

**EFFECT OF PERCEIVED PSYCHOLOGICAL CONTRACT  
VIOLATION ON EMPLOYEE COMMITMENT AT KENYA  
AIRWAYS CORPORATION LIMITED**

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## **DECLARATION**

This is to declare that this project is my original work and has not been presented to any other university for any kind of academic award.

Signature.....

Date .....

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**D61/5492/2017**

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

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To my loving husband Hussein Tene Dabasso, my encourager, motivator and companion. Thank you for bearing with me when I was out to pursue my studies.

## **DEDICATION**

This project is dedicated to my entire family

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## ABSTRACT

Kenya Airways has been fighting with high cases of psychological contract violations that emanates from its new business strategic options aimed at reorganizing its competitive advantage in the corporation. The study's objective was to establish the effect of perceived psychological contract violation on employee commitment at Kenya Airways Corporation. This study was guided by equity theory and Vroom's Original (1964) Expectancy Theory. Descriptive survey design was adopted throughout the study. The target population was the 3586 employees as the number legible for this study. The study adopted stratified random sampling method to identify the study's respondents. The sample size of 360 was calculated as a proportion of the total target population. Questionnaire was the main instrument of collecting data. The questionnaires were then distributed by hand to the selected sample by the research assistant. Descriptive studies in form of mean, frequency percentage and standard deviation was used. Inferential statistics in form of linear regression analysis was used to test for the influence of perceived psychological contract violation on employee commitment. Data analysis was presented using tables. The study found that there are dedicated officers responsible for career planning for staff, that mentorship and career guidance exist in Kenya Airways Corporation and that the organization requires each employee to prepare programs intended to realize their set career objectives. The study established that the organization allows staff time off for family engagements that the employees receive pay and bonus tied to performance and that there is continuous payment of employee benefits. The study also found that the organization gives incentives to staff for career achievement, that organization allocates resources to cater for career need of staff and that health care benefits are not always given. The study concluded that perceived psychological contract violation affects employee commitment at Kenya Airways Corporation positively and significantly. Hence, recommended that organizations such as Kenya Airways should base their HR policies, procedures and strategies on procedural, interactional and distributive justice. The study recommends that all the obligations of the employer be known to each member of management. Further studies should be done on other airlines in the industry such as Air Rwanda to determine the effect of perceived psychological contract violation.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The issue of employee commitment has continued to increase across the world. This has made the construct of employee commitment be studied extensively. In organizations, employee commitment predicts organizational outcomes which encompass organizational success (Baldev & Anupama, 2010). Employee commitment correlates with organizational success which also correlates with satisfaction of clients. Commitment is an outcome of various positive organization behaviors such as kindness optimism, job involvement, locus of control, career opportunity, work-life balance (Ugwu, 2012).

In organizations, there is a contract of service between employers-employee which like any other contracts creates a legally enforceable association. A good employment contract offers all the details that make employer employee contract agreement. But, sometimes these contracts are never complete as a result of unavoidable circumstances which bars from getting the required information; and makes it impossible both parties to provide a clear specification of all the requirements in advance. This then leaves employers a lone to fill up the blanks in the absence of the employee; which makes both parties develop a psychological contract in their minds (Lee, 2011). The term psychological contract is used to refer to an individual view of a contract agreement; psychological contracts are non-written expectations of an employee in relation the employment.

This study will be guided by Equity Theory and Vroom's Original (1964) Expectancy Theory. Equity theory by Adams describes an individual people's concern on not only what they receive from a service but also looks at what the organizations receive in terms of the service. The theory bases an individual's input in terms of effort, education, experience and competence, an individual is able to give a comparison in terms of commitment and an increase in salaries. The Theory of Expectancy by vroom 1964 believes that the strength of a tendency to act the way it does and this depends on the expectations anticipated from that act. Expectancy theory believes that the attractiveness of an outcome to an individual is paramount to commitment.

This type of contracts agreements has beliefs that employees think is required from them by the employer and what the employer is expected to do in response (Aykan, 2014). Psychological contract violation refers to a construct in respect to how employees feel when their perceived contract obligations are not met by the employer and these varies from one employee to the other who belief that there has been broken promises by the organization (Guest, 2016). According to Berstein (2010) organizations are mostly affected negatively through poor performance by employees as payback to their demands. This study will assess the effect of perceived psychological contract violation on employee commitment at Kenya Airways Corporation Limited to determine if there is truly any breach of employee/employer contract in the corporation.

### **1.1.1 Concept of Perception**

The term perception describes how individuals organize, identify and interprets his/her sensory information so as to comprehend and present it (Bernstein, 2010). This term encompasses the use of signs that passes through an individual's nervous system as a



result of the sensory system stimulus. Psychological contract concept is used in the context of understanding and predicting employees' behaviors and their commitment in organizations. Research has shown that when employee obligations are met, they become more satisfied and committed to their jobs and they tend to express their gratitude through trust and citizenship behaviors (Walker, 2013). Consequently, when these perceived obligations are not met, or are violated, then a negative emotion erupts plus an affective state that could be expressed in negative attitudes and conducts (Antonaki & Trivellas, 2014).

Moreover, perception is the way one observes and gives a situation an importance and meaning that is psychological. The psychological definition of the term perception assumes on how people give meaning to what surrounds them. This term normally bases its views in peoples past experience (Ivancevitch, 2008). Some individuals see the existing environment in different ways, while others think their descriptions to an objective are real they find themselves being subjective to the same reality and this is known as reality perception which shapes peoples behaviours (Ivancevitch, 2008).

### **1.1.2 Psychological Contract Violation**

The act of psychological contract violation is evident once a party in an agreement feels that other party has negated from honor the perceived promises. It is the employee's perception that the employer has backed down on the psychological contract. In this case, employees have a mental calculation of what they receive from their employers in conjunction to their perceived promise. At the same time, there exists emotional state that goes hand in hand with betrayal, resentment anger to mention a few within individual

employees that may eventually have an effect on employee's commitment to the organization (Cassar & Briner, 2011).

Psychological contract violation has several negative outcomes on the organization and on individual levels. At the individual level, employees may experience stress, anger and burnout (Jafri, 2012). In terms of organizational level, the result may be reduced performance and commitment, increased employee turnover and absence plus cynicism and other deviant behaviors, and these makes examples of the negative consequences of perceived psychological contract violations in many organizations (Chin & Hung, 2013).

### **1.1.3 Employee Commitment**

Employee commitment refers to attitudes individual persons have on their employment positions in work place. Commitment give an emphasis on particular tasks in the work place, this means individual employees performs his/her duties, where more reflection is done on the tangible aspects of work (Zheng & Wei, 2010). There exists different aspects that cement employee commitment which include; employee promotions, payment, supervision, work conditions which include security and communication to mention a few are also part of this. The level of employee commitment reduced as a result of globalization.

This has continuously affected how employees perform in their work place: This is witnessed in different work environments (Arshad, 2016). Employee commitment refers to the attachment and loyalty that employees show in their work place. Commitment is normally related to individual feelings concerning the organization. This is an individual's relationship with the organization where employee commitment is shown

through desire. For one to be relevant with the organization as an employee, one has to have the organization at heart and this should be demonstrated through sharing of goals and values of the organization, which include a strong belief on the organizational goals and values, and be ready to exert significant effort on organization's behalf (Armstrong, 2010). Organizations need to be more aware of the fact that effective performance results from motivated workforce. According to Dantas and Ferreira (2015) the competitive pressures make organizations lay off some of their employees, restructure and reorganize their businesses. This in many occasions has resulted into a sour employee-employer relationship where employees feel insecure and become less predictable (Purse, 2015).

