

**THE INFLUENCE OF PERCEIVED PSYCHOLOGICAL CONTRACT  
VIOLATION ON EMPLOYEE COMMITMENT AT THE NATIONAL  
CEREALS AND PRODUCE BOARD**

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**A Research Project Submitted in Partial Fulfilment of the Requirements for the  
Award of the Degree of Master of Business Administration (MBA), School of  
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**November, 2012**

## **DECLARATION**

This research project is my original work and has not been presented in any other university for an academic award.

Signed..... Date.....

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This research project has been submitted for examination with my approval as the University Supervisor.

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## **ABSTRACT**

Psychological contracts are the beliefs an individual holds concerning terms of an agreement, which are implicit in nature between the individual and the organization (Rousseau, 2000). This study examined the effect of perceived psychological contract violation on employees' commitment at the National Cereals and Produce Board.

To achieve the goals of this study, 106 management and unionisable employees of the organisation were presented with questionnaires based on important key elements of psychological contract and the types of employee commitment. Responses were received from 92 employees representing 87 percent of the sample group. Their responses to the questionnaire were analysed and evaluated and, based on the findings, recommendations were made.

The researcher tested the levels of perceived psychological contract violation and employee's affective commitment, normative commitment and continuance commitment. The results showed that NCPB employees' perceived violation of psychological contract to a moderate extent on average, representing violation to a great extent on matters of career development and management of change, and to a moderate extent in compensation and financial reward, job content, social atmosphere and work-life balance. Further results demonstrated that the perceived violation was negatively correlated with the three types of employee commitment.

The results indicate that perceived psychological contract violation can affect employee commitment. Employers and those in human resource management should be aware of the psychological contract and how its violation may impact employees. Identifying those items that are most important, but least fulfilled will improve overall employment relationship. Hence, it is recommended that the organization ensures that human resource strategies, policies and procedures are based on distributive, procedural and interactional justice.

## **ACKNOWLEDGEMENTS**

There are many people who have contributed to this study; my good buddy Kisilu, other friends, family, colleagues, lecturers and fellow students. Some have contributed inadvertently and some purposely. For their contribution, I wish to thank them.

By way of this acknowledgement, I wish to thank my supervisor, Prof. Peter K'Obonyo, for his advice and guidance.

The management at NCPB were kind enough to allow me to conduct this research and offered me assistance wherever possible. For their contribution, I thank them.

Finally, in recognition of her patience, understanding, and encouragement, I wish to acknowledge my significant other, Betty, for without her, the completion of this study may not have become a reality.

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## **ABBREVIATIONS**

AC	Affective Commitment
CC	Continuous Commitment
CIPD	Chartered Institute of Personnel and Development
HR	Human Resource
KMC	Kenya Meat Commission
MBA	Master of Business Administration
NC	Normative Commitment
NCPB	National Cereals and Produce Board
NSSF	National Social Security Fund
PC	Psychological Contract
UON	University of Nairobi





## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

An organisation can only survive and flourish in the competitive business environment if it is able to attract and retain good calibre employees (Corbridge 1998). Currently with the growing need to keep and retain quality staff, it is essential to understand the relationships employees develop with their employers. Through this understanding employers can develop strategies to encourage positive workplace outcomes which may lead to increased productivity and retention. Productivity and retention are essential for employers to operate successful organizations. One framework that has been used to examine perceptions of the relationship between the employee and employer is psychological contracts. Psychological contracts are the beliefs an individual holds concerning the implicit terms of an agreement between the individual and the organization (Rousseau, 2000).

When this agreement between employee and employer is fulfilled, increased job performance results; however, when the contract is violated by the employer, the employee may engage in negative workplace behaviours (Sturges, Conway, Guest & Liefoghe, 2005). Furthermore, the effect of violation and fulfillment may differ across employees due to individual differences. One such important difference is organizational commitment. An individual's commitment to the organization has a large influence on how that employee conducts himself or herself in the workplace (Wasti, 2005). Through the examination of psychological contract within the context of employee commitment, researchers can obtain a more in depth understanding of how perceived violation of the psychological contract can impact employee commitment.

#### **1.1.1 The Concept of Perception**

Armstrong observed that, perception is the intuitive understanding, recognition and interpretation of things and events. Behaviour will be influenced by the perceptions of individuals about the situation they are in. The term 'psychological climate' has been coined by James and Sells (1981) to describe how perceptions give the situation psychological significance and meaning. Perception has been defined by Ivancevitch et al

(2008) as the process by which an individual gives meaning to the environment. It involves organizing and interpreting various stimuli into a psychological experience. Perception is empirical in that it is based on the individual's past experience. Different people will therefore perceive the same thing in different ways. Ivancevitch et al (2008) added that, while people think they are describing some objective reality, they are in fact describing their subjective reactions to that reality. And it is this perception of reality that shapes behaviour. To a large extent people interpret the events and the actions of others from their own viewpoint. They see what they want to see.

Robbins et al (2004) observed that, perception is not necessarily based on reality, but is merely a perspective from a particular individual's view of a situation. In dealing with the concept of organisational behaviour, perception becomes important because 'people's behaviour is based on their perception of what reality is, not on reality itself; the world as it is perceived is the world that is behaviourally important' (p.132). Factors influencing a person's perception can be broken down into three main categories. These include: the situation, the perceiver and the target. For example, the factors in the situation may include: time, work setting, or social setting. Whereas the factors in the perceiver may include: attitudes, motives, interests, experiences and expectations. Lastly, the factors in the target may include: novelty, motion, sounds, size background, proximity, and similarity.

### **1.1.2 Psychological Contract**

There is a contract of service between an employer and an employee which like any other contract creates a legally enforceable relationship. According to Rousseau and Greller (1994), the ideal contract in employment would detail expectations of both employee and employer. Typical contracts, however, are incomplete due to bounded rationality which limits individual information seeking, and to a changing organizational environment that makes it impossible to specify all conditions up front. Both employee and employer are left to fill up the blanks; hence the parties develop a psychological contract in their minds.

A psychological contract is a set of unwritten expectations that exist between individual employees and their employers. As Guest (2007) noted, it is concerned with: 'The perceptions of both parties to the employment relationship, organization and individual, of the reciprocal promises and obligations implied in that relationship.' A psychological contract is a system of beliefs that encompasses the actions employees believe are expected of them and what response they expect in return from their employer and, reciprocally, the actions employers believe are expected of them and what response they expect in return from their employees.

Violation of the psychological contract occurs when one party perceives that the other has failed to fulfill its obligations or promises. The employee's perception that the organization has failed to fulfill one or more obligations relating to the psychological contract represents the cognitive aspect of violation - a mental calculation of what the employee has received relative to what was promised. However, there is also an emotional state that accompanies violation - the feelings of betrayal, distress, anger, resentment, a sense of injustice and wrongful harm (Wolfe Morrison & Robinson, 1997). This emotional experience culminates in attitudinal and behavioural responses that may eventually have an effect on employee's commitment to the organization.

### **1.1.3 Employee Commitment**

Armstrong (2010) suggested that, commitment can be referred to as attachment and loyalty. It is associated with the feelings of individuals about their organization. It is the relative strength of the individual's identification with, and involvement in, a particular organization. The three characteristics of commitment identified by Mowday et al (1982) are: a strong desire to remain a member of the organization, a strong belief in, and acceptance of, the values and goals of the organization and a readiness to exert considerable effort on behalf of the organization.

