Psychological Contract Violation Management and Organizational Citizenship Behaviours in Selected Commercial Banks in Kampala District

By James Kagaari
Kyambogo University, Uganda

Abstract- The purpose of the study was to find the relationship between psychological contract violation, psychological contract violation management and Organizational citizenship behaviours. The research was carried out in selected commercial banks in Kampala District. The researcher used a simple random sampling (lottery) approach to select a sample of 144 respondents. Self-administered questionnaires were administered; data collected and analyzed using SPSS software version 19 adopted for windows. The results indicated that there is a significant relationship between the study variables {(Psychological contract violation and OCB, \( r = -.37, \rho \leq .01 \)); (Psychological contract violation management and OCB; \( r = 0.48, p \leq .01 \))}. The researcher concluded that whenever employees perceive a psychological contract violation, the organisation is likely to suffer serious consequences. Employees begin to engage in undesirable behaviours. The researcher recommended that employers should ensure that the promised obligations to the employees are fulfilled and not violated. This will enable employees gain a sense of belonging in the organisation and go an extra mile to make sure that the set goals and objectives are achieved.

Keywords: psychological contract violation; psychological contract violation management; organizational citizenship behaviours; banks; Uganda.

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Keywords: psychological contract violation; psychological contract violation management; organizational citizenship behaviours; banks; Uganda.

I. INTRODUCTION

a) Background

Employment is a mutual transaction in which both the employee and the employer contribute to and benefit from each other (Newstrom & Keith, 2002). Each employee makes certain membership investments in the organization and expects profitable rewards in return. The organization also invests in the individuals and it too expects profitable rewards. This social exchange idea makes it evident that employees are expected to go beyond their job descriptions and be good organizational citizens. Employers want employees who will do their best work or go an extra mile beyond the basic job requirements and at the same time employees want jobs that are worthwhile and that inspire them. This has brought about a challenge in creating a win-win solution that meets both the needs of the employers and employees in organizations resulting into violation of the psychological contract on both ends.

According to Newstrom and Keith (2002), the profitable employment relationship deteriorates if either party fails to act responsibly towards the needs of the other party. The employee can fail to act responsibly that is, engage in anti-citizenship behaviours, just as the organization can by failing to fulfill employees’ expectations or delivering on their commitments.

For instance, an employee of Barclays Bank-Uganda was remanded to Luzira prison after being charged with six counts of fraud three of which are for causing a financial loss of over Uganda Shillings 3.5 billion to his employer and the other three are for embezzlement. Prosecution alleged that the accused and others still at large in January 2009 wired money from an office account to other different accounts with the intention of defrauding or causing a financial loss to the bank (Wesaka, 2009). This was a deliberate or dishonest act (anti citizenship) as per the bank’s fraud management policy and a breach of the psychological contract with the employer who expected profitable rewards from the employee. Many of such dishonest acts are prominent in financial institutions especially commercial banks and it is sad to note that even outside criminals also work with banking insiders to commit such frauds. According to Namubiru (2011), the police and Bank of Uganda blame the rise in such acts on weak controls and practices within commercial banks since banking officials also work with outsiders to commit these frauds as a way to reciprocate their unfulfilled obligations by the employer. Such acts interfere with work operations by upsetting schedules and budgets which reduces both the reliability and productivity of the organization. Organizations are faced with a challenge of meeting both their needs and those of their employees due to violation of the psychological contract and consequently absence of citizenship behaviours among employees.

The psychological contract between the employer and employee has continuously been violated leading to undesirable behaviours like corruption and embezzlement which are as a result of the dishonesty,
disloyalty, lack of integrity of employees as opposed to organizational citizenship behaviours (discretionary behaviours). The study seeks to establish the relationship between psychological contract violation and organizational citizenship behaviours (OCB) and how psychological contract violation management is related with organizational citizenship behaviours among employees working in institutions such as banks.

