

**PSYCHOLOGICAL CONTRACT AND ORGANIZATIONAL COMMITMENT
AMONG CUSTOMER CARE REPRESENTATIVES (CCR's) AT SAFARICOM
LIMITED, NAIROBI, KENYA**

BY

MARY MUMBUA MAKAU

A Management Research Project

**Submitted in Partial Fulfilment of the Requirements for the Award of the Degree of
Master of Business Administration (MBA), School of Business, University of
Nairobi**

November 2010

DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

MARY MUMBUA MAKAU

Registration Number: D61/70131/2008

Signature.....Date.....

This research project has been submitted for examinations with my approval as university supervisor.

PROFESSOR PETER K'OBONYO

Signature.....Date.....

ACKNOWLEDGEMENTS

My sincere gratitude goes to my supervisor Prof Peter K'obonyo and Moderator Ms. Florence Muindi for the valuable comments, insights, and for guiding me patiently through the intricacies of writing my project.

My final gratitude go to my mum Victoria Wandia Kimeu and sister Lorna Katile Makau for their unfailing believe in me, support and encouragement during my studies.

DEDICATION

This research project is dedicated to Victoria Wandia Kimeu and Lorna Katile Makau.

May God richly bless you.

ABSTRACT

The study was set to determine the relationship between psychological contract and employee commitment among the Customer Care Representatives (CCR's) in Safaricom Limited. The study adopted a survey research design because of the nature of the data and the analysis which was comparative. The data was analyzed using descriptive statistics, that is, frequencies percentages, mean score and standard deviation.

The study found that employees had expectations' and perceptions about the organization at the point of joining Safaricom which included tremendous career growth and good benefits, being associated with best employer in the industry, better experience, job security, friendly staff, strict supervision, high class service delivery and better medical cover.

The study found that perceived employee obligations to Safaricom were mainly determined by; extra role behaviour (work fast and efficiently and get along with other colleagues), flexibility (work extra hours to get job done and volunteer to carry out duties that are not yours), ethical behaviour (protect confidential information and follow the company's policies, norms and procedures), loyalty (remain with the organization for at least some years and not immediately looking for job offers elsewhere) and employability (take personal initiative to attend additional training course).

The study also found out that perceived organization obligation to employee were; career development (Career development opportunities in the company and Opportunities for

promotion), job content (Opportunities to show what you can do, a job with responsibilities), social atmosphere (A conducive atmosphere at work, Good communication among colleagues), financial rewards (an attractive pay and benefits package, regular benefits and extras) and work-life balance(Respect for your personal situation and Opportunities to decide when to take your vacation)

Employee commitment were; affective commitment (Safaricom has a great deal of personal meaning for me, I feel emotionally attached to Safaricom and I feel a sense of belonging in Safaricom), continuance commitment (Staying with Safaricom is matter of necessity as much as I desire) and normative commitment (how well do you live up to your promises to Safaricom).

TABLE OF CONTENTS

	Page
DECLARATION	i
ACKNOWLEDGEMENTS	ii
DEDICATION	iii
ABSTRACT	iiv
LIST OF TABLES	viii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background	1
1.1.1 Psychological Contract	2
1.1.2 Organizational Commitment.....	5
1.1.3 Psychological Contract and Organizational Commitment.....	6
1.1.4 Safaricom Limited	8
1.2 Statement of the Problem.....	9
1.3 Objective of the Study	11
1.4 Importance of the Study.....	11
CHAPTER TWO: LITERATURE REVIEW.....	13
2.1 The Concept of Psychological Contract	13
2.2 The Formation of Psychological Contract	14
2.3 Breach of the Psychological Contract.....	15
2.4 Benefits of Psychological Contracts	17

2.5	The Concept of Organisational Commitment.....	18
2.6	Model of Commitment.....	19
2.7	The Impact of Commitment on Organisations.....	20
CHAPTER THREE: RESEARCH METHODOLOGY		23
3.1	Research Design.....	23
3.2	Population	23
3.3	Sample size	23
3.4	Data Collection	23
3.5	Data Analysis	24
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION		25
4.1:	Introduction.....	25
4.2:	Profiles of the respondents.....	25
4.2.2:	Gender.....	25
4.2.3:	Distribution of respondents by age	26
4.2.4:	Length of service to the organization.	26
4.2.3:	Distribution of respondents by education.	27
4.2.3:	Existence of a fully fledged human resource department that meets employees needs	28
4.2.4:	Is this your first employment	29
4.2.5:	Expectations’ and perceptions about the organization at the point of joining Safaricom	29

4.3: Perceived employee obligation to Safaricom	30
4.4: Perceived organization obligation to employee.....	33
4.5: Perceived organization obligation to employee.....	36
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS..	40
5.1 Summary	40
5.2: Conclusion	41
5.3 Recommendations.....	42
REFERENCES	44
APPENDICES	50

LIST OF TABLES

	Page
Table 4.1: Gender.....	25
Table 4.2: Age.....	26
Table 4.3: Length of service to the organization	27
Table 4.4: Education	27
Table 4.5: Fully fledged human resource department	28
Table 4.6: Is this your first employment.....	29
Table 4.7: Expectation at the time of joining safaricom.....	30
Table 4.8: Extra role behaviour	31
Table 4.9: Flexibility.....	31
Table 4.10: Ethical behaviour	32
Table 4.11: Loyalty.....	32
Table 4.12: Employability	33
Table 4.13: career development.....	34
Table 4.14: Job content.....	34
Table 4.15: Social atmosphere.....	34
Table 4.16: Financial rewards.....	35
Table 4.17: Work-life balance	35
Table 4.18: Affective commitment.....	37
Table 4.19: Continuance commitment.....	37
Table 4.20: Normative commitment.....	38

CHAPTER ONE: INTRODUCTION

1.1 Background

The conceptual foundations of psychological contract were laid by Argyris (1960) and later expanded by Levinson et al (1962) who further highlighted the unwritten, implicit nature of the contract whereby the individual and the organization specify what each expects to give and receive from each other in the relationship. The origins of psychological contract is commonly traced back to the early work of Argyris (1957) and to social exchange theory by Blau (1964). Schein (1965) made key developments and explained that the notion of psychological contract implies that there is an unwritten set of expectations operating at all times between every member of an organization and the various managers and others in that organization.

Winter and Jackson (2006) note that in the past employee – employer relationship was perceived as a social exchange process based on the norms of reciprocity and mutual support. This is referred to as the social exchange theory, which states that a productive employment relationship exists where there is a degree of balance in perceived employee – employer obligations. Rousseau (1991) states that psychological contracts differ from the more general concept of expectations in that contracts are promissory and reciprocal, offering a commitment to some behaviour on the part of the employee, in return for some action on the part of the employer.

Guest (1992) suggests that commitment is affected by personal characteristics; experiences in job role; work experiences; structural factors; and personnel policies. Walton (1985a, 1985b) highlighted the importance of commitment, his theme was that improved performance would result if the organization moved away from the traditional control oriented approach to workforce management, which relies upon establishing order, exercising control and achieving efficiency in the application of workforce. Workers respond best – and most creatively – not when they are treated like unwelcome necessity, but instead when they are given broader responsibilities, encouraged to contribute and helped to achieve satisfaction in their work.

Ouchi (1981) and Paschale and Athos (1981) state the best way to motivate people is to get their full commitment to the values of the organization by leadership and involvement. Meyer and Allen (1997) are of the view that when a balanced and mutually supporting relationship exists, employees freely exchange their skills, effort and commitment in return for desired monetary and socio-emotional rewards provided by the organization or its agents. Winter and Jackson (2006) assert that the critical issue for employers is to understand how to maintain the motivation and commitment of employees when making changes to key areas of the employment relationship.

1.1.1 Psychological Contract

A psychological contract is a system of belief that encompasses the actions employees believe are expected of them and what response they expect in return from their employer. Stiles et al (1997) define psychological contract as the set of reciprocal expectations between an individual employee and the organisation. Guest et al (1996)

note that the psychological contract is concerned with assumptions, expectations, promises and mutual obligation. It creates attitudes and emotions which form and govern behaviour. A psychological contract is implicit. It is also dynamic – it develops over time as experience accumulates, employment conditions changes and employees re-evaluate their expectations. According to Rousseau (1995) many aspects of psychological contract are based on perceptions. He asserts that psychological contracts are formulated solely in the minds of individual employees and as such they reflect their beliefs, shaped by the organization, regarding terms of an exchange between them and the organization. By and large, psychological contract encompasses individual expectations, promises and obligations to the organisation. The employer has similar perceptions towards the employee.