An alternative, although closely related, definition of commitment emphasizes the importance of behaviour in creating commitment. As Salancik (1977) put it: Commitment is a state of being in which an individual becomes bound by his actions to beliefs that sustain his activities and his own involvement. Three features of behaviour are important

in binding individuals to their acts: the visibility of the acts, the extent to which the outcomes are irrevocable, and the degree to which the person undertakes the action voluntarily. Commitment, according to Salancik, can be increased and harnessed ‘to obtain support for organizational ends and interests’ through such ploys as participation in decisions about actions. Commitment is most freely given when the members of an enterprise play part in defining the purpose and plans of the entity. Commitment carries with it a defacto approval of and support for the management, Hodgetts and Hegar (2009).

#### **1.1.4 National Cereals and Produce Board**

The National Cereals and Produce Board (or the Board or NCPB as it will be referred to severally herein), which is the organisation selected for this study is a body corporate that was established in 1985 under Cap.338 of the Laws of Kenya. However, this organization has been in existence for a much longer period, having been established in 1939 by the then British Colonial Government. The Board previously operated under diverse names. These included: West Kenya Maize marketing Board; Maize marketing and control Board; Maize and Produce Board, which was established 1967. It acquired its current name after the amalgamation of the Maize and Produce Board with the defunct Wheat Board in 1980. The Board’s main function over time has been to provide grain farmers with important marketing outlet, while at the same time it is charged with undertaking the food supply functions of the State (National Cereals and Produce Board Strategic Plan 2009-2013). The Board trades in Maize, Wheat, Beans and other scheduled produce such as millet, sorghum and rice. It also offers services like drying, grading, cleaning, pest control and storage of grain as well as weighing. Additionally, the Board offers for sale, such items like weighing scales, gunny bags, pesticides and tarpaulins. More recently the Board has engaged in the trading of farm inputs more specifically fertilizer with the aim of reducing the cost of production for the farmer and also diversify its products range and make it more profitable. The organization has a network of 110 stations spread all over Kenya; in both the high potential agricultural areas like most parts of Rift Valley, Western and Central Provinces, as well as the low potential (food deficit) areas like North Eastern and parts of Eastern Provinces. The network is divided into six administrative regions, i.e.

Nairobi/Eastern, Northern, Coast, North Rift, South Rift and Lake/Western (NCPB, Strategic Plan 2009-13).

According to the NCPB Staff Establishment Audit Report, Appendix K (2004), the Board has since the early 90's been undergoing through major restructuring and rationalisation of its operations under the Civil Service Reform Programme. This included the downsizing of work force, with the objective of reducing its bloated staff strength to retain a leaner workforce, which could deliver the required services more efficiently and effectively. In a period of ten years (1993-2003), the Board released more than 70% of its total workforce through a Staff Voluntary Early Retirement Scheme and other methods of leaving. This reduced its staff strength from approximately 4,500 it had at the beginning of the retrenchment exercise to a mere 930 at that end of the exercise. The Board currently has an establishment of about 1020 employees falling under four broad categories, namely Senior Management (Job Group M and above), Middle Level Management (Job Group K-L, Supervisor Management (Job Group G-J) and Operational Management (Job Group A-F).

The organization has a fully-fledged Human Resource Department, which uses a detailed Human Resource Manual that contains policies and procedures that basically defines the employment relationship of the organization. The NCPB Human Resource Policies and Procedure Manual (Issue 2010) states that the Board recognises that human resources constitute its most important assets, because people grow and develop over time and without them all the other resources (materials, money methods and machines) will not be effectively utilised. According to the manual, Board's Human Resources Management Function is primarily concerned with the entire human relationship fields. It aims at bringing together and developing the human resource into a cohesive and an effective unit to complement all the other functions in the Board, while giving regard to the well being of the individual and groups of workers enabling them to make maximum contribution towards the successful attainment and sustenance of the Board's corporate goals and objectives.

## **1.2 Research Statement**

Internationally, there has been an increase in empirical research on psychological contract in 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. There has been a shift from 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 employer-employee relationship where there is far less job security and fewer provisions for retirement planning (Turnley et al, 1998). 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, 1994).

The National Cereals and Produce Board has been chosen as the organization of study because of the following reasons: first, between 2003 and 2007 the Board hired 50 management trainees on two separate occasions; out of this number, only 20% are still in service, majority (80 %) have left the Board through resignation. Overall annual staff turnover rate stands at 2.5% (HR Annual Reports, 2003-2011). Second, the management in 2009 increased staff basic pay by 40% and other emoluments such as subsistence allowances by as much as 100%, yet when employee satisfaction survey for 2010-11 financial year was carried out the overall satisfaction level was at 76% against a minimum target of 85%. Finally, employees in some departments/sections have been complaining about the way they are treated in terms of fairness, equity and consistency in promotions, development opportunities, training, performance appraisals, etc. The complaints have been identified through customer satisfaction survey reports, suggestion boxes and other communication media as well as during inter-departmental meetings and other fora.

The management has recently implemented performance based annual salary increment to replace the automatic annual salary increment, hence revising the existing Staff Performance Appraisal system by adapting the universally recommended open evaluation system instead of the closed up-down performance appraisal approach, with the aim of improving performance and fairness in reward and thus enhancing employment

relationship. The new Performance appraisal system can only work well if the Board understands and effectively manages its staff's psychological contract by identifying and striving to meet their expectations.

Locally, some of the studies carried out on psychological contract include: Abwavo (2005), on the relationship between psychological contract and organizational commitment and job satisfaction in commercial banks in Nairobi. Among other things, the researcher found that there was a positive correlation between employers' obligation and job satisfaction and a negative correlation between psychological contract and organization commitment; Longurasia (2008) studied employees' perception of psychological contract at the KMC where she found that the company fulfils its psychological contract largely by assigning jobs with responsibilities, facilitating a positive relationship between colleagues and fostering good communication while on the other hand employees' fulfil their obligations to the company; finally, Nambaka (2010) studied the relationship between employee psychological contract and organization citizenship behaviour at the NSSF. The findings indicated, among other things, that the fulfilment of the organization's obligations towards its employees is important in explaining the willingness of employees to engage in organization citizenship behaviour.

Further, the recommendations on the findings obtained in these studies indicate that there is a knowledge gap in some areas of psychological contract: Nambaka (2010) identified the need for the study of the relationship between justice and psychological contract since perception of justice has been treated as antecedent of contract violations and also as an outcome of contract breach/fulfilment; Longurasia (2008) pointed out that further research can be done on the existing psychological contract with the aim of appreciating the importance of human resource in an organization; Obwavo (2005) noted the need to study the antecedent of organizational commitment in a set up with few job opportunities and low quality of work life in countries like Kenya and also, whether psychological contract has any implications for individual performance that may impact on the overall organizational performance. In summary, a gap exists in the literature as the mentioned researchers investigated only the outcomes of organizational commitment, job satisfaction and organization citizenship in relation to psychological contract. The



employee's level of commitment as a response to perceived psychological contract violation has still not been examined.

The above research problem leads to the following question: what is the influence of perceived psychological contract violation on employees' commitment at National Cereals and Produce Board?

### **1.3 Objective of the Study**

To establish the influence of perceived psychological contract violation on employee commitment at the National Cereals and Produce Board.