#### **1.1.4 Kenya Airways Corporation**

As a Corporation, Kenya Airways is Kenya's national flag carrier and one of the leading in the African continent. Kenya Airways was first formed as East African Airways Corporation in 1946 and later in 1977 the corporation following the collapse of East African Community. As a result of this, the government of Kenya formed the Kenya Airways Corporation, which has its hub at Embakasi known as Jomo Kenyatta International Airport. Kenya airways operates in passenger and cargo aircrafts in more than 52 destination across the world and makes it third largest airline in south of the Sahara. The airline is one of the fastest growing corporations with an annual growth of 5percent in terms of passenger growth (Kenya Airways Annual Report, 2016). The airline runs a number of Boeing aircrafts on its international carrier across the African continent, Asia and Europe.

There has been a number of work related issues in the airline related to employee-employer work environment. It is believed that the employment issues in the airline come

from the adoption of new strategies of reorganizing business for gaining competitive advantage in the corporation. The corporation has been exploring on how to reduce labor costs in addition to having an intention to review and renegotiate third party agreements and bringing in expatriate pilots. This has not been received well by the union as well as the corporation employees (Kenya Airways Annual Report, 2016). In Kenya Airways Corporation, employees generally have a sense of betrayal by the management, arising from the unfulfilled obligations. These issues have emanated from which have negative effects on the corporation's operations. These human resource issues make Kenya airways suitable for this study.

## **1.2 Research Problem**

Employees' commitment in the organizations is affected by psychological contract violations. Therefore, organizations need to understand that effective performance by organizational employees results to organizational success. According to Robbins and Judge (2012) the approaches of employee performance relates to commitment to the organization. Contravention of psychological contracts among Chinese executives has considerable negative link with organizational commitment. It suggests that contravention of contract has significant effect on a person and job thereby decreases organizational commitment. In particular, this means that hope, job satisfaction, and job involvement have the capacity to decrease the negative effects of contract violation whereas locus of control and job demand have the capacity to increase the negative effects of contract violation (Bao, Olson, Parayitam & Zhao, 2011).

Kenya Airways has been fighting with high cases of psychological contract violations that emanates from its new business strategic options aimed at reorganizing its competitive advantage in the corporation (Kenya Airways Annual Report, 2016). Issues such a reduction in labor costs, renegotiating and of third-party agreements and the intention to employ foreign pilots are all seen to be the cause of resistance from the union and employees of the corporation. All this tension in the airline is believed from employee demands and the increased complexities in the organization. Some sections of the airline such as air flight has experienced go slow, and in this case the unions that represents pilots openly oppose the hiring of expatriates to run the airline's business. These employees have openly opposed the airlines' view of have fresh job evaluation and this has resulted in the grounding of services at some point; there has been also prolonged wrangles over the patterns of changing shifts. There exists again which are likely to lower employee in the corporation (Kenya Annual Report, 2016). Most supervisors at the corporation spend much of their time 25% on conflict and conflict resolutions; airline managers also use most of their time 18% on relation work commitment which since then has doubled. All this is attributed to employee demands, the airlines growing complexity and modernization.

There have been various studies on employee commitment done both locally and internationally. Fayyazi and Aslani (2015) conducted a study on the influence of psychological contract violation on the unusual behaviors of employees in organizations in the Middle East. The study found out that employee behaviour partially mediates employee/employer relationship. Longurasia (2008) explored employee's perception of psychological contract in general at the Kenya meat commission. The findings of this

study show that Kenya meat commission fulfills its psychological contract largely by assigning jobs that are accompanied by responsibilities; the company was also found to facilitate relationships between different employment levels and at the same time fostering commitment across the organizational divide. Nambaka (2010) conducted another study on determining the relationship between employee's psychological contract violations where the study looked the organizational commitment behavior at the national social security fund. The study found out that fulfillment of organizational obligations to her employees is fundamental as this them the will to commit themselves to the organization.

However, in the study of Fayyazi and Aslani (2015) regression analysis was used to evaluate the data collected from 265 employees in an Iranian industrial company while that of Nambaka (2010) the population of interest consisted of the managerial level staff in the four branches of the NSSF in Nairobi. Data was collected from eighty (80) employees of the four NSSF branches in Nairobi. The collected data was analyzed and interpreted in line with the objective of the study. Moreover, these studies were in different contexts that are outside Kenya Airways Corporation giving the necessity of the current study. Therefore, to bridge the research gap the study sought to evaluate the effects of alleged psychological contract violation on employee commitment at the Kenya Airways Corporation.

### **1.3 Research Objectives of the Study**

To ascertain the effect of perceived psychological contract violation on employee commitment at Kenya Airways Corporation

## **1.4 Value of the Study**

It is important to know the impact of perceived psychological contract violation on the commitment of employees in organizations. A committed employee in an organization makes an organization achieve her goals and objectives. This study may be of great importance for various reasons.

It might help organizational Board's Management understand how various types of contract violation may affect its employees, and would make organizational management Board to include better psychological contract into their management strategies. In particular, this study would assist the organization protect relationships with their important employees leading not only to increased productivity, but also increased retention and then of course reduce employee turnover.

Government of the day may find the outcome of the study beneficial and use it as basis for input when coming with employment policy reviews on labour related matters. These standardized policies would assist employers develop effective strategies for management of their relations with employees. The study would also assist the country's trade unions who may find its findings important for inclusion during drafting in policy documents in their various trade union organizations in the country.

Upcoming scholars in human resource management field may also find the results of this study important and therefore utilize the information in their various research works. This would help them understand better the effects of psychological contract violation in generally on employee commitment. They might also use the information as reference point to their research work.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section scrutinized the different psychological contract violations in organizations. The section examined the theoretical foundation related to the study, psychological contract violation and identifies the research gap.

#### **2.2 Theoretical Foundation**

Theoretical foundation describes and gives an introductory framework that elaborates the purpose of the study (Obwatho, 2014). This study was guided by equity theory and Vroom's Original (1964) Expectancy Theory.

##### **2.2.1 Equity Theory**

Equity theory by Adams describes an individual people's concern on not only what they receive from a service but also looks at what the organizations receive in terms of the service. The theory bases an individual's input in terms of effort, education, experience and competence, an individual is able to give a comparison in terms of commitment and an increase in salaries. Once employees feel that there is a disparity in their give and take rationing relation to perceived expectations, then end result here is tension. The objective of equity theory according to carol (1978) is that the theory advocates for equal returns between the two groups that is employee/employer.



In this study, it is not easy for organizations such as Kenya airways to come up with fair and equal decisions that support employee commitment. This requires organizational management to conduct an evaluation of their employment contracts and decide on to improve them. Successful organizational management are the one who makes sure that organizational goals are properly communicated to all employees, this is to assist them know what are to do through adhering to employee/employer contracts. This study therefore is important as it aims to establish the effect of perceived psychological contract violation on employee commitment at Kenya Airways Corporation through the guidance of Equity Theory by Adams.

### **2.2.2 Expectancy Theory**

The Theory of Expectancy by vroom 1964 believes that the potency of a tendency to act the way it does and this depends on the expectations anticipated from that act. According to Robbins (1993) expectancy theory believes that the attractiveness of an outcome to an individual is paramount to commitment. Commitment here becomes a combined function of an individual effort and this improves commitment (steers, 1983). As much as there are several expectancy models, vroom's model concerns itself organizational commitment. Vrooms theory believes that any choice made by an individual through alternatives acts is deemed lawful and relates itself to behaviors that caused by psychological events.

In this study, expectancy theory acts as a mental theory process of employee commitment. This theory is grounded on the belief that individuals work hard through motivation. For organizations such as Kenya airways to determine what their employees want from them so as to have them committed, they need to understand the link between

them and their employees. Kenya Airways need to be trustworthy honest to whatever process that makes decisions. This study is important to Kenya airways as it aims to establish the effect of perceived psychological contract violation on employee commitment at Kenya Airways Corporation through the guidance of Vroom's (1964) Expectancy Theory.