Rousseau (1990) further notes that psychological contracts are formed when an individual perceives that contributions he or she makes obligate the organization to reciprocity and vice versa. Guest et al (1996) suggest that the core of the contract can be measured in terms of fairness of treatment, trust and the extent to which the explicit deal or contract is perceived to be delivered. Armstrong (2009) suggests that the aspects of the employment relationship covered by the psychological contract as perceived by the employee includes: how they are 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 and trust in the management of the organization to keep their promises.

From the employer's point of view, the psychological contract covers such aspects of the employment relationship as competence, effort, compliance, commitment and loyalty. Armstrong (2009) suggests that employees may expect to be treated fairly as human beings to be provided with work that uses their abilities, to be rewarded equitably in accordance with their contribution, to be able to display competence, to have opportunities for further growth, to know what is expected of them and to be given feedback (preferably positive) on how they are doing. Employers may expect employees to do their best on behalf of the organisation – 'to put themselves out for the company' – to be fully committed to its values, to be compliant and loyal, and to enhance the image of the organisation with its customers and suppliers.

Rousseau (1995) asserts that an important aspect of the psychological contract is the employees' expectation that the organization will adequately deliver on its promises. When employees perceive that the organization has not lived up to its promises, then this result in psychological breach. Coyle-Shapiro and Kessler (2000) Herriot et al (1997); Restubog et al (2005) and Turnley et al (2003) are of the view that breach of the psychological contract has negative implications for a wide spectrum of employee attitudes and behaviours. Robinson and Rosseau (1994) note that when a psychological contract is violated, employees may experience anger, distrust, reduced loyalty and commitment, and increased propensity to leave the organisation.

1.1.2 Organizational Commitment

Commitment refers to attachment and loyalty. It is associated with the feelings of individuals about their organization. As defined by Porter et al (1974), commitment is the relative strength of the individual's identification with, and involvement in, a particular organization. Salancik (1977) defines commitment as a state of being in which an individual becomes bound by his actions to beliefs that sustain his activities and his own involvement. Commitment, according to Salancik, can be increased and harnessed to obtain support for organizational end and interests through such ploys as participation in decisions about actions.

Guest (1992) suggests that commitment is affected by personal characteristics, experiences in job role, work experiences, structural factors and personnel policies. Schein (1965) suggested that the extent to which people work effectively and are committed to the organisation depends on the degree to which their own expectations of what the organisation will provide to them and what they owe the organisation in return match that organisation expectations of what will give and get in return; the nature of what is actually to be exchanged (assuming there is some agreement) - money in exchange for time at work; social need satisfaction and security in exchange for hard work and loyalty; opportunities for self-actualisation and challenging work in exchange for high productivity; high-quality work, and creative effort in the service of organisational goals; or various combinations of these and other things.

1.1.3 Psychological Contract and Organizational Commitment

Stiles et al (1997) state that the psychological contract is the set of reciprocal expectations between individual employees and the organisation. Arnold (1997) further describes the psychological contract as the informal, unwritten understandings between employers and employees. From the employee's point of view, the psychological contract is the agreement that they think they have with the employer about what they will contribute to their employer via their work, and what they can expect in return. Sims (1994) suggests that a psychological contract is the set of expectations held by the individual employee that specify what the individual and organisation expect to give and receive from one another in the course of their working relationship. Spindler (1994) further notes that a psychological contract creates emotions and attitudes which form and control behaviour. Rousseau and Greller (1994) state that the Human Resource profession must make sure that different facets of human resource management, such as, recruitment, selection, training and reward, and different managers, shape and support the psychological contracts in a consistent, integrated and balanced manner.

Eby and Freeman (1999) note that commitment is closely related to motivation and job satisfaction, but it is also influenced by other factors. Job tasks – the things that people do at work influence commitment. Other factors include the employee's relationship with the leaders, the level of employee pay, fairness, absenteeism, employee attitudes, job satisfaction, communication, rewards, and family support programs. Stum (2001) suggests that leaders and human resource managers should make effort to meet employee

expectations to improve retention levels. Interaction between leaders and employees create the environment to motivate and retain employees. Sturges and Guest (2001) state that organisations must understand that the new employees believe they have been promised certain behaviour by the organisation. In the job offer, certain statements and inferences are made. If these promises and commitments are kept, employees tend to remain with the organisation. If not, they do not stay.

Story (2002) notes today's employees want to be able to grow in their careers by improving skill set and experience in desired positions. Employees also want to advance in the organisation; growth may mean employees work in areas that lead to new challenges. Unless leaders address fundamental questions about individual career development, employees are always likely to move to another organisation. Adams (1965) suggests that individuals perceiving a state of inequity in the relationship might adjust their behaviour by increasing or reducing inputs to restore a state of equilibrium. An employee who feels their commitment to the organisation is not being adequately reciprocated might adjust their own level of commitment downwards to restore their perceived balance. When employees feel that their employer has violated their psychological contract they are not surprisingly inclined to feel less sense of obligation and less commitment to their employing organisations.

1.1.4 Safaricom Limited

Safaricom Limited was established as a department of Kenya Posts & Telecommunications Corporation which operated then as a monopoly. It launched operations in 1993 based on an analogue ETACS network and was upgraded to GSM in 1996 and received a license in 1999. Safaricom Limited was incorporated on 3rd April 1997 under the Companies Act as a private limited liability company. It was converted into a public company with limited liability on 16th May 2002. By virtue of the 60% shareholding held by the Government of Kenya (GoK), Safaricom was a state corporation within the meaning of the State Corporations Act (Chapter 446) Laws of Kenya, which defines a state corporation to include a company incorporated under the Companies Act which is owned or controlled by the Government or a state corporation. Until 20th December 2007, the GoK shares were held by Telkom Kenya Limited (TKL), which was a state corporation under the State Corporations Act.

Following the Offer and sale of 25% of the issued shares in Safaricom held by the GoK to the public in March 2008, the GoK ceased to have a controlling interest in Safaricom under the State Corporations Act and therefore the provisions of the Act no longer applied to it. Safaricom is the leading provider of converged communication solutions, operating on a single business driver that has a peerless understanding of voice, video and data requirements in Kenya.

Safaricom offers integrated and converged data and voice communication solutions. With its countrywide network it is the only network that can provide broadband high-speed data to its customers through its 3G network, WiMAX and fiber. It is Kenya's current

leading Mobile Telephone Operator and the most profitable company in East and Central Africa. Safaricom aims at being the best company in Africa and in order to achieve this, a strong focus has been placed on quality of service given to customers. This has made it necessary to have an efficient Customer Management Division.

1.2 Statement of the Problem

Research by O'Driscoll et al (1999) confirmed that aligned and healthy psychological contracts contribute to enhanced commitment (including affective commitment which is positively related to the higher performance); job satisfaction (which is related to higher motivation, lower workplace stress and more satisfied customers); and intention to stay with the organisation (that is, retention). O'Driscoll and Randall (1999) further note that organisational support and satisfaction with intrinsic rewards made significant positive contributions to both job satisfaction and affective commitment. Guest et al (1996) are of the view that a positive psychological contract is worth taking seriously because it is strongly linked to higher commitment to the organisation, higher employee satisfaction and better employment relations. It is suggested that Human Resource Management practices such as the provision of opportunities for learning, training and development, focus on job security, promotion and careers, minimising status differentials, fair reward systems and comprehensive communication and involvement processes all contribute to a positive psychological contract.

Serakan (1992) is of the view that the greater chances are for advancement within the organisation, the higher is likely to be the level of organisational commitment by the employee. When the employee knows that they are going to grow in the current

organisation their level of commitment to stay with the organisation is expected to be high. If however, there are no opportunities for advancement perceived in the present organisation those employees who want to climb up the organisation ladder are likely to search for other jobs offering greater opportunities. Guest and Peccei (1992) are of the view that the root of negative behaviours exhibited by employees is the breaking of the psychological contract, which cancels out the anticipated employee benefits. This was observed in the case where managers in the US and UK were promised job security and hierarchical career advancement in return for their loyalty and commitment to the organisations goals. However, this promise was not observed by the organizations, leading to feelings of psychological contract violation by the employees.

The general perception of the public is that Safaricom is the best company to work for and majority of the Customer Care Representatives (CCR's) are no different. They join the organization with very high expectations of progressing in their careers and having competitive remuneration. Customer Care Representatives are the first line employees of the company located at the company's call centre. They comprise of young graduates and form the major employee category in Safaricom Limited. In the recent past the turnover rate for CCR's has taken an upward trend necessitating the need for the company to think of retention strategies. Among other things, exiting the organization reflects lack of commitment.