### **1.4 Value of the Study**

The understanding of psychological contracts, employee commitment and the interrelation of these constructs is important in the management of today's workforce. Hence the study may be significant for various reasons. First, it may help the Board's management understand how contract violation may influence its employees thereby encouraging the Board to recognize and incorporate the inclusion of psychological contracts into its management strategies. Specifically, this research may help the organization protect relationships with valued employees leading not only to increased productivity, but also increased retention.

Secondly, the government may find the results useful as input into policy reviews on labour related matters.

Thirdly, trade unions may use the research findings to agitate for inclusion of certain items in the terms and conditions policy documents, items that may have been ignored previously but are of great importance.

Finally, scholars in the field of management may use the information to understand better effects of psychological contract generally on employment relationship and specifically on employee commitment. They may also use the information as reference point to research on management of psychological contract in other academic institutions.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Psychological Contract**

By its nature psychological contract is not a written document. Rather, it exists in the people's head. Torrington et al (2007) observed that, where as a legal contract of employment set out terms and conditions of employment, remuneration arrangements and the basic rules which are to govern the employment relationship, the psychological contract concerns broad expectations about what each party thinks it will gain from the relationship. Anderson and Schalk, (1998) added, in as much as all possible aspects of the employment relationship cannot be addressed in a formal, written contract; the psychological contract fills the gaps in the relationship. Furthermore, the psychological contract shapes behaviour as employees weigh their obligations towards the organisation against the obligations of the organisation towards them and adjusts their behaviour on the basis of critical outcomes. Finally, the psychological contract gives employees a feeling of influence on what happens to them in the organisation (Anderson and Schalk, 1998).

Armstrong and Murlis (2007) also observed that, a psychological contract as a system of beliefs it encompasses; on the one hand, the actions employees believe are expected of them and what response they expect in return from their employer; and on the other, the behaviour employers expect from their employees. Employee's expectations covered by psychological contract include: how s/he is treated in terms of fairness, equity and consistency; security of employment; scope to demonstrate competence; career expectations and the opportunity to develop skills; involvement and influence; trust in the organization to keep its promises; and the expectation that s/he will be managed competently. Employer's point of view covers such aspects of the employment relationship as: competence; effort; compliance; commitment; and loyalty.

The above observations are further supported by Huiskamp & Schalk (2002) as they claim that psychological contracts are based on specific promises made by both parties and on generally accepted promises that are based on the general obligations of employers and employees. Even if an employer has not made specific promises in that regard, every employee will appreciate clarity, fairness and good communication. Every

employer will appreciate employees dealing properly with confidential information and doing good work. In addition to general obligations, the psychological contract is further augmented with written agreements, such as employment contracts.

Blancero et al, (2007) noted that, the development of psychological contract in the minds of employees i.e. a picture of what they owe the organization and what the organization owes them in return can result in perception of inequalities and a sense of violation. To retain balance in the psychological contract perceived increase in employee obligations need to be matched by perception of increased rewards. If increases in employee obligations are determined as exceeding increases in rewards, it is possible to assure that a negative shift in the psychological contract has occurred. The situation may result in employee's withdrawal of organizational citizenship behaviour or employee exiting from the organization. Meyer & Allen, (1997) stated that, through a more in depth understanding of how contract violation and fulfillment and commitment may influence employees' outcomes, employers can develop specific strategies aimed at increasing the type of commitment that will lead to the most positive outcomes.

## **2.2 Perceived Psychological Contract Violation**

Employee's perception on psychological contract violation is a construct that regards employee's feeling of disappointment (ranging from minor frustration to betrayal) arising from their belief that their organization has broken its work-related promises (Morrison and Robinson, 1997), and is generally thought to be the organization's contribution to a negative reciprocity dynamic, as employees tend to perform more poorly to pay back perceived psychological contract violation. The appraisal of one's psychological contract emerges from the cognitive assessment of the coherence between the perceived terms of the employment agreement and what has been delivered by the employer. When a discrepancy occurs, individuals will presumably increase or reduce their participation and involvement in the organization. In that respect, psychological contract fulfilment reflects the quality of the exchange process between employer and employee, such that individuals feel that they more or less obliged towards their organization in return for the delivery of inducement by the employer (Coyle-Shapiro and Kessler, 2000).

Morrison and Robinson (1997) observed that, employees regard the psychological

contract to be breached when there is a perception that one's organisation has failed to fulfil one or more obligations composing one's psychological contract and for a breach to occur, an individual must elicit an effective response to this perceived violation. They further suggest that there are two causes of psychological contract violations: Reneging (when the employer deliberately breaks a promise, either purposely or due to unforeseen circumstances), and Incongruence (when the employee and employer have divergent perceptions regarding what has been promised). Robinson, et al. (1994) found that psychological contracts become more transactional following violation, showing that employees retreat from social exchange aspects and focus on pecuniary benefits in order to create a psychological distance from the source of violation.

### **2.3 Employee Commitment**

Recent studies of the concept of commitment have advanced in many different directions including new approaches to both the conceptualization of employee commitment and the particular human resource practices intended to increase it. Current research concerning employee commitment highlights the pitfalls of viewing commitment as a one-dimensional construct that can be enhanced by a particular human resource policy. This assumes that a particular practice, for example offering flexible working arrangements or more training, will have a significant and beneficial effect on employee commitment. Unfortunately, in practice it is not that simple because there is no single solution. All employees' wants and needs cannot be addressed by a single policy (Robinson, 2006).

Employees who are committed to their jobs and organizations exhibit positive attitudes, and are ready to contribute ideas, are innovative and ready to go an extra mile in their contribution to the organization's goals achievement. Most of the times when these employees move, they migrate to competing organizations with the knowledge and trade secrets acquired from their former employers thereby creating an even more critical situation for the latter. Otieno (2010) quoted Abassi & Hollman (2000) showing that employees, on average switch employers every six years. This situation demands that management should identify the reasons for this frequent change of employment by employees. Once these reasons have been identified, management can then devise retention strategies that will help in keeping essential employees for a longer time.

Farham (2000) observed that how employees feel makes a positive or negative impact on their productive levels and the level of an employee's commitment has a direct bearing on the sustainability and profitability of any firm. Bennet and Graham (1998) stated that, managers need to know the factors that create motivation in order to be able to induce employees to work harder, faster and more efficiently. Vohra (2004) added that the only way to generate sincere commitment is through ideal leadership process which is dependable, reliable, predictable, empathetic, courageous and full of character and integrity.

Torrington et al (2007) stated that, in relation to human resource practices in the areas of; training, career opportunities, job challenge, management leadership, performance appraisals, work-life balance and communication or organizational performance all influence commitment. Walton (1985) notes that commitment is thought to result in better quality, lower turnover, a greater capacity for innovation and more flexible employees. In turn these are seen to enhance the ability of the organization to achieve competitive advantage. Iles, et al (1990) added that, some of the outcomes of commitment have been identified as the industrial relations climate, absence levels, turnover levels and individual performance. Robinson (2006) also wrote quoting other writers that, performance benefits accrued from increased employee commitment by organizations include; increased job satisfaction, increased job performance, increased total return to shareholders, increased sales, decreased employee turnover, decreased intention to leave, decreased intention to search for alternative employers, decreased absenteeism. With this in mind, employee commitment should be viewed as a business necessity, organizations that have difficulty in retaining and replacing competent employees will find it hard to optimize performance. There are not only the immediate expenses of the recruitment process, but other hidden costs such as management time and lost productivity as new employees take time to become effective in their roles.