II. PROFILE OF COMMERCIAL BANKS IN UGANDA

The Uganda financial system is currently composed of both regulated and non-regulated institutions of which the regulated segment is composed of commercial banks. The financial system which comprises of commercial banks supports the economy since it is through which savings are mobilized and then channelled to investments. In the late 1990s and early 2000s, the Ugandan banking industry underwent significant restructuring where several indigenous commercial banks were declared insolvent, taken over by the Central bank and eventually sold or liquidated. During 2008 and 2009, several of the existing banks went on an accelerated branch expansion either through mergers and acquisitions or through new openings. As of October 2010, there were 22 licensed commercial banks in Uganda with nearly 400 bank branches and a total of almost 600 automated teller machines. By April 2011, the number of commercial banks had increased to 23 employing over 8,700 people whose duty is to make sure that the public has trust in the financial institutions especially confidence in ensuring safety of deposits. According to the Uganda Bankers’ Association Code of good banking practice, Banks will conduct their business with uncompromising integrity and fairness so as to promote complete trust and confidence in the Banking industry. http://ugandabankers.org

The challenge for the Central Bank is to sustain and enhance confidence in the sector especially in the systems and products provided therein. Bank of Uganda, the central bank controls the issue of currency and manages foreign exchange reserves, and is mandated to regulate, supervise and discipline financial institutions in order to maintain their safety and soundness.

Commercial banks dominate the country’s financial sector and account for over 90% of the assets of the banking system. http://www.guideafrica.com. These include ABC Capital Bank, Bank of Africa, Bank of Baroda, Barclays Bank, Cairo International Bank, Centenary Bank, Citibank Uganda Limited, Crane Bank, DFCU Bank, Diamond Trust Bank, Ecobank Uganda, Equity Bank, Fina Bank, Global Trust Bank, Housing Finance Bank, Imperial Bank Uganda, Kenya Commercial Bank, National Bank of Commerce, Orient Bank, Stanbic Bank, Standard Chartered Bank, Tropical Bank and United Bank for Africa. All these are charged with providing banking facilities to the public and operating the payments mechanism. More to this, commercial banks are authorized to hold checking, savings and time deposits accounts for individuals and institutions in local as well as international currencies. They are also authorized to buy and sell foreign exchange, issue letters of credit and make loans to depositors and non-depositors. It should also be noted that the core business of any commercial bank is to lend money and earn interest off this service (Muhumuza, 2012).

The banking sector in Uganda is relatively young, with approximately 20% of all commercial bank assets held by institutions that entered Uganda as licensed commercial banks after 1990. Although Uganda’s banking system is relatively small, underdeveloped and characterized by a large share of foreign ownership, it has undergone reform and liberalization which have seen the licensing of private local banks, the lifting of barriers to entry of foreign banks and the privatization of state banks. (Tukamuhabwa, Ntayi, Muhwezi, Eyaa & Saturday, 2012).

Whereas the commercial banking sector in Uganda is fast growing, it has been adversely affected by system inefficiencies and high operational costs coupled with stiff competition. Albeit the good performance of the financial system in supporting the economy through intermediation and operation of the payment system, the financial sector faces the problem of bank fraud which unfortunately is on the increase. Bank frauds take various forms ranging from alteration of cheques and / or counterfeiting to skimming or cloning of cards. Bank frauds and money laundering have indeed become the order of the day in the recent years in the banking industry. Most of the commercial banks have lost money due to such activities of which staff members are involved. History shows that all fraud cases handled point at insiders as the source, directly and or indirectly. Another important point to note is that Banks have sophisticated programs that can only be mastered by bankers, whether former or in-service. This brings about the question why this is happening in these financial institutions. With such counter-productive acts taking place, the management of these institutions have to find out whether the psychological contract on the side of the employees is being managed properly by the employer and whether employees go an extra mile in their duties.