The relationship between psychological contract and organizational commitment is one of the least studied aspects of employee retention. Studies that have been done so far have targeted the relationship between psychological contract and job satisfaction in various

industries. Kizito (2007) states that's majority of employees in state corporations are satisfied with their job and are committed to their organization, the only limiting factor is pay level with majority of the employees being dissatisfied. Longurasia (2008) notes majority of employees in Kenya Meat Commission (KMC) have attained certificates and diplomas in relevant courses. The possession of such skills and qualifications enhances the level of employee expectations in as far as the psychological contract is concerned. It is not known if there is any link between psychological contract and organizational commitment among Customer Care Representatives in Safaricom Limited. This creates gap in knowledge that this Study is intended to fill. The aim of this study is therefore to answer the question: Is there a relationship between psychological contract and organizational commitment among Customer Care Representatives in Safaricom?

1.3 Objective of the Study

To determine the relationship between psychological contract and employee commitment among the Customer Care Representatives in Safaricom Limited.

1.4 Importance of the Study

To identify the relevant challenges to employee commitment of Customer Care Representatives in Safaricom Limited. The study would further propose appropriate policies that would reduce low employee commitment at the Call Centre. The Human Resource Managers of Safaricom Limited would use the study findings to apply best practice in staff motivation and commitment. Academicians/policy makers would use the

findings of the study to give them an insight into the current previewing practicing in the organization, which could lead to stimulating further research on the subject. A similar research should be carried out to include senior management; this would give a complete picture of the type of psychological contract in existence in Safaricom.

CHAPTER TWO: LITERATURE REVIEW

2.1 The Concept of Psychological Contract

Rousseau (1995) Turnley and Fieldman (1998) are of the view that psychological contract focuses on employee's subjective interpretation and evaluations of inducements and how they affect their intentions to stay. Karpin (1995) notes that psychological contract is dynamic. It involves and changes overtime as a result of dynamic relationship on both the employees and the employer's side. Organizations are constantly being challenged by global competition, advancing technology, utilization of diverse work force and provision of high quality products.

Heugens (2006) states the psychological contract is now playing an increasing role in helping to define and understand the contemporary employee relations. For organizations to achieve desired performance goals, an understanding of psychological contract and how it affects employee behaviour and attitudes becomes crucial. A balanced psychological contract is worth taking seriously because it is strongly linked to higher commitment to the organization, higher employee satisfaction and better employment relations. This reinforces the benefits of pursuing a set of progressive human resource management practices. They also emphasize the importance of high involvement and suggest that human resource management practices such as the provision of opportunities for learning, training and development, focus on job security, promotion and careers, minimizing status differentials, fair reward systems and comprehensive communication and involvement processed will all contribute to a positive psychological contract.

2.2 The Formation of Psychological Contract

During the recruitment process, the employer and interviewee will discuss what they each can offer in the prospective relationship. If agreement is reached, most employers will impose a standard form contract, leaving the detail of the employee's duties to be clarified on the job. But some of the initial statements no matter how informal and imprecise may later be viewed as promises and give rise to expectations. Whether they are incorporated into the parallel psychological contract will depend on whether both parties believe that they should be treated as part of the relationship. The better organized employers are careful to document offers to reduce the risk of raising false expectations followed by disappointment. Feldhiem (1999) divides the psychological contract into transactional and relational contract. Transactional contract is the economic or monetary base with clear expectations that the organization will fairly compensate the performance delivered and punish inadequate or inappropriate acts; and the relational contract is a socio-emotional base that underlies expectations of shared ideals and values, and respect and support in the interpersonal relationships.

Davidson (2001) Psychological contracts types are usually classified on a continuum from relational to transactional, with a shift to the latter which occurred in recent times. Most organisations will have a variety of psychological contracts with various segments of their workforce, depending on the business strategy and the value, knowledge and skill that they contribute. Davidson (2001) further notes that such contracts are subject to change and develop throughout the duration of employment but, due to their subjective nature, are potentially prone to violation by both sides. Organisations trying to improve

quality or efficiency of employees' work by the use of occupational psychology can gain a great deal when they take into consideration the psychological contract and its abundant implications. Rousseau (1989) notes that psychological contracts are best understood when they are violated. Job satisfaction and organizational commitment are indicators of psychological contract fulfilment, breach or violation.

2.3 Breach of the Psychological Contract

Armstrong and Stephens (2005) note that the psychological contract lacks many of the characteristics of the formal contract. It is not generally written down, it is somewhat blurred at the edges, and it cannot be enforced in a court or tribunal. Sims (1994) asserts that a balanced psychological contract is necessary for a continuing, harmonious relationship between the employee and the organisation. However, the violation of the psychological contract can signal to the participants that the parties no longer shared (or never shared) a common set of values or goals. Guest et al (1996) point out that while employees may want what they have always wanted – security, a career, fair rewards, interesting work and so on – employers no longer feel able or obliged to provide these. Instead, they have been demanding more of their employees in terms of greater input and tolerance of uncertainty and change, while providing less in return, in particular less security and more limited career prospects.

Armstrong (2006) notes the interest in psychological contracts is perhaps a consequence of the uncertainty in the working environment as the old employee psychological contract is seen to have been unilaterally violated by management, leaving employees feeling

disorientated, weak and betrayed. The old contract lay in individual reward being determined by hierarchical structure and a socially constructed set of rules and rituals. The bargain seems to be based on an entitlement culture where hard work and loyalty were given in exchange for job security, stable career progression, and steady and predictable rewards. Rousseau and Greller (1994) state it appears the new psychological contract asks the individual employee to accept risk, ambiguity and uncertainty, which has previously been borne by the organisation.

Robinson (1996) suggests that employee beliefs about the psychological contract develop, in part, from either explicit or implicit promises made by the employer at the time of recruitment, as well as during continuing interactions between employee and employer. Not all expectations evolve from perceived promises. Some expectations are developed in the absence of perceived promises or psychological contracts. He further notes that these expectations may, in part, be developed by employees' perceptions that they are entitled to certain obligations from their employer as a result of their contributions over time; such as, employee beliefs that their hard work and loyalty should be rewarded with long-term employment security.

Armstrong (2001) observes; business organisations are neither stable nor long-lived. Uncertainty prevails; job security is no longer on offer by, employers who are less anxious to maintain a stable workforce; learner organisations mean that careers may mainly develop laterally as aspects that progress will be made by promotion through hierarchy are no longer valid; and leaner organisations make greater demands on employees and are not likely to tolerate people who no longer precisely fit their

requirements. Lester and Kickul (2001) note that unlike formal employee-employer contracts, the psychological contract is inherently perceptual and therefore employer and employees may have different interpretations of the implied obligations. Anderson and Schalk (1998) state that the violation of the transactional obligations of the psychological contract (pay, benefits and promotion) result in a decrease in job satisfaction while violation of relational obligations (loyalty and support) results in lowering of organizational commitment.

2.4 Benefits of Psychological Contracts

Armstrong (2001); Davidson (2001) are of the view that demands of the modern economic environment have resulted in both the company and the employee having a changed psychological contract. Today the contract formed is more transactional and about self-actualisation. Organisations and their managers need to be aware of this change, and today more than ever invest time and effort in forming and managing the right kind of psychological contract with their employees and prospective employees.

Legge (1995) notes that human resources may be tapped most effectively by mutually consistent policies that promote commitment and which, as a consequence, foster a willingness in employees to act flexibly in the interests of the adaptive organisation's pursuit of excellence. Legge (1998) further suggests that, the hard model of human resource management is a process emphasising the close integration of human resource policies with business strategy which regards employees as a resource to be managed on the same rational way as other resource being exploited for maximum return.

Guest (1987) notes that Human Resource Management policies are designed to maximise organisational integration, employee commitment, flexibility and quality of work. Rousseau and Greller (1994) state that Human Resource processes and practices within organisations determine, to a large extent, the relationship between employer and employee. Stalker (2000) notes that companies, which are successful, are the ones that manage to balance the unwritten needs of their employees with needs of the company. Companies need to invest time, effort and where needed money to make certain that this balance is achieved.

2.5 The Concept of Organisational Commitment

Mowday, Porter and Steers (1982) state that organizational commitment is a willingness to exert considerable effort on behalf of the organization and desire to maintain membership. Buckingham and Coffman (1991) note that commitment was defined as employees' intention to stay with the organization and also recommend it to others as a good place to work. The top 2 determinants of commitment were found to be quality of leadership and the presence of developmental opportunities. Mowday et al (1982) identified the three (3) characteristics of commitment, namely; strong desire to remain a member of the organisation; strong belief in, and acceptance of, the values and goals of the organisation and a readiness to exert considerable effort on behalf of the organisation. Meyer and Allen (1994) point out organisational commitment is a psychological state that characterises the employee's relationship with the organisation and has implications for the decision to continue membership in the organisation. Winter and Jackson (2006) are of the view that the critical issue for employers is to understand how to maintain the

motivation and commitment of employees when making changes to key areas of the employment relationship.