On types of commitment, Allen & Meyer (1990) developed an early model that has received considerable attention. The three-component model they advocated was based on their observation that existing definitions of commitment at that time reflected at least three distinct themes: an affective emotional attachment towards an organization

(Affective Commitment); the recognition of costs associated with leaving an organization (Continuance Commitment); and a moral obligation to remain with an organization (Normative Commitment).

O'Malley (2000) contends that a review of the commitment literature produces five general factors which relate to the development of employee commitment: First, Affiliative Commitment - An organization's interests and values are compatible with those of the employee, and the employee feels accepted by the social environment of the organization; Second, Associative Commitment - Organizational membership increases employees' self-esteem and status. The employee feels privileged to be associated with the organization; Third, Moral Commitment - Employees perceive the organization to be on their side and the organization evokes a sense of mutual obligation in which both the organization and the employee feel a sense of responsibility to each other. This type of commitment is also frequently referred to in the literature as Normative Commitment; Fourth, Affective commitment - Employees derive satisfaction from their work and their colleagues, and their work environment is supportive of that satisfaction. Some researchers (e.g. Allen & Meyer, 1990) suggest that this is the most important form of commitment as it has the most potential benefits for organizations. Employees who have high affective commitment are those who will go beyond the call of duty for the good of the organization. In recent literature this form of commitment has also been referred to as 'engagement' and is the form of commitment that is most usually measured by organizations; And finally, Structural Commitment - Employees believe they are involved in a fair economic exchange in which they benefit from the relationship in material ways. There are enticements to enter and remain in the organization and there are barriers to leaving. This type of commitment is also frequently referred to in the literature as Continuance Commitment. With reference to the above typology, when an organization is considering assessing the commitment of its workforce, not only should it ask how much commitment exists, but also what types of commitment exist.

#### **2.4 Perceived Psychological Contract Violation and Commitment**

The development of psychological contract in the minds of employees i.e. a picture of what they owe the organization and what the organization owes them in return can result in perception of inequalities and a sense of violation. To retain balance in the

psychological contract, perceived increase in employee obligations need to be matched by perception of increased rewards. If increases in employee obligations are determined as exceeding increases in rewards, it is possible to assure that a negative shift in the psychological contract has occurred. The situation may result in employee's withdrawal of organizational citizenship behavior or employee exiting from the organization (Blancero et al, 2007).

Sturges et al (2005) also observed that, when psychological contract agreement between employee and employer is fulfilled, increased job performance results; however, when the contract is violated by the employer, the employee may engage in negative workplace behaviours. Furthermore, the effect of violation and fulfillment may differ across employees due to individual differences. One such important difference is organizational commitment. An individual's commitment to the organization has a large influence on how that employee conducts himself or herself in the workplace (Wasti, 2005).

Guest et al (1996) suggested that, the strength of the psychological contract is dependent on how fair the individual believes the organization is in fulfilling its perceived obligations above and beyond the formal written contract of employment. This in turn determines commitment to the organization, motivation, job satisfaction and the extent to which they feel secure in their job. In other words, promises made by the organization followed by employee effort lead to expectations of payment or organizational fulfillment of obligations. When fulfilled according to expectations it leads to positive attitudes and a high level of commitment. And the converse applies.

Contract violation as noted by Kickul (2001) can result in changed employee's behavior, commitment, and obligation toward the organization. Edwards, Rust, McKinley & Moon (2003) also supported the above writers by observing that, perceived psychological contract breach reduces employees' commitment to the organization, willingness to engage in organizational citizenship behaviour, productivity, job satisfaction, job performance, and enhance the intent to leave the organization and actual turnover.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Research Design**

The research design used was a descriptive survey. Mugenda (2003) observed that, a survey research is a systematic gathering of information from a sample of respondents for the purpose of understanding and predicting some aspects of behaviour of the population of interest. This design was considered appropriate for this study because of the comparative nature of the data that was collected from the Board's staff across its work stations. Nambaka (2010) used a descriptive survey in her study of the relationship between employee psychological contract and organization citizenship at the NSSF, the research design fitted the study.

### **3.2 Population of Study**

The population of the study was the Board's entire staff establishment of both the management and unionisable carder located at Head office, Machakos road in Industrial Area, Nairobi and the six administrative regions, i.e. Nairobi/Eastern Region, Northern Region, Coast Region, North Rift Region, South Rift Region and Lake/Western Region. The population has 1,000 employees.

### **3.3 Sample Design**

According to Bartlett et al (2001) observation, a population of about 1,000 at five percent significance level should be represented by a sample size of 106 respondents (Appendix 3). Proportional sampling technique was used to select the sample size of each station/region as shown in table 3.1



**Table 3.1: Sample Frame**

<b>Station/Region</b>	<b>Employee Carder</b>	<b>No. Staff</b>	<b>Sample</b>
<b>Head Office</b>	Management	164	17
	Unionisable	101	11
<b>Sub Total</b>		<b>265</b>	<b>28</b>
<b>Nairobi/Central</b>	Management	34	4
	Unionisable	77	8
<b>Sub Total</b>		<b>111</b>	<b>12</b>
<b>Northern</b>	Management	28	3
	Unionisable	61	6
<b>Sub Total</b>		<b>89</b>	<b>9</b>
<b>Coast</b>	Management	21	2
	Unionisable	28	3
<b>Sub Total</b>		<b>49</b>	<b>5</b>
<b>North Rift</b>	Managerial	44	5
	Unionisable	140	15
<b>Sub Total</b>		<b>184</b>	<b>20</b>
<b>South Rift</b>	Management	43	5
	Unionisable	131	14
<b>Sub Total</b>		<b>174</b>	<b>18</b>
<b>Lake/Western</b>	Management	38	4
	Unionisable	90	10
<b>Sub Total</b>		<b>128</b>	<b>14</b>
<b>GRAND TOTAL</b>		<b>1000</b>	<b>106</b>

Source: Author 2012

### **3.4 Data Collection**

Primary data was collected using a semi-structured questionnaire. The questionnaire consisted of both closed and open ended questions. It was divided into three sections: first section contained general information on the profile of the respondents and NCPB, while the second section focused on perceived employer violation of psychological contract and finally, the third section on employee commitment to the organization. The questionnaire was administered through ‘drop and pick’ for the head office and internal courier services for the regional stations.

### **3.5 Data Analysis**

The data collected was cross checked for completeness and consistency before being classified into purposeful categories. Analysis using descriptive statistics i.e. mean score

and standard deviations was used to determine the levels of perceived psychological violation and employee commitment while coefficient of correlation was administered to establish the strength and significance of the influence of psychological contract violation on employee commitment among the board's employees.

## CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

### 4.1 Introduction

A questionnaire (Appendix 2) was administered to the target group of 106 staff located at Head office, Machakos road in Industrial Area, Nairobi and the six administrative regions, i.e. Nairobi/Eastern Region, Northern Region, Coast Region, North Rift Region, South Rift Region and Lake/Western Region.

Ninety two staff representing 87% of the target population responded to the questionnaire and the information obtained was then broken down according to their perceived psychological contract violation and the three types of employee commitment (affective, normative and continuance). Based on the aspects of sex, age, level of qualification, length of service, category of staff, current duty station/region and whether NCPB was their first employer.

