientiously follow WV Somaliland regulations and					
	procedures.					
10	I turn in budgets, sales projections, expense reports, etc.					
	earlier than required.					
11	I would feel guilty if I stopped working for WV					
	Somaliland.					
12	There exist good working environment at WV Somaliland					
13	I help orient new agents even though it is not required.					
14	Resources are always availed to me on time to support my					
	work.					
15	There are flexible, accommodative working hours.					
16	I am consulted in decision making in line with my tasks.					

### THANK YOU FOR YOUR PARTICIPATION.