Mowday et al (1992) state that commitment develops slowly and consistently overtime. When employees perceive the outcomes of their interpretations of events as fair or perceive the process by which outcomes are allocated as fair, they are more likely to engage in a relationship of social exchange that exceeds normal expectations of their performance. However when an employee perceives the outcome as unfair in the case of psychological contract violations they are likely to engage in behaviours such as voice, compliance and resistance – behaviours that are unproductive and costly to the organization. Low levels of commitments have been associated with increased incidents of absenteeism, tardiness and turnover which elevate expenses and lower productivity. Lower commitment is also linked to decreased motivation. Low levels of morale, decreased measures of altruism and compliance. Impoverished feeling of belonging, security, efficiency, goals and purpose in life and negative terms to outsiders thus inhibiting the organizations ability to recruit high quality employees.

2.6 Model of Commitment

Meyer and Allen's (1991) indicate that there are three mind sets which can characterize an employee's commitment to the organization; affective, continuance and normative commitment.

Affective commitment is defined as the employee's positive emotional attachment to the organization. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization. This employee commits to the organization because he/she wants to. In developing this concept, Meyer and Allen drew largely on Mowday, Porter, and Steers's (1982) concept of commitment. In continuance commitment, the employee commits to the organization because he/she perceives high costs of losing organizational membership including economic costs (such as pension accruals) and social costs (friendship ties with co-workers) that would be incurred. The employee remains a member of the organization because he/she has to. In normative commitment, the employee commits to and remains with an organization because of feelings of obligation. These feelings may derive from many sources such as the organization may have invested resources in training an employee who then feels a moral obligation to put forth effort on the job and stay with the organization to repay the debt. It may also reflect an internalized norm, developed before the person joins the organization through family or other socialization processes, that one should be loyal to one's organization. The employee stays with the organization because he/she ought to.

2.7 The Impact of Commitment on Organisations

Guest (1992) suggests that commitment is affected by personal characteristics; experiences in job role; work experiences; structural factors, and personnel policies. Boshoff, Chisto, Mels and Gerhard (2000) are of the view that employees who are truly committed to a common goal will not only perform well, but will also stay with the organization longer. 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, Mabey and Robertson (1990) add that some of the outcomes of commitment have been identified as the industrial relations climate, absence levels, turnover levels and individual performance. Walsch (2001) states that employees who have high organizational commitment want to remain members of the company for which they work. He further notes high levels of commitment often correlate with high levels of productivity and performance; employees who are committed do seem to perform and produce better than non committed individuals. Blau and Boal (1989); Miner (1992); Wright and Bonnet (1991) are of the view that organizational commitment has been shown to be consistently related to turnover; the less committed an employee is, the more likely that employee is to leave the organization. Armstrong (2005) notes that strong commitment to work would result in self-directed and conscientious application to the job, regular attendance, low supervision and increased effort.

Pfeffer (1998) suggests that the concept of organizational commitment lies at the heart of any analysis of human resources management. Indeed the whole rationale of introducing human resource management policies is to increase levels of commitment so that other positive outcomes can ensue. Meyer & Allen (1997) argue that there's not a great deal of evidence to link high commitment and high levels of organizational performance. Taormina (1999) is of the view that commitment has been a matter of concern to managers because low commitment has been regarded as a major cause of employee

turnover. Turnover has a high potential to impact negatively on an organisation since the loss of employees would mean a reduction in company productivity.

Walton (1985a, 1985b) Improved performance would result if the organization moved away from the traditional control – oriented approach to workforce management, which relies upon establishing order, exercising control and achieving efficiency in the application of the workforce. Skinner (1981) asserts that, if managers continually fail to listen, communicate, nurture commitment and mutual understanding, employees will inevitably become alienated and leave. Leighn (2002) contends that, many employees would leave the company when they do not see their work as important, or their contributions are not recognized and valued by others. Byilyn and Lynch (1983) note that the degree of freedom and independence enjoyed by employees and their participation in planning and organizing their work has an influence on organizational commitment. Turnley and Fieldman (2000) suggest that satisfaction partially mediates the relationship between violation and commitment.

Cooper & Hartley (1991) on the other hand note that commitment might decrease flexibility and inhibit creative problem solving. If commitment reduces staff turnover, this may result in fewer new ideas coming into the organization. Staff who would like to leave the organization but who are committed to it in other ways, for example through high pay and benefits, may stay but may not produce high levels of performance.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

A survey research design was used in the study to establish whether there exists any relationship between psychological contract and employee commitment among the Customer Care Representatives (CCR's) in Safaricom Limited. According to Mugenda (2003), a survey research is a systematic gathering of information from a sample of respondents for the purpose of understanding and predicting some aspects of the behaviour of the population of interest. This design was considered appropriate for this study because of the nature of the data and the analysis which was comparative.

3.2 Population

The target population consisted of all the CCR's in Safaricom Limited who were 400 as at 30th September 2010 based in the Jambo Contact Centre in Mlolongo.

3.3 Sample size

According to Bartlett, Kotrlik and Higgins a population size of 400 at five percent significance level should be represented with a sample size of 92 respondents (appendix 3). Systematic random sampling was used as the population is homogenous. The sample size was considered adequate since it is well above the recommended minimum of 30. It was also large enough to cushion the research with regard to non-response.

3.4 Data Collection

Primary data was used. The instrument of collection of data was a semi-structured questionnaire. It consisted of both closed and open ended questions. The questionnaire

was divided into three parts. Part one focused on information about the individual respondent and organization profile, the second part focused on psychological contract and the third part was directed at employee commitment to the organisation. The drop and pick later method was used to administer the questionnaire. The respondents were CCR's based in Jambo Contact Centre, Mlolongo.

3.5 Data Analysis

The data collected was edited for accuracy, uniformity, consistency and completeness and then be arranged to enable coding before statistical analysis. The data was then analyzed using descriptive statistics. The mean score and standard deviation were used to determine the influence of psychological contract while the chi-square test was administered to establish the strength and significance of the relationship between psychological contract and organizational commitment among the Customer Care Representatives (CCR's).

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1: Introduction

The research objective was to determine the relationship between psychological contract and employee commitment among the Customer Care Representatives in Safaricom Limited. This chapter presents the analysis and findings with regard to the objective and discussion of the same. The findings are presented in percentages and frequency distributions, mean and standard deviations.

4.2: Profiles of the Respondents

A total of 28 completed and useable questionnaires were obtained from the respondents. The general information considered in this study were; gender, age bracket, length of service, education, existence of a fully fledged human resource department in the organization and respondents employment status (Safaricom being the first employer).

4.2.2: Gender

The respondents were asked to state their genders. The findings are given in table 4.1 below.

Table 4.1: Gender

		Frequency	Percent	Cumulative Percent
Valid	Male	11	39.3	39.3
	Female	17	60.7	100.0
	Total	28	100.0	

The findings presented in table 4.1 show that, 60.7% of the respondents were female while only 39.3% were male.

4.2.3: Distribution of Respondents by Age

The respondents were asked to state their ages. The results are given in table 4.2 below.

Table 4.2: Age

Age	Frequency	Percent	Cumulative Percent
18-25 years	6	21.4	21.4
26-30 years	10	35.7	57.1
31-35 years	9	32.1	89.3
36-40 years	3	10.7	100.0
Total	28	100.0	

The result in table 4.3 shows that majority of the respondents were of age bracket 26 to 30 years (at 35.7%), 32.1% were of age 31 to 35 years.

4.2.4: Length of Service to the Organization.

Length of service in the organization determined the rate at which staff changes jobs as well as the reliability of the information given by the respondents. The respondents were asked to state their length of service to the organization. The findings are given in table 4.3 below.

Table 4.3: Length of Service to the Organization

		Frequency	Percent	Cumulative Percent
Valid	Below 2 years	9	32.1	32.1
	2-5 years	10	35.7	67.9
	6-10 years	9	32.1	100.0
	Total	28	100.0	

The results presented in table 4.3 shows that the number of years of service varies from a period of less than 2 years to 10 years. 32.1% of the respondents had worked at Safaricom for a period of less than 2 years, 35.7% had worked for a period of 2 to 5 years while the remaining 32.1% had worked at Safaricom for a period of 6 to 10 years thus there is high level of understanding of their organization.

4.2.3: Distribution of Respondents by Education.

The respondents were asked to state their highest level of education. The findings are given in table 4.4 below.