### 4.2 Perceived Psychological Contract Violation

The scoring system used in the analysis of perceived psychological contract violation was as follows: Very Great Extent 4 marks, Great Extent 3, Moderate Extent 2, Less Extent 1 and No Extent 0.

Table 4.1: Perceived psychological contract violation by management

Obligations	N	Minimum	Maximum	Mean	Std. Deviation
Compensation and Financial Reward	92	0	4	2.4	1.162
Job Content	92	0	4	2.4	1.064
Career Development	92	0	4	2.5	1.148
Social Atmosphere	92	0	4	2.4	1.082
Work-life Balance	92	0	4	1.8	1.194
Management of Change	92	0	4	2.6	1.166
<b>Overall Mean</b>				<b>2.33</b>	

*Source: Author (2012)*

The findings on the rating of perceived psychological contract violation according to perceived employer obligations presented in table 4.1, showed that most respondents felt that the greatest violation was in management of change, while the least violation was in the area of work-life balance.

Table 4.2: Distribution of scores on perceived psychological contract violation by demographic information

Demographic Information		Mean	N	Std. Deviation	% of Total N
Respondent's Sex	Female	2.58	50	.809	54.2%
	Male	2.05	42	.844	45.8%
	<b>Total</b>	<b>2.33</b>	<b>92</b>	<b>.859</b>	<b>100.0%</b>
Age Bracket	Below 25	2.00	6	.000	6.3%
	26 – 30	2.00	23	.603	25.0%
	31 – 35	2.50	8	.577	8.3%
	36 – 40	2.09	21	1.136	22.9%
	41 – 45	2.25	8	.500	8.3%
	45 & Above	2.86	27	.864	29.2%
	<b>Total</b>	<b>2.33</b>	<b>92</b>	<b>.859</b>	<b>100.0%</b>
Level of Qualification	Form Four	2.50	12	.548	12.5%
	Certificate/Diploma	2.33	23	.778	25.0%
	Bachelors Degree	2.18	42	1.053	45.8%
	Post Graduate Diploma	2.60	10	.548	10.4%
	Post Graduate Degree	2.67	6	.577	6.3%
	<b>Total</b>	<b>2.33</b>	<b>92</b>	<b>.859</b>	<b>100.0%</b>
Length of Service	Below 10 Years	1.90	40	.831	43.8%
	11 - 20 Years	2.63	36	.684	39.6%
	21 – 30	2.67	12	1.033	12.5%
	31 & Above	3.00	4	.000	4.2%
	<b>Total</b>	<b>2.33</b>	<b>92</b>	<b>.859</b>	<b>100.0%</b>
Staff Category	Unionisable	3.00	10	1.000	10.4%
	Management	2.26	82	.819	89.6%
	<b>Total</b>	<b>2.33</b>	<b>92</b>	<b>.859</b>	<b>100.0%</b>
Current Duty Station	Head Office	2.30	58	.952	62.5%
	Nairobi/Central	2.00	6	.000	6.3%
	Northern	3.00	4	.000	4.2%
	Coast	2.50	8	1.291	8.3%
	North Rift	2.00	6	.000	6.3%
	South Rift	2.50	4	.707	4.2%
	Lake/Western	2.50	8	.577	8.3%
	<b>Total</b>	<b>2.33</b>	<b>92</b>	<b>.859</b>	<b>100.0%</b>
NCPB as First Employer	Yes	2.32	42	.995	45.8%
	No	2.35	52	.745	54.2%
	<b>Total</b>	<b>2.33</b>	<b>92</b>	<b>.859</b>	<b>100.0%</b>

Source: Author (2012)

Mean scores and standard deviations for the responses on perceived psychological contract violation is presented in table 4.2 for each demographic factor. As shown, the overall mean score is 2.33 indicating that the respondents perceived psychological contract violation by the management as moderate.

The analysis of perceived psychological contract violation according to respondent's sex shows that female employees perceived violation to a great extent with a mean score of 2.58, while male employees scored a mean of 2.05 representing perceived violation to a moderate extent. Analysis by age bracket presented in table 4.2 shows; 45 & Above and 31 – 35 years perceived that violation was committed to a great extent with mean scores of 2.86 and 2.50 respectively. Lowest mean score of 2.00, which is perceived moderate violation, was registered by employees from 30 years and below.

Post graduate diploma and post graduate degree holders scored 2.60 and 2.67 respectively perceiving violation to be to a great extent, this being analysis according to level of education. Lowest score registered was to perceived violation to moderate extent by the rest of the categories. Analysis based on length of service, (31 & Above years) scored 3.00 suggesting that violation occurred to a great extent. Lowest score registered was 1.90 for 10 years and suggesting a perceived moderate violation.

Response by staff category indicates that unionizable staff scored 3.00, suggesting that their perceived incidents of violation was to a great extent, while management staff perceived it to be to a moderate level with a mean score of 2.26. Analysis based on current duty station, showed that the highest violation was registered by respondents based at the Northern region, with mean scores of 3.00 suggesting that violation occurred to a great extent, while lowest were Nairobi/Central and North Rift with a mean score of 2.00 each indicating a moderate level of violation.

### 4.3 Employee Commitment Analysis

The scoring system used in the analysis of employee commitment was as follows: Strongly Disagree 0, Disagree 1, Neither Agree nor Disagree 2, Agree 3 and Strongly Agree 4 marks.

#### 4.3.1 Analysis of Responses by Sex

Table 4.3: Distribution of scores on employees' commitment by sex

Respondent's Sex	Statistic	Affective Commitment	Normative Commitment	Continuance Commitment
Female	Mean	1.58	1.62	1.81
	N	50	50	50
	Std. Deviation	1.065	1.098	1.021
Male	Mean	2.27	1.64	2.18
	N	42	42	42
	Std. Deviation	.703	.658	.907
Total	Mean	1.90	1.63	1.98
	N	92	92	92
	Std. Deviation	.973	.914	.978

*Source: Author (2012)*

As shown in table 4.3 above, both female and male respondents are indifferent (Neither Agree nor Disagree) on their commitment; Affective commitment had mean score of 1.58 for females and 2.27 for males, normative commitment had mean score of 1.62 for females and 1.64 for males, while continuance commitment had a mean of 1.81 for females and 2.18 for men.

### 4.3.2 Analysis of Responses by Age Bracket

Table 4.4: Distribution of scores on employees' commitment and age

Age Bracket	Statistic	Affective Commitment	Normative Commitment	Continuance Commitment
Below 25	Mean	1.00	.00	1.00
	N	6	6	6
	Std. Deviation	.000	.000	.000
26 – 30	Mean	2.00	1.92	2.50
	N	23	23	23
	Std. Deviation	.953	.669	.674
31 – 35	Mean	1.00	1.50	1.00
	N	8	8	8
	Std. Deviation	1.155	.577	.000
36 – 40	Mean	2.18	2.09	2.00
	N	21	21	21
	Std. Deviation	.874	.944	1.095
41 – 45	Mean	2.00	1.75	1.75
	N	8	8	8
	Std. Deviation	.000	.500	.500
45 & Above	Mean	2.00	1.36	2.07
	N	27	27	27
	Std. Deviation	1.109	.929	1.141
Total	Mean	1.90	1.63	1.98
	N	92	92	92
	Std. Deviation	.973	.914	.978

Source: Author (2012)

From table 4.4 above, the analysis of employee commitment based on the respondent's age showed that on Affective Commitment (AC) employees' age brackets of 25 and Below and 31 – 35 years had the lowest levels of AC at mean score of 1.00 i.e. Disagree, whereas the rest of the age brackets recorded indifferent score (Neither Agree nor Disagree). Employees' aged 25 years and Below registered the lowest level of Normative Commitment (NC) at 0.00 i.e. Strongly Disagree while the highest score was 2.09 (Neither Agree nor Disagree) for employees in 36-40 years age bracket. In Continuance Commitment analysis, the lowest score was 1.00 (Disagree) registered by 25 and Below and 31-35 age brackets while the highest was 2.50 (Agree) in respect of employees in 25-26 years age bracket.