### **2.3 Psychological Contract Violation and Employee Commitment**

Psychological contract violation is normally a concept in respect to the feelings of dissatisfaction by employees in an organization. Employee dissatisfaction comes in for betrayal that come s from a belief that there has been a broken work promise (Guest, 2016). Where there a feeling of psychological contract violation, employees perform dismally as payback and this can be contributed by the organization's refusal honor this contracts. According to Karagonlar, Eisenberger and Aselage (2016) refers to the honest between employee/employer on reciprocation of the accomplishment of tasks. As much as the concept simplifies the intangible traits, which were applied for the first time in form of formal relationship between the organizations and employees; this may include salaries (Lee & Lin, 2014).

There are differences between a formal contract and psychological contract violation, this feeling is that psychological contract violations tends to be implicit (Low, 2016). According to Rayton and Yalabik (2014) psychological contract focuses on the career development of employees which and this affects positively their commitment. To fulfill the contents of a job contract provides an attachment to the organization (Kiazad & Seibert, 2014b).

According to Thomas (2016), a psychological contract entails relational and contractual aspects of a contract agreement. Psychological agreements have relational and transactional contents and associates themselves with short-term oriented financial liabilities and no relationship necessarily required (Thomas, 2016). Employee/employer relations not only are limited to pay increment, but provide an avenue for employees to optimize their skills to work better on their jobs (Bentley. 2016). Once the support of an organization is seen as a fundamental component of accomplishing socio emotional requirement of an employee then the organization becomes appreciative to the employee (Mao, 2011). Supporting employees emotionally help them work better and this can be achieved through fair treatment during implementations of policies and processes (Mao, 2011).

According to Kim (2016), organizational support considerably affects organizational commitment of employees either negatively or positively. Panaccio and Vandenberghe (2009) there is an optimistic attitude in terms of organizational commitment through good communication among organizational operations. Organizational job specifications and experiences can have an impact on employees who see the organization as having them in mind and hence get emotionally attached (Allen & Shanock, 2013).

Psychological contract development is picture of what is owed between employee/employer's minds in terms of returns and can cause a perception of inequalities and a sense of violation. In deciding for a balance between employee/employer psychological contracts, there must be matched obligations between the two. In case there are increased demands from employee where they feel that equal rewards should also follow suit, this is likely to assure employees of nonexistent attitude of psychological

contract violations in the organization. This state may make employees' withdrawal of organizational citizenship behavior or employee exiting from the organization (Blanceroet, 2007).

According to Sturges (2005), when psychological contract agreement between employee and employer is fulfilled, there is an increased employee commitment, in the case of contract violation by employer then there is negative involvement by employees. However, when an employer violates a contract, employee resort to unbecoming workplace behaviours. Additionally, the consequence of contract violation is always a mixed reaction. The fundamental variation here comes in form of commitments by an organization. In work places employees, employees are influenced by how the organization commits itself to the contracts (Wasti, 2005). How good the psychological contract is depends on how the individual employee beliefs the organization has taken care of his/her demands. Employee commitment means employee promise to the organization of extra input in their job duties. This therefore calls for organizations to adhere to contract agreement so as to succeed in their objectives.

## **2.4 Empirical Review and Research Gaps**

In most organizations, effective performance from employees affects organizational objectives positively. Osoro (2010) established that implementation of a performance contract at the Kenya Forestry Research Institute had negative effects on employees' perception of contract violation. The case study was utilized to help the researcher to assemble data for the academic undertaking. The target population comprised of the institutes employees in six regional centers. The study utilized cluster sampling method

to select 51 research participants whereas structured questionnaire was utilized to collect the primary data. Out of the 51 respondents, only 36 of them completed the questionnaires and returned them thereby the response rate was at 70%.

The descriptive statistics were utilized to describe the major characteristics of the research participants including the manner in which research participants viewed the effect of new contract. The study established that the employees' role in the performance contracts was more of implementing (58%) the institute's roles whereas others claimed that their roles were concerned with implementing, monitoring and controlling various issues at the institute. The participants indicated that the employer's main role was to offer them with steady employment, secure it and support employees to perform their duties. The findings pointed towards a relational type of contract that was geared towards safeguarding employees' interests. In spite of this, the employees were found to relate with employer on a stable basis because most of the negative effects were rated low. Accordingly, the employees were ready to implement most of the things highlighted by the performance contract suggesting that they were committed to their organization.

Bankins (2015) assessed the process perception of a contract change in terms of making sense of and repairing breaches and violation of a psychological contract through coping strategies among employees. He used mixed methods with 26 qualitative interviews from graduate newcomers and a longitudinal survey on 107 graduate newcomers. The study focused mainly on unfolding events and the way participants developed coping strategies with a special attention on "adaptive remediation" process model. The model demonstrated the way violation of contract triggered sense making and in turn resulted to withdrawal of employees before they made senses of, responded to and adapted the

discrepancies. It established that a process of repairing contract could occur whenever coping strategies that were termed as “remediation effects” could be effective. The actions either addressed themselves to contract breaches or even tended to repair psychological contracts through cognitive reappraisal of work environment, but not the breaches. The results highlighted the unfolding process nature of contract developed psychologically.

Waiganjo (2012) conducted a study on the effects of HR management practices on psychological contract that employees develop with their organizations. He established that psychological contract underpinned the employment relationship between employer and employees. It was thereby perceived as the unwritten expectations that guided the way employees related with their organizations. Normally, there is a general consensus that psychological contracts focus on people’s subjective beliefs and they are shaped by organizations. The study provides a general overview of the concept of psychological contract by reviewing previous studies on the subject matter.

Salin and Notelaers (2017) assessed the effect of bullying on turnover intentions among employees with a special attention on benevolent behaviors and the roles that perceived contract violation. They used surveys design to conduct their study and collect data from 1148 business professionals. Their study established that perceived psychological contract violation was partly responsible for exposure to turnover intentions and bullying. However, the mediation processes were stronger among the participants who reported benevolent behaviors implying the importance of perceived contract violation among those scoring high on compassionate behaviors. The findings further showed that highly compassionate employees were affected more by bullying even though the effects were

destructive to all participants. This study highlights the effects of perceived violation of contract among employees with high and low compassionate behaviors.

Guchait, Cho and Meurs (2015) assessed the effects of perceived supervisory and organizational support and psychological contract with the impacts it has on turnover among Indian hospitality employees. The focus was on relational and transactional contract. It further evaluated the effects of support coming from supervisors as an indicator of organizational support. Due to the unavailability of a good number of employees in major hotels, the study narrowed its focus to employees working in restaurants. It established that perceived support from supervisors enhanced organizational support, which in turn improved relational psychological contract and not transactional contract.

Solinger, Hofmans, Bal and Jansen (2016) evaluated whether employees bounced back after psychological contracts were violated with a special focus on recovery process. To explore this effect, they studied organizational commitment with the help of longitudinal design among a sample 109 young academicians going through job changes. Upon tracking these changes for 10 weeks, they ascertained whether participants were able to recover after a contract breach even though some employees would be expected to do better than others. The study demonstrated that breach of organizational support had close relationship with breach of resolution processes. In addition, it demonstrated a nonlinear element in breach trajectories of commitment suggesting that the processes that determine the success of breach resolution are complicated.

Birtch, Chiang and Van (2016) studied job characteristics through social exchange theory with a special attention to the mediating role of fulfillment of psychological contract. They integrated a Job Demands-Resources (JD-R) model together with the aspect of psychological contract fulfillment into the theory to improve their understanding of the way job characteristics influenced job outcomes. With the help of a sample of 334 employees, they established that job characteristics and outcomes had mediating role on the fulfillment of psychological contract. They also discussed the theoretical implications of this finding.