Table 4.4: Education

Education	Frequency	Percent	Cumulative Percent
Certificate	1	3.6	3.6
Diploma	1	3.6	7.1

Degree	26	92.9	100.0
Total	28	100.0	

As shown in table 4.4, most of the respondents (92.9%) had degree level of education, while certificates, 3.6% were both certificate and diploma graduates. It is evident that most of the employees had above average level of education to comprehend and answer the questionnaire hence the information given can be relied on.

4.2.3: Existence of a Fully Fledged Human Resource Department that meets Employees Needs

The respondents were asked to state the organization has a fully fledged human resource department that meets your needs. The findings are given in table 4.1 below.

Table 4.5: Fully Fledged Human Resource Department

		Frequency	Percent	Cumulative Percent
Valid	Yes	20	71.4	71.4
	No	8	28.6	100.0
	Total	28	100.0	

As shown in table 4.5, most of the respondents (71.4%) were of the opinion that the institution had a fully fledged human resource department that meets the employee's needs. On the other had significant proportion of the respondents felt that Safaricom did not have a fully fledged human resource department that meets your needs

4.2.4: Is this your First Employment

The respondents were asked to state whether this was their first employment. The findings are given in table 4.6.

Table 4.6: Is this your First Employment

		Frequency	Percent	Cumulative Percent
Valid	Yes	10	35.7	35.7
	No	18	64.3	100.0
	Total	28	100.0	

As shown in table 4.6, most of the respondents (64.3%) had worked somewhere else before joining Safaricom while only 35.7% were first time employees. of those who had worked some where else, they joined Safaricom as a way of looking for greener pasture, looking for more work experience, better pay, career growth, more benefits and end of the previous contract.

4.2.5: Expectations' and Perceptions about the Organization at the point of Joining Safaricom

The respondents were asked to state whether they had Expectations' and perceptions about the organization at the point of joining Safaricom. The findings are given in table 4.7 below.

Table 4.7: Expectation at the Time of Joining Safaricom

		Frequency	Percent	Cumulative Percent
Valid	Yes	21	75.0	75.0
	No	7	25.0	100.0
	Total	28	100.0	

The findings presented in table 4.6 show that, 75% of the respondents had Expectations' and perceptions about the organization at the point of joining Safaricom while only 25% did not have the same. The respondents identified the following as some of the expectation and perception they had about Safaricom; tremendous career growth and good benefits, being associated with best employer in the industry, better experience, job security, friendly staff, strict supervision, high class service delivery and better medical cover.

4.3: Perceived Employee Obligation to Safaricom

This section covers findings from the specific questions posed to the respondent's on Perceived employee obligation to Safaricom (extra role behaviour, flexibility, ethical behaviour, loyalty and employability) in a likert scale of 1 to 5. The range was 'very great extent (5)' to 'not at all' (1). The scores of very great extent and great extent have been taken to present a variable which had an impact to a large extent (L.E) (equivalent to mean score of 3.5 to 5.0 on the continuous likert scale ;($3.5 \leq L.E < 5.0$). The scores of 'moderate extent have been taken to represent a variable that had an impact to a moderate extent (M.E.) (equivalent to a mean score of 2.5 to 3.4 pm the continuous likert scale

($2.5 \leq M.E. < 3.4$). The score of both little extent and not at all have been taken to represent a variable which had an impact to a small extent (S.E.) (equivalent to a mean score of 0 to 2.5 on a continuous likert scale; $0 \leq L.E. < 2.5$).

Table 4.8: Extra Role Behaviour

	Mean	Std. Deviation
Cooperate well with others, teamwork	3.8929	.73733
Work fast and efficiently	4.1071	.87514
Assist colleagues in their work	3.4643	.96156
Share information with colleagues	3.5357	1.10494
Deliver qualitative work	3.4286	.86933
Get along with other colleagues	3.6786	.98333

From the table, it is found that all extra role behaviour was rated as having greeted expenditures. More specific; work fast and efficiently (mean of 4.1071), Cooperate well with others, teamwork (mean of 3.8929) and Get along with other colleagues (mean of 3.6786)

Table 4.9: Flexibility

	Mean	Std. Deviation
Work extra hours to get job done	3.2857	1.18187
Volunteer to carry out duties that are not yours	3.1786	.86297
Work during scheduled off days and holidays if necessary	2.8929	1.28638

The findings in table 4.7 above show that to a moderate extent; work extra hours to get job done (mean of 3.2857), volunteer to carry out duties that are not yours (mean of 3.1786) and work during scheduled off days and holidays if necessary (mean of 2.8929).

Table 4.10: Ethical behaviour

	Mean	Std. Dev
Protect confidential information	4.6071	.87514
Use the Safaricom's property honestly	4.3571	.82616
Follow the company's policies, norms and procedures	4.3214	.90487

The respondents unanimously agreed that all ethical issues were rated to a large extent as follows; Protect confidential information (mean of 4.6071), Use the Safaricom's property honestly (mean of 4.3571) and Follow the company's policies, norms and procedures (mean of 4.3214):

Table 4.11: Loyalty

	Mean	Std. Dev
Not immediately looking for job offers elsewhere	2.7857	1.49956
Remain with the organization for at least some years	3.0714	1.53788

The respondents rated their obligation to provide Safaricom with loyalty to a moderate extent, that is, Remain with the organization for at least some years (mean of 3.0714) and Not immediately looking for job offers elsewhere (mean of 2.7857).

Table 4.12: Employability

	Mean	Std. Dev
Participate in training outside your work hours	3.2857	1.08379
Take personal initiative to attend additional training course	3.5714	1.10315

To a large extent the respondents rated take personal initiative to attend additional training course (mean of 3.5714) while participate in training outside your work hours was rated to a moderate extent (mean of 3.2857).

4.4: Perceived Organization Obligation to Employee

This section covers findings from the specific questions posed to the respondent's on Perceived organization obligation to employee (career development, job content, social atmosphere, financial rewards and work-life balance) in a likert scale of 1 to 5. The range was 'very great extent (5)' to 'not at all' (1). The scores of very great extent and great extent have been taken to present a variable which had an impact to a large extent (L.E) (equivalent to mean score of 3.5 to 5.0 on the continuous likert scale ;($3.5 \leq L.E < 5.0$). The scores of 'moderate extent have been taken to represent a variable that had an impact to a moderate extent (M.E.) (equivalent to a mean score of 2.5 to 3.4 pm the continuous likert scale ($2.5 \leq M.E. < 3.4$). The score of both little extent and not at all have been taken to represent a variable which had an impact to a small extent (S.E.) (equivalent to a mean score of 0 to 2.5 on a continuous likert scale; $0 \leq L.E. < 2.5$).

Table 4.13: Career Development

	Mean	Std. Dev
Opportunities for promotion	3.9286	.71640
Career development opportunities in the company	3.9643	.96156

The respondents unanimously stated that Safaricom has to a large extent the obligation to provide them with career development. That is, Career development opportunities in the company (mean of 3.9643) and Opportunities for promotion (mean of 3.9286).

Table 4.14: Job Content

	Mean	Std. Dev
A job in which you can make decisions by yourself	3.7857	.99469
Opportunities to show what you can do	4.1071	.87514
A job with responsibilities	4.0714	.94000
Opportunities to use your skills and capabilities	4.0000	.98131

To a great extent Safaricom has the obligation to provide them with job content as follows: Opportunities to show what you can do (mean of 4.1071), A job with responsibilities (mean of 4.0714) and Opportunities to use your skills and capabilities (mean of 4.0000).

Table 4.15: Social Atmosphere

	Mean	Std. Dev
A conducive atmosphere at work	4.1071	.83174

Positive relationships between colleagues	3.5714	1.39917
A good mutual cooperation	3.6071	.91649
Good communication among colleagues	3.8929	.91649

The finding in table 4.13 indicated that A conducive atmosphere at work (mean less than 4.1071), Good communication among colleagues (mean of 3.8929), A good mutual cooperation (mean of 1.2923) and Positive relationships between colleagues (mean of 3.5714).

Table 4.16: Financial Rewards

	Mean	Std. Dev
Wage increase based on performance	4.1071	1.03062
An attractive pay and benefits package	4.3214	.98333
Regular benefits and extras	4.2857	.97590

As shown in table 4.14 the respondents rated Safaricom obligation to employees on financial rewards to be of a great extent, that is, an attractive pay and benefits package (mean less than 4.3214), regular benefits and extras (mean of 4.2857) and wage increase based on performance (mean of 4.1071).