### 4.3.3 Analysis of Responses by Level of Qualification

Table 4.5: Distribution of scores on employees' commitment and level of qualification

Level of Qualification	Statistic	Affective Commitment	Normative Commitment	Continuance Commitment
Form Four	Mean	2.50	1.83	2.00
	N	12	12	12
	Std. Deviation	.548	.408	1.095
Certificate/Diploma	Mean	2.00	2.42	2.42
	N	23	23	23
	Std. Deviation	1.279	.793	.793
Bachelors Degree	Mean	1.86	1.36	2.00
	N	42	42	42
	Std. Deviation	.941	.953	1.069
Post Graduate Diploma	Mean	1.60	1.00	1.40
	N	10	10	10
	Std. Deviation	.548	.000	.548
Post Graduate Degree	Mean	1.00	1.00	1.00
	N	6	6	6
	Std. Deviation	.000	.000	.000
Total	Mean	1.90	1.63	1.98
	N	92	92	92
	Std. Deviation	.973	.914	.978

*Source: Author (2012)*

From Table 4.5 above, the analysis based on the respondents' qualification level showed that degree holders of post graduate had the lowest mean score of 1.00, while the form four leavers had the highest with a mean score of 2.50. Post graduate degree and post graduate diploma holders registered the lowest level of Normative Commitment (NC) at a mean of 1.00, while the highest score of 2.45 was registered by Certificate/diploma holders. For Continuance Commitment analysis, the lowest mean score was 1.00, registered by post graduate degree holders, while the highest was 2.42 by certificate/Diploma holders.



#### 4.3.4 Analysis of Responses by Length of Service

Table 4.6: Distribution of scores on employees' commitment by length of service

Length of	Statistic	Affective	Normative	Continuance
Below 10 Years	Mean	1.57	1.67	2.05
	N	40	40	40
	Std. Deviation	.978	.966	1.024
11 - 20 Years	Mean	1.79	1.37	1.53
	N	36	36	36
	Std. Deviation	.855	.895	.841
21 – 30	Mean	3.00	2.17	2.83
	N	12	12	12
	Std. Deviation	.000	.753	.408
31 & Above	Mean	3.00	2.00	3.00
	N	4	4	4
	Std. Deviation	.000	.000	.000
Total	Mean	1.90	1.63	1.98
	N	92	92	92
	Std. Deviation	.973	.914	.978

Source: Author (2012)

As table 4.6 above shows, the analysis of employee commitment by length of service showed that affective commitment (AC) had the lowest mean score in respect of those who had been in service for less than 10 years, whereas new scores for employees aged between 21 – 30 and 31 – Above years recorded highest score of 3.00. Employees who have served for 11 – 20 years registered the lowest level of normative commitment (NC) at a mean score of 1.37, while the highest score was 2.17 by 21 - 30 years age bracket. Continuance commitment analysis showed the lowest mean score of 1.53 registered by 11 - 20 years, while the highest was 3.00 for employees who had served for 31 years and above.

#### 4.3.5 Analysis of Responses by Staff Categories

Table 4.7: Distribution of scores on employees' commitment by staff category

Staff Category	Statistic	Affective	Normative	Continuance
Unionisable Staff	Mean	2.80	2.60	2.60
	N	10	10	10
	Std. Deviation	.447	.894	.894
Management	Mean	1.79	1.51	1.91
	N	82	82	82
	Std. Deviation	.965	.856	.971
Total	Mean	1.90	1.63	1.98
	N	92	92	92
	Std. Deviation	.973	.914	.978

Source: Author (2012)

As shown in table 4.7, Unionisable staff on the average scored the highest on all the three types of commitment, with a mean score of 2.60, 2.60 and 2.80 for affective, normative and continuance commitment respectively, while Management had a mean score of indifference, that is 1.79, 1.51 and 1.91 for affective, normative and continuance commitment respectively.

#### 4.3.6 Analysis of Responses by Duty Station/Region

Table 4.8: Distribution of scores on employees' commitment by duty station/region

Current Duty Station	Statistic	Affective	Normative	Continuance
Head Office	Mean	1.70	1.53	1.87
	N	58	58	58
	Std. Deviation	.952	.937	1.008
Nairobi/Central	Mean	2.00	1.67	2.00
	N	6	6	6
	Std. Deviation	1.000	1.528	1.000
Northern	Mean	3.00	2.00	3.00
	N	4	4	4
	Std. Deviation	.000	.000	.000
Coast	Mean	2.50	1.75	2.00
	N	8	8	8
	Std. Deviation	.577	.957	1.155
North Rift	Mean	2.33	2.00	3.00
	N	6	6	6
	Std. Deviation	1.155	.000	.000
South Rift	Mean	2.50	2.00	1.50
	N	4	4	4
	Std. Deviation	.707	1.414	.707
Lake/Western	Mean	1.50	1.50	1.75
	N	8	8	8
	Std. Deviation	1.291	1.000	.957
Total	Mean	1.90	1.63	1.98
	N	92	92	92
	Std. Deviation	.973	.914	.978

Source: Author (2012)

As displayed in table 4.8, analysis based on the respondent's duty station showed that on affective commitment by employees in Lake/Western region had the lowest level mean of 1.50, while Northern region had the highest mean score of 3.00. Lake/Western registered the lowest level of normative commitment mean of 1.50, while the highest score was 2.00 recorded by North Rift, South Rift and Northern regional employees. For continuance

commitment analysis, the lowest mean score of 1.50 registered by South Rift employees, while the highest was mean score of 3.00 by Northern and North Rift employees.

#### 4.3.7 Analysis of Responses by Whether NCPB is the First Employer

Table 4.9: Distribution of scores on employees' commitment by NCPB as first employer

NCPB as First Employer	Statistic	Affective	Normative	Continuance
Yes	Mean	1.91	1.82	1.91
	N	42	42	42
	Std. Deviation	.971	1.006	1.151
No	Mean	1.88	1.46	2.04
	N	50	50	50
	Std. Deviation	.993	.811	.824
Total	Mean	1.90	1.63	1.98
	N	92	92	92
	Std. Deviation	.973	.914	.978

Source: Author (2012)

Table 4.9 above shows both categories of staff returned a score of indifference in all the types of commitment except in normative commitment where those who had been previously employed by other organizations registered a mean score of 1.46 indicating disagree. As the table shows; affective commitment at 1.91 and 1.88, normative commitment at 1.82 and 1.46 and continuance commitment 1.91 and 2.04 respectively.