However, the above studies were done in different countries and contexts other than Kenya Airways Corporation, meaning the corporation requires such a study to assist in resolving the issues identified in this paper. This is therefore the gap the study intends to fill.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter provides the study's methodology. It starts by describing the research design, location of the study, defines the target population, the sample and sampling procedures. Finally, it describes data collection procedure, analysis and presentation. Research tools are determined and explored with emphasizes of their relevance.

#### **3.2 Research Design**

Research design entails the organization that allows all measurements of a research. It entails how data was analyzed (Kothari, 2010). The study adopted descriptive survey design, which was important in the study because data was collected from a reasonably large number of respondents.

#### **3.3 Target Population**

Target population in this Study entails all individuals or groups of people under which the researcher would like include to his/her research findings (Mugenda & Mugenda, 2008). According to the Kenya Airways corporation records, the company has a total of 3986 employees (Kenya Airways Human Resource Records, 2018). Out of this, 400 were excluded because they are based outside the country and this makes it had for the researcher to involve them in this study. This left 3586 employees as the number legible for this study.

**Table 3.1: Target Population**

| <b>Category</b> | <b>Population</b> | <b>Percent (%)</b> |
|-----------------|-------------------|--------------------|
| Top level       | 389               | 10.85              |
| Middle level    | 896               | 24.99              |
| Lower level     | 2301              | 64.17              |
| <b>Total</b>    | <b>3586</b>       | <b>100</b>         |

**Source: Kenya Airways Annual Report (2018)**

### **3.4 Sampling Procedure**

Sampling procedure refers to the methods employed in isolating different groups of people during sample identification. In normal cases, any study took a reasonable sample that resonates with the population of study. The study adopted stratified random sampling method to identify the study's respondents. This is because of the different levels of positions they occupy in the corporation. This is important is fundamental to the research quality through good sampling techniques and appropriate mythologies. Simple random sampling method was utilized to pick the participants form each stratum.

#### **3.4.1 Sample Size**

Sample size in this sample size refers to a number representative of the target population selected from the larger group. The sample size was then arrived at using the formula shown below.

$$n = N / (1 + Ne^2)$$

Where:

$n$  = minimum sample size

$N$  = Population

$E$  = precision set at 95% ( $5\% = 0.05$ )

Hence;  $n = 3586/1 + (3586 \times 0.0025)$

$n = 360$

The sample size from each stratum was calculated as a proportion of the total target population.

**Table 3.2: Computation of the Sample Size**

| Category     | Population  | Percent (%)  | Sample size |
|--------------|-------------|--------------|-------------|
| Top level    | 389         | 10.04        | 39          |
| Middle level | 896         | 10.04        | 90          |
| Lower level  | <b>2301</b> | 10.04        | 231         |
| <b>Total</b> | <b>3586</b> | <b>10.04</b> | <b>360</b>  |

**Source: Researcher (2018)**

### **3.5 Data Collection**

Questionnaires were utilized to collect the data. Drafted questionnaires contained closed-ended questions. This study used data from primary sources and this was gathered via the use of a structured five-point likert scale. The questionnaire consists of three parts. Part one collected biographic data. Part two addressed psychological contract violation, while part three dealt with commitment. These questionnaires were then distributed by hand to the selected sample by the research assistant.

### 3.6 Data Analysis and Presentation

This process is concerned with collecting, modelling and transforming data with a view to generating trends that may be used to explain the general characteristics of a sample and target population in general (Chen, 2014). The effect of psychological contract violation on employee commitment was established using regression analysis. Data analysis was presented using tables, graphs and pie charts. Descriptive studies in form of mean, frequency percentage and standard deviation was used. Inferential statistics in form of linear regression were utilized to test the impact that psychological contract violation had on employee commitment using the following model:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where:

$Y$  = Employee Commitment

$\beta_0$  = Constant

$\beta_1$  = Regression coefficient

$X_1$  = Perceived Psychological Contract Violation

$\epsilon$  -Error Term

## CHAPTER FOUR

### DATA ANALYSIS, RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter presents the analysis and finding from the data collected on the subject under study as well as the discussion of the findings. The researcher used frequency tables and percentages to present data.

#### 4.2 Response Rate

Three hundred and sixty (360) participants were issued with questionnaires to fill on their own. Out of this, only 263 questionnaires were completed and submitted back, which gave a response rate of 73.1%. This is good response and enabled generalization of the findings. This response rate is in line with Sproul (2011) who holds that a response rate above 50% is good and can be used for statistical analysis.

**Table 4.1: Response Rate Analysis**

|                |            | <b>Response Rate</b> |
|----------------|------------|----------------------|
| Respondent     | 263        | 73.1                 |
| Non-Respondent | 97         | 26.9                 |
| <b>Total</b>   | <b>360</b> | <b>100</b>           |

### 4.3 Reliability Analysis

Reliability of the data collection instruments was determined using Cronbach alpha coefficients that tested the internal consistency of the questionnaire. The results are presented in the Table 4.2.

**Table 4.2: Results of the Test of Reliability**

|  | <b>Cronbach's Alpha</b> | <b>Decision</b> |
|--|-------------------------|-----------------|
| Employee Commitment                        | .811                    | Reliable        |
| Perceived Psychological Contract Violation | .742                    | Reliable        |

From the findings, employee commitment was reliable with a coefficient of 0.811 while perceived psychological contract violation was equally reliable with alpha coefficient of 0.742. Both variables were considered reliable since the results showed that their Cronbach Alpha associated were above 0.7.

### 4.3 Background Information

The study collected data from different groups of people; thereby it sought to classify them in accordance to their gender, age bracket, education level, working experience and level of management.

#### 4.3.1 Gender of the Respondents

Accordingly, the participants were asked to indicate their gender, and the findings are presented in the Table 4.3.

**Table 4.3: Distribution of Respondent by Gender**

|              | <b>Frequency</b> | <b>Percent</b> |
|--------------|------------------|----------------|
| Male         | 196              | 74.5           |
| Female       | 67               | 25.5           |
| <b>Total</b> | <b>263</b>       | <b>100</b>     |

As shown in Table 4.3, most of the respondents (74.5%) were male while the rest (25.5%) were female. This implies that the female gender is under presented in The Kenya Airways work force.

#### **4.3.2 Age Bracket**

The study also explored the age brackets of the participants, and the results are as provided in Table 4.4.

**Table 4.4: Respondents' composition by Age**

|                    | <b>Frequency</b> | <b>Percent</b> |
|--------------------|------------------|----------------|
| 30 years and below | 48               | 18.3           |
| 31-40 years        | 78               | 29.7           |
| 41 – 50 years      | 93               | 35.4           |
| 51 years and above | 44               | 16.7           |
| <b>Total</b>       | <b>263</b>       | <b>100</b>     |

Table 4.4 indicates that majority (35.4%) of the participants were aged between 41 and 50 years, 29.7% between 31 and 40 years, 18.3% were below 30 years while 16.7% were aged above 50 years. This suggests that majority of participants were between 41 and 50 years.

### 4.3.3 Education Level

The respondents' highest levels of education were also evaluated and the results were as provided in Table 4.5.

**Table 4.5: Highest Level of Education**

|                      | <b>Frequency</b> | <b>Percent</b> |
|----------------------|------------------|----------------|
| Tertiary college     | 42               | 16             |
| Bachelor's Degree    | 186              | 70.7           |
| Post graduate degree | 35               | 13.3           |
| <b>Total</b>         | <b>263</b>       | <b>100</b>     |

As Table 4.5 depicts, most of the respondents had bachelor's degree as illustrated by 70.7%. 16% had tertiary level, while and those who had post graduate degree were 13.3%.