Table 4.17: Work-life Balance

	Mean	Std. Dev
Respect for your personal situation	3.8571	1.23871
Opportunity for flexible working hours depending	3.5357	1.23175

on your personal needs		
Opportunities to decide when to take your vacation	3.6786	1.09048

From the findings to a large extent the respondents rated work-life balance as follows; Respect for your personal situation (mean of 3.8571) Opportunities to decide when to take your vacation (mean of 3.6786) and Opportunity for flexible working hours depending on your personal needs (mean of 3.5357).

4.5: Perceived Organization Obligation to Employee

This section covers findings from the specific questions posed to the respondent's on employee commitment (affective commitment, continuance commitment and normative commitment) in a likert scale of 1 to 5. The range was 'strongly disagree (5)' to 'strongly agree' (1). The scores of strongly agree and agree have been taken to present a variable which had an impact to a large extent (L.E) (equivalent to mean score of 0 to 2.4 on the continuous likert scale ;($0 \leq L.E < 2.4$). The scores of 'neither agree nor agree have been taken to represent a variable that had an impact to a moderate extent (M.E.) (equivalent to a mean score of 2.5 to 3.4 pm the continuous likert scale ($2.5 \leq M.E. < 3.4$). The score of both disagree and strongly disagree have been taken to represent a variable which had an impact to a small extent (S.E.) (equivalent to a mean score of 3.5 to 5.0 on a continuous likert scale; $3.5 \leq L.E. < 5.0$).

Table 4.18: Affective Commitment

	Mean	Std. Dev
I feel emotionally attached to Safaricom	2.7500	1.14261
I feel a sense of belonging in Safaricom	2.8571	1.20844
I would be happy if I spent the rest of my career with Safaricom	3.7143	1.35693
I feel the company's problem are my own	3.1071	1.10014
I feel part of the family of Safaricom	2.8929	1.13331
Safaricom has a great deal of personal meaning for me	2.6429	1.25357

From the findings to a moderate extent; Safaricom has a great deal of personal meaning for me (mean of 2.6429), I feel emotionally attached to Safaricom (mean of 2.7500), I feel a sense of belonging in Safaricom (mean of 2.8571) and I feel the company's problem are my own (mean of 3.1071). While on a least extent; I would be happy if I spent the rest of my career with Safaricom (mean of 3.7143).

Table 4.19: Continuance Commitment

	Mean	Std. Dev
Staying with Safaricom is matter of necessity as much as I desire	2.9643	1.31887
It would be hard for me to leave Safaricom even if I wanted to	3.6429	1.31133
My life would be disrupted if I decided to leave	3.5714	1.28894

Safaricom now		
One of the negative consequences of leaving would be scarcity of alternative	3.5000	1.20185
I have put in too much in Safaricom if I had not I would leave	4.0000	1.18634
I have limited options to consider when leaving Safaricom	3.7143	1.18187

The findings indicated that to a moderate extent, Staying with Safaricom is matter of necessity as much as I desire (mean of 2.9643). While to a least extent; one of the negative consequences of leaving would be scarcity of alternative (mean of 3.5000), My life would be disrupted if I decided to leave Safaricom now (mean of 3.5714), It would be hard for me to leave Safaricom even if I wanted to (mean of 3.6429), I have limited options to consider when leaving Safaricom (mean of 3.7143) and I have put in too much in Safaricom if I had not I would leave (mean of 4.000).

Table 4.20: Normative Commitment

	Mean	Std. Dev
I feel am obligated to stay with Safaricom	3.6071	1.25725
Even if it was to my advantage, I do not feel it would be right to leave Safaricom	4.0357	1.26146
I would feel guilty if I left Safaricom now	3.8571	1.17739
Safaricom deserves my loyalty	2.7143	.89679

I would not leave Safaricom right now because I have a sense of obligation to the staff	3.4286	1.23013
I owe a great deal to Safaricom	3.2500	1.23603
Overall how well does Safaricom fulfil commitment to you	3.0357	1.07090
Overall how well have you fulfilled your commitments to Safaricom	2.7500	1.10972
In general, how well have does Safaricom live up to its promises	2.9643	1.07090
In general, how well do you live up to your promises to Safaricom	2.7143	1.08379

The study found that to a moderate extent, In general, how well do you live up to your promises to Safaricom (mean of 2.7143), Overall how well have you fulfilled your commitments to Safaricom(mean of 2.7500), Safaricom deserves my loyalty(mean of 2.7143), In general, how well have does Safaricom live up to its promises (mean of 2.9643), Overall how well does Safaricom fulfil commitment to you (mean of 3.0357) and I owe a great deal to Safaricom (mean of 3.2500). On the other hand to a least extent; I would not leave Safaricom right now because I have a sense of obligation to the staff (mean of 3.4286), I feel am obligated to stay with Safaricom (mean of 3.6071 I would feel guilty if I left Safaricom now (mean of 3.8571) and Even if it was to my advantage, I do not feel it would be right to leave Safaricom (mean of 4.0357).

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The objective of the study was to determine the relationship between psychological contract and employee commitment among the Customer Care Representatives in Safaricom Limited.

It was noted that the respondents had expectations' and perceptions about the organization at the point of joining Safaricom which included tremendous career growth and good benefits, being associated with the best employer in the industry, better experience, job security, friendly staff, strict supervision, high class service delivery and better medical cover.

The study found that perceived employee obligations to Safaricom were mainly determined by; extra role behaviour (work fast and efficiently, Cooperate well with others/ teamwork and get along with other colleagues), flexibility (work extra hours to get job done and volunteer to carry out duties that are not yours), ethical behaviour (protect confidential information, use the Safaricom property honestly and follow the company's policies, norms and procedures), loyalty (remain with the organization for at least some years and not immediately looking for job offers elsewhere) and employability (take personal initiative to attend additional training course).

The study also found out that perceived organization obligation to employee was as follows; career development (Career development opportunities in the company and

Opportunities for promotion), job content (Opportunities to show what you can do, a job with responsibilities and Opportunities to use your skills and capabilities), social atmosphere (A conducive atmosphere at work, Good communication among colleagues, A good mutual cooperation and Positive relationships between colleagues), financial rewards (an attractive pay and benefits package, regular benefits and extras and wage increase based on performance) and work-life balance(Respect for your personal situation and Opportunities to decide when to take your vacation)

In the case of employee commitment the study identified the following as key to various types of commitments; affective commitment (Safaricom has a great deal of personal meaning for me, I feel emotionally attached to Safaricom and I feel a sense of belonging in Safaricom), continuance commitment (Staying with Safaricom is matter of necessity as much as I desire) and normative commitment (how well do you live up to your promises to Safaricom, Overall how well have you fulfilled your commitments to Safaricom and Safaricom deserves my loyalty).

5.2: Conclusion

From these research findings, it can be concluded that there exist relationship between psychological contract and employee commitment among the Customer Care Representatives in Safaricom Limited. This is supported by high to moderate rating by respondents in most issues.

The study also found that respondent were least normative committed to Safaricom, it can be concluded there is need to put in place measures which will reverse this trend otherwise the gains made can be short lived.

5.3 Recommendations

The benefits organizations derive from analysing psychological contract and employee commitment are enormous. The relationship between psychological contract and employee commitment in organizations is one of the least studied areas in human resources. This research has shown that there exists a link between psychological contract and employee commitment among Customer Care Representatives in Safaricom Limited. It is likely that the same findings will apply among other sectors of the Kenyan economy.

It is therefore recommended that:

1. Further research should be conducted on psychological contract and employee commitment among senior management is Safaricom. The research should not only cover the telecoms sector in Kenya but also the other sectors of the Kenyan economy such as agriculture and manufacturing.
2. Organizations in Kenya embed the concept of psychological contract and employee commitment. This will ensure that appropriate tools for communicating employee expectations and organizations expectations as this is key is making informed decisions.

5.4 Limitations of the Study

Every study does encounter some level of limitations due to the scarcity of available resources such as time and finance. This study was limited to CCR's at Safaricom limited. The sample was picked from the staff based at Jambo Contact Centre in Mlolongo. The findings would have been more representative if respondents included other employees from the company whose jobs activities vary greatly from those of the employees in the call centre. It would suffice this study also to do a more comprehensive analysis by including other telecommunication operators in Kenya, to increase the reliability of the findings.