#### 4.3 Analysis of the Influence of Perceived Psychological Contract Violation on Employee Commitment

Test of the influence of perceived employer obligation violation on employee commitment was carried out using Pearson's correlation analysis as shown in table 4.10.

Table 4.10: Analysis of influence of perceived employer obligation violation on employee commitment

		Affective	Normative	Continuance
Perceived Violation of Employer Obligations	Pearson Correlation	-.238	-.244	-.371(**)
	Sig. (2-tailed)	.104	.095	.009
	N	92	92	92

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: Author (2012)

From table 4.10, perceived psychological contract violation had negative correlations with the three types of employee commitment indicating a linear relationship. The relationship between perceived psychological contract violation and continuance commitment is statistically significant ( $r=-0.371$   $P<0.01$ ), implying that continuance commitment decreases as perceived violation increases in strength.

Table 4.11: Analysis of the Bivariate Correlations among all the specific items of psychological contract and employee commitment

Perceived Violation of Obligations		Affective	Normative	Continuance
Compensation and Financial Reward	Pearson Correlation	-.358(*)	-.198	-.442(**)
	Sig. (2-tailed)	.012	.178	.002
	N	92	92	92
Job Content	Pearson Correlation	-.105	-.355(*)	-.340(*)
	Sig. (2-tailed)	.476	.013	.018
	N	92	92	92
Career Development	Pearson Correlation	-.312(*)	-.297(*)	-.558(**)
	Sig. (2-tailed)	.031	.041	.000
	N	92	92	92
Social Atmosphere	Pearson Correlation	-.308(*)	-.186	-.093
	Sig. (2-tailed)	.033	.206	.528
	N	92	92	92
Work-life Balance	Pearson Correlation	-.005	-.029	-.077
	Sig. (2-tailed)	.975	.844	.601
	N	92	92	92
Management of Change	Pearson Correlation	-.477(**)	-.464(**)	-.453(**)
	Sig. (2-tailed)	.001	.001	.001
	N	92	92	92

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Source: Author (2012)

As indicated in table 4.11, each and every component of perceived psychological contract violation had a negative correlation with all the types of employee commitment. This indicates a linear relationship, in which an increase in perceived violation in any of the components results in decrease in all the types of commitment.

However, the following relationships are significant at  $P<0.05$ : compensation and reward versus normative commitment; job content and affective commitment; social atmosphere versus normative and continuance commitment respectively; and work-life balance and all the three types of commitments.

## **CHAPTER FIVE: DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Discussion of Findings**

This study aimed at determining whether perceived psychological contract violation had an influence on employee commitment. The results of this study are consistent with the findings of the previous studies in the Western settings, as perceived violation was negatively correlated with employee commitment in the Kenyan institution. Contract violation as noted by Kickul (2001) can result in changed employee's behavior, commitment, and obligation toward the organization. Edwards, Rust, McKinley and Moon (2003) also supported the above writers by observing that, perceived psychological contract breach reduces employees' commitment to the organization, among other things such as, willingness to engage in organizational citizenship behaviour, productivity, job satisfaction, job performance, and enhanced intent to leave the organization and actual turnover. The negative correlation coefficients obtained in this study indicate that an increase in perceived employer obligation violation results in decrease in all the three types of employee commitment.

The respondents perceived psychological contract violation as moderate, registering a mean score of 2.33 with a standard deviation of 0.859, showing closeness of the responses to each other thus indicating that the average employee reported some violation in psychological contract. It was also noted that only 6% of respondents perceived that their psychological contract had not been violated in any way (no extent), while 19% felt that it was violated to a very great extent. The level of psychological contract violation did not differ much in relation to gender, age, educational level, tenure, carder and job location of the respondents.

The analysis of perceived psychological contract violation according to employer obligations showed that respondents perceived greater violation on aspects of management of change and career development, while they registered scores falling within the range of moderate perception of violation in areas for responses on compensation and financial reward, job content, social atmosphere and work-life balance. As shown in Appendix 4, the aspects of compensation and financial reward, job content,

career development, social atmosphere and management of change scored the highest level of violation with 78% of the respondents feeling violation to a moderate extent, great extent and very great extent. While work-life balance had over 62% responses indicating perceived violation to a moderate extent, great extent and very great extent. These results represent violation of all the salient areas of psychological contract.

Overall mean scores for the three types of employee commitment were as follows; Affective Commitment: 1.90; Normative Commitment: 1.63; and Continuance Commitment: 1.98. All these represent the choice Neither Agree nor Disagree on the Likert scale.

## **5.2 Conclusions and Recommendations**

Results indicate that perceived psychological contract violation can affect employee commitment. Employers and those in human resource management should be aware of the psychological contract and how its violation may impact employees. Identifying those items that are most important, but least fulfilled will improve overall employment relationship. Hence, it is recommended that the organization ensures that human resource strategies, policies and procedures are based on distributive, procedural and interactional justice.

During interviewing and new employee orientation, employers should be aware of what they explicitly or implicitly promise and emphasize the promises or obligations that they can fulfill which in this study included meaningful work, opportunity for personal growth, continual professional training, challenging and interesting work and a safe work environment.

The organization must ensure that they offer attractive pay based on performance, empower staff in terms of availing necessary resources for doing their job and be able to make own decisions and a social atmosphere that emphasizes equal opportunity and fair treatment of all workers with desirable work-life balance.

The organization should also ensure that they have effective channels of communication. Clear and honest discussion of mutual obligations will facilitate the understanding of

expectations, organizational culture, employee development, compensation and benefits. This will lead to the employee being less likely to perceive a violation in the first place, and they will be more committed to the organization.

In times of change such as restructuring or strategic shifts or when revisions are to be made to matters that have a direct impact on the employee, it is imperative that the organization gives adequate explanation and justification and involve the employees in the change management as much as possible.

The principles of workplace justice and effective communication need to become embedded in the organization's culture and be reflected throughout all human resource activities.

### **5.3 Recommendation for Further Studies**

One main limitation to the study is that the data was collected from only one governmental organization in Kenya. The extent to which these findings are generalized to other companies or settings should be tested in future studies with an emphasis on private sector as well.

The effect of contract violation and fulfillment within the workplace is a complex issue and more research is needed to fully understand these complicated interrelationships. Psychological contracts may change and evolve over time, and a longitudinal study could provide greater insight to contract type and the effect of violation and fulfillment over time. Researchers should also continue to examine contract violation and fulfillment and all possible moderators, specific interest being to further examine the effect of violation on employee outcomes.

In addition, researchers should continue investigating employee commitment and the role it plays within the workplace when an employee experiences a violation. Future studies should examine the role of each component of commitment as well as the combined commitment types.

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## APPENDICES

### Appendix 1: Questionnaire Memo

Maxwell O. Zange  
School of Business  
University of Nairobi  
P. O. Box 30192  
**Nairobi**

May 15, 2012

Dear Respondent,

I am undertaking a research project on the influence of perceived psychological contract violation on employee commitment at NCPB. The project is part of my studies for the award of a degree of Master of Business Administration.

In order that I may carry out the study successfully, it will be necessary that I obtain information from a number of employees on the subject under study. In this regard, I kindly request you to spare a few minutes from your busy schedule to complete the attached questionnaire.

The information provided here will be used only for academic purposes and will be treated with **at most confidentiality**. It is my sincere hope that the study shall not only help me in my course, but may also assist the NCPB Management in protecting relationships with valued employees leading not only to increased productivity, but also increased retention.