### 4.3.4 Working Experience

The researcher further explored the number of years respondents had worked in their respective organizations. Table 4.6 depicts the results.

**Table 4.6: Working Experience**

|                   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Less than 1 years | 49               | 18.6           |
| 1 to 5 years      | 66               | 25.1           |
| 6 to 10 years     | 126              | 47.9           |
| 11 to 20 years    | 22               | 8.4            |
| <b>Total</b>      | <b>263</b>       | <b>100</b>     |



Majority of the respondents (47.9%) had a working experience of 6 to 10 years. The remainder had worked for 1 to 5 years as shown by 25.1%, 18.6% had worked for less than one year while 8.4% had work experience of 11 to 20 years. Overall, these findings show that most of the respondents had work experience of more than two years and hence were in a position to provide accurate and objective data.

#### **4.3.5 Level of Management**

The respondents were asked to indicate their level of management. Their replies were as shown in Table 4.7.

**Table 4.7: Distribution of the Respondents by Level of Management**

|              | <b>Frequency</b> | <b>Percent</b> |
|--------------|------------------|----------------|
| Low level    | 157              | 59.7           |
| Middle level | 78               | 29.7           |
| Top level    | 28               | 10.6           |
| <b>Total</b> | <b>263</b>       | <b>100</b>     |

From the findings in the Table 4.7, 59.7% of the participants were at low levels of management, middle level of management were at 29.7% and top level of management were at 10.6%. In this respect, all of the participants were in management even though majority of them were at low levels. This suggests that they were able to provide the data needed on the subject under study. Hence the information they provided can be considered reliable.

#### 4.4 Psychological Contract Violation

The respondents were also asked to indicate the extent to which they agreed or disagreed with several statements that measured psychological contract violation in Kenya Airways Corporation. Their responses were analyzed and summarized in the tables 4.8, 4.9, 4.10 and 4.11.

**Table 4.8: Measures of Career Development**

|   | <b>Mean</b>  | <b>Std. Dev.</b> |
|---|--------------|------------------|
| There is opportunity for training and development in the organization   | 3.981        | 0.863            |
| Mentorship and career guidance exist in Kenya airways corporation   | 4.316        | 0.862            |
| There is equal opportunity for career development to all staff  | 3.829        | 0.785            |
| The organization discusses career plans with staff before decisions are taken on what is appropriate for both parties | 3.483        | 0.572            |
| Career development is a core function of the human resource department  | 2.532        | 0.571            |
| There are dedicated officers responsible for career planning for staff  | 4.411        | 0.725            |
| Career counseling is a fundamental human resource policy in the organization  | 3.418        | 0.996            |
| The organization requires each employee to prepare programs intended to realize their set career objectives           | 4.088        | 0.845            |
| <b>Composite Mean</b>   | <b>3.757</b> |                  |

Most of them agreed that there were dedicated officers responsible for career planning for staff as illustrated by a mean of 4.411, that mentorship and career guidance exist in Kenya airways corporation as illustrated by a mean of 4.316 and that the organization

requires each employee to prepare programs intended to realize their set career objectives as illustrated by a mean of 4.088. The respondents also agreed that there were opportunities for training and development in their respective organization as illustrated by a mean of 3.981 and that there is equal opportunity for career development to all staff as illustrated by a mean of 3.829.

However, the respondents appeared neutral on the issue relating to the manner in which their organizations discussed their career paths with them as illustrated by a mean of 3.483, that career counseling is a fundamental human resource policy in the organization as illustrated by a mean of 3.418 and that career development is a core function of the human resource department as illustrated by a mean of 2.532. As per the composite mean of 3.757, career development through training is done in KQ to greater extent.

**Table 4.9: Measures of Rewards and Compensation**

|  | <b>Mean</b>  | <b>Std. Dev.</b> |
|--|--------------|------------------|
| There is continuous payment of employee benefits                   | 4.004        | 0.872            |
| Health care benefits are always given                              | 2.529        | 0.571            |
| The employees receive pay and bonus tied to performance            | 4.080        | 0.799            |
| The organization gives incentives to staff for career achievement  | 3.799        | 0.848            |
| Organization allocates resources to cater for career need of staff | 3.536        | 0.877            |
| The organization allows staff time off for family engagements      | 4.126        | 0.854            |
| <b>Composite Mean</b>  | <b>3.679</b> |                  |

As per the study findings, the respondents agreed that the organization allows staff time off for family engagements as shown by a mean score of 4.126, that the employees receive pay and bonus tied to performance as shown by a mean score of 4.080 and that

there is continuous payment of employee benefits as shown by a mean score of 4.004. The respondents also agreed that the organization gives incentives to staff for career achievement as shown by a mean score of 3.799 and that organization allocates resources to cater for career need of staff as shown by a mean score of 3.536 but were neutral that health care benefits are always given as shown by a mean score of 2.529. As shown by the composite mean of 3.679, it's clear that rewards and compensation is well done at Kenya Airways Corporation Limited.

**Table 4.10: Measures of Social Atmosphere**

|  | <b>Mean</b>  | <b>Std. Dev.</b> |
|--|--------------|------------------|
| There are equal opportunities for all staff            | 3.753        | 0.863            |
| There is conducive and motivating work environment     | 2.449        | 0.570            |
| Management offers support to the staff                 | 4.065        | 0.860            |
| There is a strong employees' network                   | 3.734        | 0.999            |
| Policies and practices are favorable for the employees | 4.084        | 0.806            |
| Employee have cooperation and support from co-workers  | 3.814        | 0.860            |
| Organization has a flexible work schedule              | 2.395        | 0.542            |
| There is a constructive feedback on performance        | 3.951        | 0.974            |
| <b>Composite Mean</b>                                  | <b>3.531</b> |                  |

From the findings, the respondents agreed that policies and practices are favorable for the employees as expressed by an average of 4.084, that management offers support to the staff as expressed by an average of 4.065 and that there is a constructive feedback on performance as expressed by an average of 3.951. The respondents also agreed that employee have cooperation and support from co-workers as expressed by an average of

3.814, that there are equal opportunities for all staff as expressed by an average of 3.753 and that there is a strong employees' network as expressed by an average of 3.734. The respondents however disagreed that there is conducive and motivating work environment as expressed by an average of 2.449 and that organization has a flexible work schedule as expressed by an average of 2.395. As shown in table 4.10 the composite mean of social atmosphere is 3.531. This means that employees agree to large extent that social atmosphere is an important element in psychological contract violation.

**Table 4.11: Measures of Change Management**

|  | <b>Mean</b>  | <b>Std. Dev.</b> |
|--|--------------|------------------|
| The company share information when there is an intended change | 4.167        | 0.768            |
| The organization has opportunities for further growth          | 2.810        | 0.581            |
| Employees are given opportunity to change through perform      | 3.814        | 0.891            |
| The leadership style is positive, inclusive and optimistic     | 2.437        | 0.569            |
| Staff are aware of the value and purpose of their work         | 3.620        | 0.593            |
| There is an open and honest communication for change process   | 4.164        | 0.791            |
| <b>Composite Mean</b>  | <b>3.502</b> |                  |

As per the findings, the respondents agreed that the company share information when there is an intended change as shown by a mean of 4.167, that there is an open and honest communication for change process as shown by a mean of 4.164, that employees are given opportunity to change through performance as shown by a mean of 3.814 and that staff are aware of the value and purpose of their work as shown by a mean of 3.620. However, the respondents were neutral that the organization has opportunities for further growth as shown by a mean of 2.810 but disagreed that the leadership style is positive,

inclusive and optimistic as shown by a mean of 2.437. The mean aggregate of change management is 3.502, this means that employees at KQ agree to a large extent that change management is an important concept in the organization.