REFERENCES

- Abwavo, B.A.K. (2005) *The Psychological Contract, Organizational Commitment and Job Satisfaction: A study of Commercial Banks in Nairobi* Unpublished MBA Project, University of Nairobi
- Adams, J.S. (1965) *Injustice in Social Exchange, in Advances in Experimental Psychology*. Vol.2 ed L.Berkowitz, Academic Press New York
- Allen, N.J and Meyer, J.P (1990) *The Measurement and Antecedents of Affective, Continuance and Normative Commitment to the Organisation*. Journal of Occupational Psychology P63:1-18
- Argyris, C (1957) *Personality and Organisation*, Harper and Row, New York
- Argyris, C. (1960) *Understanding Organizational Behaviour*, Homewood II Dorsey Press Inc.
- Armstrong, M (2001) *A Handbook of Human Resource Management Practice*. Kogan Page London
- Armstrong, M (2005) *A Handbook of Human Resource Management Practice*, Kogan Page London and Philadelphia
- Armstrong, M (2009) *Armstrong's Handbook of Human Resource Management Practice*, Kogan Page London and Philadelphia 11th Edition
- Bailyn, L and Lynch, J (1983) *Engineering as Along Life Career: Its Meaning, Its Satisfaction and Its Difficulties*. Journal of Occupational Behaviour, Vol 4, No. 2 p 263-283
- Blau, G.J and Boal, K.B (1989) *Using Job Involvement and Organisational Commitment interactively to Predict Turnover*. Journal of Management. 15(1):115-127
- Boshoff, C and Mels, G (2001) *The Impact of Multiple Commitments on Intentions to Resign: An Empirical Assessment*. British Journal of Management. September 10(3):255-272
- Buckingham M, Coffman, C (1999) *First Break All the Rules: What the Greatest Managers Do Differently*, New York, NY: Simon and Schutsu

- Conway, Neil & Briner, Rob B. *Understanding Psychological Contracts at Work: A Critical Evaluation of Theory and Research*. Oxford, UK: Oxford University Press, (2005)
- Cooper, J and Hartley, J (1991) *Reconsidering the Case of Organisational Commitment*. Human Resource Management Journal, Vol. 3, Spring, pp18-32
- Coyle-Shapiro, J and Kessler, I (2000) *Consequences of the Psychological Contract for the Employment Relationship: A large Scale Survey*, Journal of Management Studies, Vol 37 No. 7
- Davidson, P (2001) *The Changing Nature of Psychological Contracts in the IT Industry; 1997-2001 Research Paper*. Kingston University
- DeCotiss, T and Summers, T (1987) *A Path Analysis of a Model of the Antecedents and Consequences of Organisational Commitment*, Human Relations 40, 445-470
- Diko H. K. (2009) *The relationship Between Information Sharing and Employee Commitment in the Ministry of Trade* Unpublished MBA Project, University of Nairobi
- Eby and Freeman (1999) *Motivational Bases of Affective Organisational Commitment: A Partial Test*. Journal of Occupational and Organizational Psychology. December
- Feldheim, M. (1999) *Downsizing. Paper presented at the Southeastern Conference of Public Administration*, St. Petersburg, FL, October 6-9
- Guest, D.E (1987) *Human Resource Management and Industrial Relations*, Journal of Management Studies 14(5) pp 503-521
- Guest D.E and Peccei, R (1992) *Employee Involvement: Redundancy as a Critical Case*. Human Resource Management Journal 2, 3 pp 34-59 New York John Wiley and Sons
- Guest, D.E, Conway, N and Briner, R and Dickman, M. (1996) *The State of the Psychological Contract in Employment*, IPD, London
- Guest, D.E and Conway, N (1998) *Fairness at the Workplace: A Lawyer's view*, Human Resource Management 33(3) pp325-33

- Guest, D.E. (1998) *Is the psychological contract worth taking seriously?* Journal of Organizational Behaviour, 19: 649-664
- Heugens, D.M (2006) *Strategic Issues Management: Implications for Corporate Performance*. Marielle Sonnenberg, Rotterdam
- Iles, P, Mabey, C and Robertson, I (1990) *Human Resource Management Practices and Employee Commitment*. Possibilities, pitfalls and paradoxes, British Journal of Management. Vol.1, pp.147-57
- Karpin, D.S (1995) *Enterprising Nations: Reviewing Australia's Managers to Meet the Challenges of the Asia Pacific Century: Report on the Task Force on Leadership and Management Skills*. Australian Government Publishing Service: Canberra
- Khainga D.S. (2006) *Job Satisfaction & Organization commitment Among Customer Care Representatives & Safaricom Limited*. Unpublished MBA Project, University of Nairobi
- Kizito K. S (2007) *Relationship between Pay, Job Satisfaction & Organization Commitment: A survey of Employees of Kenya State Corporations*. Unpublished MBA Project, University of Nairobi
- Leigh, B (2002) *Keeping the People who Keep you in Business: 24 Ways to Hang on to your Most Valuable Talent*, New York Amacon Books
- Legge, K(1995) *Human Resource Management: Rhetorics and Realities*, London, Mamillan
- Lester, S.W and Kickul, J (2001) *Psychological Contracts in the 21st Century: What Employees Value most and How Well Organisations are responding to these Expectations*. Human Resource Planning Volume 24: Issue 1 Australia
- Longurasia C.C. (2008) *Employees perception of Psychological Contract: A Case Study of Kenya Meat Commission*. Unpublished MBA Project, University of Nairobi
- Marsh, R.M and Mannari H (1997) *Organisational Commitment and Turnover: A Predictive Study*, Administrative Science Quarterly, Vol. 22, pp 57-75
- Meyer J.P and Allen N.J (1991) *A Three-Component Conceptualisation of Organisational Commitment*, Human Resource Management Review, Vol 1, p61-89

- Meyer J.P and Allen N.J (1997) *Communication in the Workplace*, Thousand Oaks CA, Sage Publications
- Miner, J.B (1992) *Industrial Organisational Psychology*. New York, Mc Grawhill
- Mowday, R, Porter, and Steers R (1982) *Employee-Organisation Linkages: The Psychology of Commitment, Absenteeism and Turnover*, Academic Press, London
- Mugenda O.M., Mugenda A.O. (2003). *Research Methods; Quantitative and Qualitative Approaches*; African Centre for Technology Studies
- Njenga I. K. (2007) *Relationship between HRM Practices, Job Satisfaction, Organisational Commitment & Performance of Public Secondary Schools*. Unpublished MBA Project, University of Nairobi
- Njoroge S. W. (2007) *A survey of Factors that Influence Employee Retention in Manufacturing Firms in Nairobi*. Unpublished MBA Project, University of Nairobi
- O'Driscoll, M.P and Randall, D.M (1999) *Perceived Organisational Support, Satisfaction with Rewards, and Employee Job Involvement and Organisational Commitment*. *Applied Psychology: An International Review*, 48(2), pp197-209
- Ouchi, W.G (1981) *Theory Z*, Addison – Wesley Reading MA
- Pascale, R and Athos, A (1981) *The Art of Japanese Management*, Simon and Schuster, New York
- Peters, T. and Waterman, R. (1982) *In Search of Excellence: Lessons from America's Best-Run Companies*. Harper and Row, London
- Pfeffer, J (1998) *The Human Equation: Building Profits by Putting People First*. Boston MA Business School Press
- Porter, L.W, Steers, R, Mowday, R and Boulian, P (1974) *Organisational Commitment: Job Satisfaction and Turnover amongst Psychiatric Technicians*, *Journal of Applied Psychology* 59, pp 603-609
- Robinson, S.L and Rousseau, D.M (1994) *Violating the Psychological Contract: Not the Exception but the Norm*. *Journal of Organizational Behaviour* Vol 15, No. 3 245-260
- Rousseau, D.M (1989) *Psychological Contract and Its Implied Contracts in Organisations' Employee*. *Responsibilities and Rights Journal*, 2,121-139

- Rosseau, D.M (1990) *Psychological and Implied Contracts in Organizations*. Employee Rights and Responsibilities. Journal 2, 121-139
- Rosseau, D.M and Greller, M (1994) *Human Resource Practices: Administrative Contract Makers*, Human Resource Management
- Rosseau, D.M (1995) *Psychological Contracts in Organisation Undertaking: Written and Unwritten Agreements*. Sage, London
- Rousseau, D.M. (1996) *Psychological Contracts in Organizations: Understanding Written and Unwritten Agreements*. Newbury Park, CA: Sage,
- Salancik, G.R (1977) *Commitment and Control of Organisational Behaviour and Belief: New Directions in Organisational Behaviour*. Staw, B.M and G.R. Salancik in (eds) BM St Clair Press, Chicago IL
- Schein, E.H (1965) *Organisational Psychology*, Prentice-Hall, Englewood Cliffs, New Jersey
- Serakan, U (1992) *Research Methods for Business: A skill Building Approach*, Wiley and Sons, Inc
- Sims, R (1994) Human Resource Management's Role in Clarifying the Psychological Contract, as cited in Armstrong, M (1994) *A Handbook of Human Resource Practice*. 7th Edition. Kogan Page, London
- Skinner, W (1981) *Big Hat, No Cattle: Managing Human Resource*. A Harvard Business Review Book
- Stalker, K (2000) *The individual, The Organisation and the Psychological Contract*. The British Journal of Administrative Management, Issue: 21 p28-34
- Story, M (2002) *Winning the Battle for Talent*, New Zealand Management. March 2002; 49(2):39
- Sturges, J. and Guest, D (2001) *Don't leave me this way! A qualitative study of influences on the organisational commitment and turnover intentions of graduates early in their career*. *British Journal of guidance and counselling*, 126(2); 241-260
- Stum, D. 2001 *Maslow Revisited: Building the Employee Commitment Pyramid*. Strategy and Leadership, MCB University press April 29, 2001:4-9