Please feel free to get in touch with me if you need further clarification. I will collect or receive back the duly completed questionnaire from you between 16<sup>th</sup> and 19<sup>th</sup> May 2012.

Yours sincerely,

M. Zange

## Appendix 2: Research Questionnaire

Please be informed that the information provided here will be used only for academic purposes and will be treated with **at most confidentiality**.

### **PART 1: General information (Please tick as appropriate)**

1. Sex      Male [ ]      Female [ ]
2. Age bracket in which you fall
  - a) Below – 25 [ ]      d) 35 – 40 [ ]
  - b) 26 – 30 [ ]      e) 41 – 45 [ ]
  - c) 31 – 35 [ ]      f) 45 – Above [ ]
3. Level of qualification
  - a) Form Four [ ]      c) Bachelors Degree [ ]      e) Post Graduate Degree [ ]
  - b) Certificate/Diploma [ ]      d) Post Graduate Diploma [ ]      f) Other [ ], (specify).....
4. Length of Service
  - a) Below – 10 Years [ ]      c) 21 – 30 Years [ ]
  - b) 11 – 20 Years [ ]      d) 31 & Above Years [ ]
5. Level of management
  - a) Unionisable J/G C to F [ ]      c) Middle K to M [ ]
  - b) Supervisory J/G G to J [ ]      d) Senior J/G N or Above [ ]
6. Current duty station/region
  - a) Head Office [ ]      d) Coast [ ]      g) Lake Western [ ]
  - b) Nairobi/Central [ ]      e) North Rift [ ]
  - c) Northern [ ]      f) South Rift [ ]
7. Is NCPB your first employer?  
Yes [ ]      No [ ]  
If No, please specify the reason that made you pick NCPB  

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## **PART 2: Perceived Employer Violation of Psychological Contract**

- a) To what extent do you feel as an employee that the Board has violated its obligations to you with respect to the issues itemized below?

*(Please tick as appropriate. Scale is Very Great Extent=4, Great Extent=3, Moderate Extent=2, Less Extent=1 & No Extent=0)*

<b>Perceived Violation of Employer's Obligations</b>	<b>To a Very Great Extent</b>	<b>To a Great Extent</b>	<b>To a Moderate Extent</b>	<b>To a Less Extent</b>	<b>To No Extent</b>
<b>Compensation and Financial Reward</b>					
1. Attractive pay and benefits package					
2. Regular payment of your benefits					
3. Performance based pay					
<b>Job Content</b>					
4. A job with responsibilities					
5. Opportunity to use your skills, capabilities and show what you can do					
6. Avail the necessary resources for doing the job					
7. A job where you can make your own decisions					
<b>Career Development</b>					
8. Opportunity for training and development					
9. Career progression/promotion opportunities					
10. Career guidance and mentorship					
<b>Social Atmosphere</b>					
11. Long-term job security					
12. Equal opportunity for all workers/fair treatment					
13. Conducive working conditions/safe work environment					
14. Cooperation and support from co-workers					
<b>Work-life Balance</b>					
15. Respect for your personal situation such as bereavement and sickness					
16. Flexible working hours opportunities depending on your personal needs					
17. Opportunity to decide when to take your leave/off duty					
<b>Management of Change</b>					
18. Input is sought during change					
19. Notice of change is given in advance					

- b) Please give other obligations that you feel the Board has violated (if any) and rate them accordingly

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

### **PART 3: Employee Commitment**

Please respond to the following statements about your job;

*(Please tick as appropriate. Scale is Strongly Disagree=0, Disagree=1, Neither Agree nor Disagree=2, Agree=3 & Strongly Agree=4)*

Statement	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
<b>Affective Commitment</b>					
1. I feel emotionally attached to NCPB					
2. I feel a sense of belonging in NCPB					
3. I would be happy if I spent the rest of my career with NCPB					
4. I feel NCPB's problems are my own					
<b>Normative Commitment</b>					
5. Even if it was to my advantage I would not leave NCPB					
6. I feel obligated to remain with my current employer					
7. I would feel guilty if I left NCPB					
8. NCPB deserves my loyalty					
<b>Continuance Commitment</b>					
9. I owe a great deal to NCPB					
10. I would not leave NCPB right now because I have a sense of obligation to the people in it					
11. Too much of my life would be disrupted if I decide to leave NCPB now					

-----**THANK YOU**-----



### Appendix 3: Table for Determining Minimum Returned Sample Size

Table 1: Table for Determining Minimum Returned Sample Size for a Given Population Size for Continuous and Categorical Data

Population size	Sample size					
	Continuous data (margin of error=.03)			Categorical data (margin of error=.05)		
	alpha=.10 t=1.65	alpha=.05 t=1.96	alpha=.01 t=2.58	p=.50 t=1.65	p=.50 t=1.96	p=.50 t=2.58
100	46	55	68	74	80	87
200	59	75	102	116	132	154
300	65	85	123	143	169	207
400	69	92	137	162	196	250
500	72	96	147	176	218	286
600	73	100	155	187	235	316
700	75	102	161	196	249	341
800	76	104	166	203	260	363
900	76	105	170	209	270	382
1,000	77	106	173	213	278	399
1,500	79	110	183	230	306	461
2,000	83	112	189	239	323	499
4,000	83	119	198	254	351	570
6,000	83	119	209	259	362	598
8,000	83	119	209	262	367	613
10,000	83	119	209	364	370	623

NOTE: The margins of error used in the table were .03 for continuous data and .05 for categorical data. Researchers may use this table if the margin of error shown is appropriate for their study; however, the appropriate sample size must be calculated if these error rates are not appropriate.

Source: Bartlett, J. E., Kortlik, J. W. & Higgins, C. C. (2001), Organizational Research: Determining Appropriate Sample Size in Survey Research. *Information Technology, Learning, and Performance Journal*, Vol. 19, No. 1, 43-50

#### Appendix 4: Table for Determining Minimum Returned Sample Size

Compensation and Financial Reward		Frequency	Percent
Response	To No Extent	4	4
	To a Less Extent	21	23
	To a Moderate Extent	19	21
	To a Great Extent	31	33
	To a Very Great Extent	17	19
Total		92	100
Job Content		Frequency	Percent
Response	To No Extent	4	4
	To a Less Extent	13	15
	To a Moderate Extent	35	38
	To a Great Extent	25	27
	To a Very Great Extent	15	17
Total		92	100
Career Development		Frequency	Percent
Response	To No Extent	4	4
	To a Less Extent	17	19
	To a Moderate Extent	17	19
	To a Great Extent	35	38
	To a Very Great Extent	19	21
Total		92	100
Social Atmosphere		Frequency	Percent
Response	To No Extent	4	4
	To a Less Extent	15	17
	To a Moderate Extent	33	35
	To a Great Extent	25	27
	To a Very Great Extent	15	17
Total		92	100
Work-life Balance		Frequency	Percent
Response	To No Extent	17	19
	To a Less Extent	17	19
	To a Moderate Extent	38	42
	To a Great Extent	10	10
	To a Very Great Extent	10	10
Total		92	100
Management of Change		Frequency	Percent
Response	To No Extent	2	2
	To a Less Extent	17	19
	To a Moderate Extent	15	17
	To a Great Extent	29	31
	To a Very Great Extent	29	31
Total		92	100

Source: Author (2012)