#### 4.5 Employee Commitment

The participants were also asked to indicate their level of agreement with the following statement intended to measure employee commitment in Kenya Airways Corporation. Their responses were analyzed and summarized in tables 4.12, 4.13, and 4.14.

**Table 4.12: Measures of Continuous Commitment**

|   | <b>Mean</b>  | <b>Std. Dev.</b> |
|---|--------------|------------------|
| I would not depart this company now because of my sense of obligation in it               | 3.916        | 0.865            |
| I like this organization because my values and the organization's values are very similar | 4.240        | 0.771            |
| I have few options to consider leaving this organization                                  | 4.247        | 0.831            |
| I fear leaving this job without having another one waiting for me                         | 3.897        | 0.834            |
| Right now, remaining at my place of work is a matter of necessity as much as desire       | 3.224        | 0.730            |
| <b>Composite Mean</b>   | <b>3.905</b> |                  |

The results in Table 4.12 depicts that respondents agreed that they have very low intention of leaving this organization as shown by a mean of 4.247; that they like their places of work because of organizational values and theirs were very similar as shown by a mean of 4.240 and that they would not leave their places of work at the time of the study because they had sense of obligation in those places as a means of 3.916 depicts.

The respondents also agreed that they were afraid of what would happen to them if they left their workplaces without finding new jobs as shown by a mean of 3.897; but they were neutral on the fact that at this point, remaining with the current organization is a matter of necessity as much as desire as shown by a mean of 3.224. The composite mean of 3.905 means that the employees are continuously committed.

**Table 4.13: Measures of Affective Commitment**

|  | <b>Mean</b>  | <b>Std. Dev.</b> |
|--|--------------|------------------|
| I feel a sense of belonging in Kenya airways   | 4.186        | 0.800            |
| I prefer to work in Kenya airways for rest of working career   | 2.437        | 0.569            |
| I am emotionally attached to Kenya Airways Corporation   | 3.620        | 0.593            |
| I take pride to tell others that I work at this organization   | 4.164        | 0.791            |
| Working at this organization means a lot to me   | 3.916        | 0.865            |
| I would like to spend the rest of my work life with the  | 4.171        | 0.775            |
| I would be happy to remain in this organization for the rest of my career life because they provide me with good health benefits | 3.741        | 0.797            |
| I like discussing my organization with outsiders because my organization recognizes my for my efforts                            | 2.970        | 0.761            |
| I do not feel like "part of the family" at my organization because they do not encourage my performance                          | 3.951        | 0.678            |
| <b>Composite Mean</b>  | <b>3.684</b> |                  |

Table 4.13 depicts that respondents agreed that they feel a sense of belonging in Kenya airways as a mean of 4.186 shows; that they would like to spend the rest of their work life with the company as shown by a mean of 4.171 and further that they feel proud to tell the others that they work in this organization. This is shown by a mean of 4.164. The

respondents also agreed that they do not feel like "part of the family" at my organization because they do not encourage their performance as shown by a mean of 3.951 and that working at their organization had a lot of meaning to them as a mean of 3.916 depicts.

The respondents also agreed that they would be happy to spend the rest of their career lives in their respective organization because they provide good health benefits as shown by a mean of 3.741 and that they are emotionally attached to Kenya Airways Corporation as shown by a mean of 3.620. However, the respondents were neutral with respect to the fact that they enjoy discussing their organization with outsiders because this organization recognizes my for my efforts as shown by a mean of 2.970 but disagreed that they prefer to work in Kenya airways for rest of working career as shown by a mean of 2.437. The study also revealed that the KQ employees are affectively commitment as shown by a composite mean of 3.684.



**Table 4.14: Measures of Normative Commitment**

|   | <b>Mean</b>  | <b>Std. Dev.</b> |
|---|--------------|------------------|
| It would not be right for me to cease working for this organization | 3.555        | 0.668            |
| I feel comfortable working with Kenya Airways                       | 4.167        | 0.632            |
| I feel personally attached to the organization                      | 4.129        | 0.508            |
| I am loyal to Kenya Airways considering all it has done for me      | 3.555        | 0.668            |
| Staying with my Kenya Airways is a matter of necessity for me       | 3.578        | 0.606            |
| <b>Composite Mean</b>   | <b>3.797</b> |                  |

As shown in table 4.14, the respondents agreed that they felt comfortable working with Kenya Airways as the mean score (4.167) depicts. Also, they felt attached personally to the organization as the mean score of 4.129 depicts and that at the time of study, staying at the organization was a matter of necessity for them as the mean score of 3.578 depicts. They also agreed that they did not feel it would be right to stop working for the organization as mean score of 3.555 depicts. The respondents further agreed that they were loyal to the organization because of what it had done to them as illustrated by a mean score of 3.555.

## **4.6 Regression Analysis**

Regression analysis was conducted to test the effect of perceived psychological contract on employee commitment. The summary of regression model output is presented in Table 4.15.

**Table 4.15: Summary of Regression Output for the Effect of Psychological Contract on Commitment**

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | 0.855 | 0.730    | 0.729             | 0.420                      |

The study found that independent variable selected for the study (perceived psychological contract violation) accounted for 72.9% of the variations in employee commitment was ( $R^2=0.730$ ). According to the test model, 30.1% percent of the variation in employee commitment could not be explained by the perceived psychological contract.

The analysis of variance results are shown in Table 4.16.

**Table 4.16: One-Way ANOVA Results**

| Model |              | Sum of Squares | df         | Mean Square | F       | Sig.  |
|-------|--------------|----------------|------------|-------------|---------|-------|
| 1     | Regression   | 124.83         | 1          | 124.830     | 706.432 | 0.000 |
|       | Residual     | 46.12          | 261        | 0.177       |         |       |
|       | <b>Total</b> | <b>170.95</b>  | <b>262</b> |             |         |       |

The p-value was 0.000 indicating that the effect of perceived psychological contract violation had significant effects on employee commitment. The calculated F (706.432) was significantly larger than the critical value of  $F= 2.9752$ . This again shows that the overall test model was significant. This implies that the regression model achieved a level of goodness of fit.

The Regression coefficients for the relationship between the four independent variables and employee commitment are shown in Table 4.17.

**Table 4.17: Regression Coefficients**

| Model                                      | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|--|-----------------------------|------------|---------------------------|-------|------|
|  | B                           | Std. Error | Beta                      |       |      |
| (Constant)                                 | 0.883                       | 0.126      |                           | 7.008 | .000 |
| Perceived psychological contract violation | 0.761                       | 0.339      | 0.676                     | 2.245 | .030 |

The established multiple regression equation for predicting factors influencing employee Commitment from the three independent variables was:

$$Y = 0.883 + 0.761X_1 + \text{Error Term (0.339)}$$

Where, Y= Employee Commitment

$X_1$ = Perceived psychological contract violation

The regression equation above has established that taking perceived psychological contract violation constant at zero, employee commitment was 0.883. The findings indicate that a unit increase in the perceived psychological contract violation would lead to a 0.761 increase in the scores of employee commitment. The effect was significant since the p-values was less than 0.05.

## **4.7 Discussion of the Findings**

### **4.7.1 Career Development**

The study found that there are dedicated officers responsible for career planning for staff, that mentorship and career guidance exist in Kenya Airways Corporation and that the organization requires each employee to prepare programs intended to realize their set career objectives. The study also found that there is opportunity for training and development in the organization and that there is equal opportunity for career

development to all staff. These findings are in line with Eisenberger and Aselage (2016) who refers to the honest between employee/employer on reciprocation of the accomplishment of tasks. As much as the concept simplifies the intangible traits, which were applied for the first time in form of formal relationship between the organizations and employees; this may include salaries.