- Spindler, G (1994) *Psychological Contracts in the Workplace: A Lawyer's Point of view*.
- Stiles, P, Gratton, L, Truss, C, Hope-Hailey, V and McGovern, P (1997) *Performance Management and the Psychological Contract*. Human Resource Journal, 7, (1) pp57-66
- Taormina, R (1999) *Predicting Employee Commitment and Satisfaction: The Relative Effects of Socialisation and Demographics*, International Journal of Human Resource Management Australia, Massey University Press
- Torington, D, Hall, L and Taylor, S (2008) *Human Resource Management*. Prentice Hall, England
- Turnley, W.H and Fieldman, D.C (1998) *Psychological Contract Violation during Cooperate Restructuring*. Human Resources Management 37(1) 71-83
- Walsch, M.W. (2001) *Luring the Best in an Unsettled Time: Money isn't everything*. New York Times, January 30, 2001; 150(516):G-1
- Walton, R.E (1985a) *From Control to Commitment in the Workplace*, Harvard Business Review, March – April, pp 77-84
- Walton, R.E (1985b) *Towards a Strategy of Eliciting Employee Commitment Based on Principles of Mutuality* in (eds) R.E, Walton and P.R Lawrence, *HRM Trends and Challenges*, Harvard Business School Press, Boston, MA
- Winter, R. and Jackson, B. (2006) *State of the Psychological Contract Manager and Employee Perspectives within an Australian Credit Union*, Employee Relations Journal. Vol 28, No.5
- Wright, T.A and Bonnet, D.G (1991) *Growth Coping, Work Satisfaction and Turnover: A Longitudinal Study*. Journal of Business and Psychology. 6(1):133-145

<http://safintranet/>

www.safaricom.co.ke

APPENDICES

APPENDIX I : Letter of introduction

School of Business
C/O MBA Coordination Office
University of Nairobi
P.O. Box 30197
Nairobi

27th September 2010

Dear Sir/Madam,

RE: LETTER OF INTRODUCTION

I am a Post graduate student at University of Nairobi, School of Business. As part of the fulfilment of the requirements of the Master of Business Administration degree, I am undertaking a management research project survey on Psychological Contract and Organizational Commitment among Customer Care Representatives (CCR's) in Safaricom Limited, Nairobi Kenya.

This therefore is to kindly request you to assist me collect data by filling the accompanying questionnaire. The information provided will be solely for academic purposes and my supervisor and I also assure you that the information you give will be treated with strict confidence.

Your honest participation will be appreciated.

Yours faithfully,

Mary M. Makau
MBA Student

APPENDIX II: QUESTIONNAIRE

Psychological Contract and Organizational Commitment among Customer Care Representatives (CCR's) in Safaricom Limited, Nairobi, Kenya

PART 1: General Information

(Please tick as appropriate)

1. Sex Male () Female ()
2. What is your age bracket?
 - A. 18 – 25 ()
 - B. 26 - 30 ()
 - C. 31 – 35 ()
 - D. 36 – 40 ()
3. How long have you worked in Safaricom Limited?
 - A. Below two years ()
 - B. From two to five years ()
 - C. From six to ten years ()
4. Which of the following qualifications do you have?
 - A. Certificate ()
 - B. Diploma ()
 - C. Degree ()
5. Does Safaricom have a fully fledged Human Resource Department that meets your needs?
Yes () No ()
6. Is this your first employment?
Yes () No ()
7. If No, please specify the reason that made you pick Safaricom over your previous employer?

PART 2: Psychological Contract

1. At the point of joining Safaricom, did you have any expectations and perceptions about the organization?

Yes () No ()

If yes, please list your expectations and perceptions about Safaricom

2. Were discussions held to highlight your expectations and perceptions of Safaricom between you and the employer?

Yes () No ()

If yes, please describe the expectations highlighted

3. Perceived Employee Obligation to Safaricom

To what extent do you believe you are obligated to provide Safaricom with the following.

Ratings

- Not at all 1
- To a little extent 2
- To some extent 3
- To a great extent 4
- To a greater extent 5

I. Extra Role Behaviour

	Statement	1	2	3	4	5
a)	Cooperate well with others, team work					
b)	Work fast and efficiently					
c)	Assist colleagues in their work					

d)	Share information with colleagues					
e)	Deliver qualitative work					
f)	Get along with other colleagues					

II. Flexibility

	Statement	1	2	3	4	5
a)	Work extra hours to get job done					
b)	Volunteer to carry out duties that are not yours					
c)	Work during scheduled off days and holidays if necessary					

III. Ethical Behaviour

	Statement	1	2	3	4	5
a)	Protect confidential information					
b)	Use the Safaricom's property honestly					
c)	Follow the company's policies, norms and procedures					

IV. Loyalty

	Statement	1	2	3	4	5
a)	Not immediately looking for job offers elsewhere					
b)	Remain with the organization for at least some years					

V. Employability

	Statement	1	2	3	4	5
a)	Participate in training outside your work hours					

b)	Take personal initiative to attend additional training courses					
----	--	--	--	--	--	--

4. Perceived Organization Obligation to the Employee

To what extent is Safaricom obligated to provide the following to you.

Ratings

- Not at all 1
- To a little extent 2
- To some extent 3
- To a great extent 4
- To a greater extent 5

I. Career Development

	Statement	1	2	3	4	5
a)	Opportunities for promotion					
b)	Career development opportunities in the company					

II. Job Content

	Statement	1	2	3	4	5
a)	A job in which you can make decisions by yourself					
b)	Opportunities to show what you can do					
c)	A job with responsibilities					
d)	Opportunities to use your skills and capabilities					

III. Social Atmosphere

	Statement	1	2	3	4	5
a)	A conducive atmosphere at work					
b)	Positive relationships between colleagues					

c)	A good mutual cooperation					
d)	Good communication among colleagues					

IV. Financial Rewards

	Statement	1	2	3	4	5
a)	Wage increases based on performance					
b)	An attractive pay and benefits package					
c)	Regular benefits and extras					

V. Work – Life Balance

	Statement	1	2	3	4	5
a)	Respect for your personal situation					
b)	Opportunity for flexible working hours depending on your personal needs					
c)	Opportunities to decide when to take your vacation					

PART C: Employee Commitment

1. Please respond to the following statements about your job by putting a tick in the relevant box.

Ratings

- Strongly Agree 1
 Agree 2
 No Opinion 3
 Disagree 4
 Strongly Disagree 5

I. Affective Commitment

	Statement	1	2	3	4	5
a)	I feel emotionally attached to Safaricom					

b)	I feel a sense of belonging in Safaricom					
c)	I would be happy if I spent the rest of my career with Safaricom					
d)	I feel the company's problems are my own					
e)	I feel part of the family at Safaricom					
f)	Safaricom has a great deal of personal meaning for me					

II. Continuance Commitment

	Statement	1	2	3	4	5
a)	Staying with Safaricom is a matter of necessity as much as I desire					
b)	It would be hard for me to leave Safaricom even if I wanted to					
c)	My life would be disrupted if I decided to leave Safaricom now					
d)	One of the negative consequences of leaving would be scarcity of alternatives					
e)	I have put in too much in Safaricom if I had not I would leave					
f)	I have limited options to consider when leaving Safaricom					

III. Normative Commitment

	Statement	1	2	3	4	5
a)	I feel am obligated to stay with Safaricom					
b)	Even if it was to my advantage, I do not feel it would be right to leave Safaricom					
c)	I would feel guilty if I left Safaricom now					
d)	Safaricom deserves my loyalty					

e)	I would not leave Safaricom right now because I have a sense of obligation to the staff					
f)	I owe a great deal to Safaricom					

Thank you for your participation.

Appendix III: 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
1000	77	106	173	213	278	399
1500	79	110	183	230	306	461
2000	83	112	189	239	323	499
4000	83	119	198	254	351	570
6000	83	119	209	259	362	598
8000	83	119	209	262	367	613
10,000	83	119	209	264	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. Table developed by Bartlett, Kotrlík, & Higgins (1990).