The study further revealed that Keya Airways tend to discuss career paths with employees before making critical decisions, that career counseling is a fundamental human resource policy in the organization and that career development is a core function of the human resource department. These findings concur with Thomas (2016), a psychological contract entails relational and contractual aspects of a contract agreement. Psychological agreements have relational and transactional contents and associates themselves with short-term oriented financial liabilities and no relationship necessarily required. The study found that independent variable selected for the study (perceived psychological contract violation) accounted for 72.9% of the variations in employee commitment was ( $R^2=0.730$ ).

#### **4.7.2 Rewards and Compensation**

The study established that the organization allows staff time off for family engagements, that the employees receive pay and bonus tied to performance and that there is continuous payment of employee benefits. The study also found that the organization gives incentives to staff for career achievement, that organization allocates resources to cater for career need of staff and that health care benefits are not always given. These findings are in line with Panaccio and Vandenberghe (2009) who notes that there is an optimistic attitude in terms of organizational commitment through good communication among

organizational operations. Organizational job specifications and experiences can have an impact on employees who see the organization as having them in mind and hence get emotionally attached.

#### **4.7.3 Social Atmosphere**

The study found that policies and practices are favorable for the employees, that management offers support to the staff and that there is a constructive feedback on performance. The study also established that employees get cooperation and support from co-workers, that there are equal opportunities for all staff and that there is a strong employees' network. The study established that there is no conducive and motivating work environment and that the organization does not have a flexible work schedule. These findings conform to Sturges (2005), when psychological contract agreement between employee and employer is fulfilled, there is an increased employee commitment, in the case of contract violation by employer then there is negative involvement by employees. However, contract violation might have detrimental effects on an organization. Additionally, the consequence of contract violation is always a mixed reaction.

#### **4.7.4 Change Management**

The study found that the company shares information when there is an intended change, that there is an open and honest communication for change process, that employees are given opportunity to change through perform and that staff are aware of the value and purpose of their work. The study also found that the organization has opportunities for further growth and that the leadership style is not positive, inclusive and optimistic. These findings are in line with Osoro (2010) who established the employees' perceptions

of psychological contract violation was affected by implementation of performance contracts at KEFRI and found out that employees' role in those contracts was largely implementation (58%) whereas others (31%) felt that it was related to monitoring, controlling and implementing various issues. However, the participants considered security of their tenure, as important to them and the way they were committed to the organization.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter sums up the findings before concluding and recommending the way forward including suggesting new areas of research. It interprets the findings in the light of study's objectives and research questions.

#### **5.2 Summary of Findings**

The study's objective was to evaluate the effect of perceived psychological contract violation on employee commitment at Kenya Airways Corporation. The study found that perceived psychological contract violation affects employee commitment at Kenya Airways Corporation positively and significantly. The findings show that a unit increase in the perceived psychological contract violation would lead to a 0.761 increase in the scores of employee commitment. The study found that there are dedicated officers responsible for career planning for staff, that mentorship and career guidance exist in Kenya Airways Corporation and that the organization requires each employee to prepare programs intended to realize their set career objectives. The study also found that there is opportunity for training and development in the organization and that there is equal opportunity for career development to all staff. The study further revealed that the organization discusses career plans with staff before determining the appropriate steps to take for both parties, that career counseling is a fundamental human resource policy in the organization and that career development is a core function of the human resource department.

The study established that the organization allows staff time off for family engagements that the employees receive pay and bonus tied to performance and that there is continuous payment of employee benefits. The study also found that the organization gives incentives to staff for career achievement, that organization allocates resources to cater for career need of staff and that health care benefits are not always given. The study found that policies and practices are favorable for the employees, that management offers support to the staff and that there is a constructive feedback on performance. The study also established that employees have cooperation and support from co-workers, that there are equal opportunities for all staff and that there is a strong employees' network. The study established that there is no conducive and motivating work environment and that organization doesn't have a flexible work schedule.

The study found that the company share information when there is an intended change, that there is an open and honest communication for change process, that employees are given opportunity to change through perform and that staff are aware of the value and purpose of their work. The study also found that the organization has opportunities for further growth and that the leadership style is not positive, inclusive and optimistic.

### **5.3 Conclusions**

The study concluded that perceived psychological contract violation affects employee commitment at Kenya Airways Corporation positively and significantly. In Kenya airways there are dedicated officers responsible for career planning for staff where they provide them with equal opportunities for training and development. Mentorship and



career guidance also exist in Kenya Airways Corporation where a discussion is carried out on career plans with staff before major decisions are made and executed.

Kenya airways further allow staff time off for family engagements and pays its employees based on performance. There is also continuous payment of employee benefits where the staff are given incentives to staff for career achievement Kenya airways also allocates resources to cater for career need of staff. It was also clear that Kenya airways give policies and practices are favorable for the employees.

The management of Kenya airways also offers support to the staff. The support and cooperation for the employees also comes from co-workers. There is also a constructive feedback on performance, equal opportunities for all staff and a strong employees' network. However, sometimes there is no conducive and motivating work environment and that organization doesn't have a flexible work schedule.

There is sharing of information in Kenya airways when there is an intended change in which the company keeps an open and honest communication for change process. In this case the employees are given opportunity to change through performance where they are aware of the value and purpose of their work. Kenya Airways also has opportunities for further growth even though the leadership style is not positive, inclusive and optimistic.

#### **5.4 Recommendations**

The study found that violation of perceived psychological contract could affect employee commitment significantly. Therefore, there is a need for Kenya airways HR department to be aware of this fact. In doing so, identification of the most pertinent things to employees and that are normally ignored most of the time would be critical in improving

relationship with employees. For this reason, it is recommended that organizations should ensure that HR strategies, procedures and policies are based on interactional, procedural and distributive justice.

It is recommended that Kenya airways management should exploit the balanced dynamic psychological contract in place. The management should put in place structures to harness this competitive advantage for improved employee performance and productivity. The study recommends that further studies should be carried at the organization to evaluate the level of job satisfaction among employees.

The study recommends that all the obligations of the employer be known to each member of management. This will help them execute them and lead the subordinates. If the employer is unable to meet the obligation due to lack of resources, this should be well explained to the employee in order to avoid communication gaps that can lead to employee vigilance.

The study also recommends that all levels of management in the Kenya airways should be involved during induction in order to spell out all the obligations of each member. This will eliminate differences in understanding of the obligations. Further the flow of information in the organization should be clear so that all the obligations are made clear to all the members.

The study also recommends that Kenya airways should involve all the stakeholders when effecting organizational change. This will give them an insight of how the change likely to affect them. This will clarify whether the change is going to affect the structure, vision or mission of the company. The management should also choose appropriate strategies in

run-up, transition and integration stages to ensure that employees perceive their psychological contracts as being enhanced as opposed to being violated.

For the above reasons, there is need for organizations to communicate effectively with employees before they make changes. It is believed that if management teams would handle employees' issues of concern effectively, the employees would not oppose changes. Instead, they would support changes because of their commitment to their respective organizations.

### **5.5 Limitations of the Study**

The study anticipated encountering limitations that would hinder access to information that the study sought. The study used multiple regression analysis due to the nature of the study, yet it possesses assumptions which might have not been met. The study was limited to Kenya airways. This made the results of the study not generalizable to the Airline companies since each company has its own issues concerning psychological contract violation thus it cannot be used a representation of the entire sector. Non-response rate was also high. This results from the positions held by the respondents.

Another challenge was delayed response to the questionnaires by some staff while others lost them in the process, making me to frequently provide additional copies. In this regard, the researcher would make prior arrangements to have research instruments delivered to the respondents so as not to interrupt the working schedules of the respondents.

The management of Kenya airways was not willing to disclose confidential information about influence of strategic innovation practices and competitive advantage in their

banks. The researcher had to clarify to them that the study was meant for academic purpose only and that the information that would be obtained would be utilized for that purpose alone. Additionally, the study's findings were limited by the accuracy of the responses that participants provided given the challenges the company was facing at the time of data collection.

## **5.6 Recommendations for Future Research**

This study was limited to Kenya airways only. Therefore, the study recommends that this study should be done again with a focus on other airlines in the industry such as Air Rwanda to determine the effect of perceived psychological contract violation on employee commitment and thus provide a basis for comparison with the results of this study.

The same study should also be extended to cover all the firms in Kenya apart from airline companies. The study also recommends that a study be carried out on the viability of performance-based reward system as relates to performance contracting. Another study should also be done on the effect psychological contract violation on job satisfaction in Kenya airways.

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# APPENDICES

## Appendix I: Letter of Introduction



### UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE... 22/10/2018

#### TO WHOM IT MAY CONCERN

The bearer of this letter ... AMINA JALDESA .....

Registration No. ... DEL/5A92/2017 .....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.



**PROF. JAMES M. NJIHIA**  
DEAN, SCHOOL OF BUSINESS

## Appendix II: Questionnaire

Please remember that the information you provide shall be treated with greatest confidence.

### Section I: General Information

1. What is your gender?

Male ( ) Female ( )

2. Age Bracket

30 years and below ( ) 31 - 40 years ( ) 41 - 50 years ( ) 51 years and above ( )

3. Academic Qualification

Form Four ( ) Tertiary College ( ) Bachelor's Degree ( )

Post Graduate Degree ( )

Others [ ] (specify).....

4. How long have you worked in the organization?

Less than 10 year ( ) 1 - 5 years ( ) 6 - 10 years ( ) 1 - 20 years ( )

Over 20 years ( )

5. What is your level of management

Top level ( ) Middle level ( ) Lower level ( )

## Section II: Psychological Contract Violation

Kindly indicate the extent to which you agree or disagree with the following statements concerning psychological contract violation in Kenya Airways Corporation. Use a scale of 1 to 5 where 1 is strongly disagree, 2= disagree 3= Neutral, 4= agree and 5 is strongly agree.

|   | 1                        | 2               | 3                | 4            | 5                     |
|---|--------------------------|-----------------|------------------|--------------|-----------------------|
| <b>Psychological Contract Violation</b>   | <b>Strongly Disagree</b> | <b>Disagree</b> | <b>Undecided</b> | <b>Agree</b> | <b>Strongly Agree</b> |
| <b>6 Career Development</b>   |                          |                 |                  |              |                       |
| There is opportunity for training and development in the organization                                       |                          |                 |                  |              |                       |
| Mentorship and career guidance exist in Kenya airways corporation   |                          |                 |                  |              |                       |
| There is equal opportunity for career development to all staff  |                          |                 |                  |              |                       |
| The organization discusses career path with staff before making critical decisions relating to employees    |                          |                 |                  |              |                       |
| Career development is a core function of the human resource department                                      |                          |                 |                  |              |                       |
| There are dedicated officers responsible for career planning for staff                                      |                          |                 |                  |              |                       |
| Career counseling is a fundamental human resource policy in the organization                                |                          |                 |                  |              |                       |
| The organization requires each employee to prepare programs intended to realize their set career objectives |                          |                 |                  |              |                       |
| <b>7. Rewards and Compensation</b>  |                          |                 |                  |              |                       |
| There is continuous payment of employee benefits  |                          |                 |                  |              |                       |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| Health care benefits are always given                              |  |  |  |  |  |
| The employees receive pay and bonus tied to performance            |  |  |  |  |  |
| The organization gives incentives to staff for career achievement  |  |  |  |  |  |
| Organization allocates resources to cater for career need of staff |  |  |  |  |  |
| The organization allows staff time off for family engagements      |  |  |  |  |  |
| <b>8. Social Atmosphere</b>  |  |  |  |  |  |
| There are equal opportunities for all staff                        |  |  |  |  |  |
| There is conducive and motivating work environment                 |  |  |  |  |  |
| Management offers support to the staff                             |  |  |  |  |  |
| There is a strong employees' network                               |  |  |  |  |  |
| Policies and practices are favorable for the employees             |  |  |  |  |  |
| Employee have cooperation and support from co-workers              |  |  |  |  |  |
| Organization has a flexible work schedule                          |  |  |  |  |  |
| There is a constructive feedback on performance                    |  |  |  |  |  |
| <b>9. Change Management</b>  |  |  |  |  |  |
| The company share information when there is an intended change     |  |  |  |  |  |
| The organization has opportunities for further growth              |  |  |  |  |  |
| Employees are given opportunity to change through perform          |  |  |  |  |  |
| The leadership style is positive, inclusive and optimistic         |  |  |  |  |  |
| Staff are aware of the value and purpose of their work             |  |  |  |  |  |
| There is an open and honest communication for change process       |  |  |  |  |  |

### Section III: Employee Commitment

Kindly indicate your level of agreement/disagreement with the following statement related to employee commitment in Kenya Airways Corporation. Use a scale of 1 to 5 where 1 is strongly disagree, 2= disagree 3= undecided, 4= agree and 5 is strongly agree.

|  | 1                        | 2               | 3                | 4            | 5                     |
|--|--------------------------|-----------------|------------------|--------------|-----------------------|
| <b>Employee Commitment</b>   | <b>Strongly Disagree</b> | <b>Disagree</b> | <b>Undecided</b> | <b>Agree</b> | <b>Strongly Agree</b> |
| <b>10. Continuous Commitment</b>   |                          |                 |                  |              |                       |
| I would not leave my place of work because of my sense of obligation to the people in it |                          |                 |                  |              |                       |
| I like this organization because my organizational values and mine are very similar      |                          |                 |                  |              |                       |
| I have too few options to consider leaving this organization                             |                          |                 |                  |              |                       |
| I am not afraid leaving this organization without having a new job waiting for me        |                          |                 |                  |              |                       |
| Right now, remaining at the organization is a matter of necessity and desire             |                          |                 |                  |              |                       |
| <b>11. Affective Commitment</b>  |                          |                 |                  |              |                       |
| I feel a sense of belonging in Kenya airways   |                          |                 |                  |              |                       |
| I prefer to work in Kenya airways for rest of working career                             |                          |                 |                  |              |                       |
| I am emotionally attached to Kenya Airways Corporation                                   |                          |                 |                  |              |                       |
| I take pride telling people that I work at this  |                          |                 |                  |              |                       |

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| organization  |  |  |  |  |  |
| Working at this organization has a lot of meaning to me   |  |  |  |  |  |
| I would like to spend the rest of my work life with the   |  |  |  |  |  |
| I would be happy to spend the rest of my career life at this organization because they provide me with good health benefits |  |  |  |  |  |
| I enjoy discussing my organization with outsiders because my organization recognizes my for my efforts                      |  |  |  |  |  |
| I do not feel like "part of the family" at my organization because they do not encourage my performance                     |  |  |  |  |  |
| <b>12. Normative Commitment</b>   |  |  |  |  |  |
| It would not be right for me to cease working in this organization  |  |  |  |  |  |
| I feel comfortable working with Kenya Airways   |  |  |  |  |  |
| I feel personally attached to the organization  |  |  |  |  |  |
| I am loyal to Kenya Airways considering what it has done to me  |  |  |  |  |  |
| Staying with Kenya Airways is a matter of necessity to me   |  |  |  |  |  |

**Thank you very much**