Also, since the Central Bank has created an enabling environment that makes it easy for banks to operate across the country the number of commercial banks has kept on increasing. This has created a lot of competition among the older banks and the new entrants in the banking industry. Older banks often
receive the coming new banks with apprehension for two reasons which are taking their customers and snatching their treasured employees (Businge, 2012). There is limited number of skilled manpower on the market and banks spend lots of money to train staff. But if another employer comes around with better terms, banks are almost helpless to keep their employees. Due to this, the turnover in the financial services industry is one of the highest in the economy. This brings out the fact that most of these banks have employees often violate the psychological contract and the low organisational citizenship behaviours exhibited by the employees at the workplace. All this brings out the fact that the commercial banking sector in Uganda is still struggling with creating and retaining a workforce can go an extra mile in executing their duties. It is of such great importance that the banking sector in Uganda improves the employee – employer relationships for employees to exhibit organisational citizenship behaviours.

III. Literature Review

a) Psychological Contract Violation

When employees join an organization, they make an unwritten psychological contract with it (Newstrom & Keith, 2002). As a result of this contractual relationship formed by the two parties, employers have expectations that they want employees to meet and employees also have expectations that employers are supposed to meet. According to Armstrong (2006), the employment relationship is a fundamental feature of all aspects of people management which consists of a unique combination of beliefs held by an individual and his or her employer about what they expect of one another which builds into a psychological contract.

The psychological contract is a set of beliefs about what each party is entitled to receive and obligated to give in exchange for the other party’s contribution (Coyle & Kessler 2000). According to Guest and Conway (2000), the psychological contract exists in the eyes of the beholder in that it is not necessary that the employer and the employee have the same perception of the contract. As long as one party believes that it is obligated to perform certain behaviours in exchange for obligations from the other party, there exists a psychological contract.

According to Armstrong (2006), employers and employees have certain implied legal rights and obligations for instance; the employer’s obligations include the duty to pay salary or wages, provide a safe working environment, act in good faith towards the employee and not to act in such a way as to undermine the trust and confidence of the employment relationship. On the other hand, the employee’s obligations include obedience, competence, honesty and loyalty. Most employees feel that their psychological contracts have been violated in some way by their employer at some time when one or more of these aspects are missing in the employment relationship. Psychological contract violation (PCV) is regarded as the employees’ feelings of disappointment ranging from minor frustration to betrayal arising from their belief that their organization has broken its work-related promises (Morrison & Robinson, 1997).

According to Morrison and Robinson (2001), Employer/Employee reactions to Psychological Contract Violation include voice, exit, silence and destruction / neglect. Voice involves voicing any feelings about contract violation to reduce losses and restore trust among the two parties. It also involves taking an initiative with superiors to improve conditions which can help both parties manage violation of the psychological contract. Exit is often the last resort when dealing with psychological contract violation. This is where employees can terminate workers whose performance or behaviour does not meet organization standards and in the same way, employees can quit untrustworthy or unreliable employers. Silence is a form of non response which reflects a willingness to endure or accept unfavourable circumstances by both parties with the hope that there might be improvement. Destruction / neglect; this is passive negligence or active destruction approach. It is the most commonly used by employees where the voice channels do not exist or where there is a history of conflict. This can involve neglect of one’s duties to the detriment of interests of the organisation or involve more active examples of counterproductive behaviours. Vandalism, corruption, theft and work slowdown are examples of this type of response.

The psychological contract according to Rousseau, (2001), is shaped by various features which include; Voluntary choice (individuals freely participate), Belief in mutual agreement (Psychological contract reflects an individual’s understanding of commitments made with the other party), multiple contract makers (workers’ interpretation of the contract depends on the various sources of information), incompleteness (tend to be incomplete and need to be built over time). There are three types of psychological contracts and these include; Relational contracts where employees tend to be more willing to work overtime whether paid or not, help co-workers on the job and support organisational change. Such workers are likely to be particularly upset when it is violated thus seek remedies that will maintain the relationship with the employer.

Transactional psychological contracts recognize that the organisation may not be able to provide job security but can still provide employability or may be perceived as offering high levels of personal support (Sparrow, 2000). Employees tend to adhere to the specific terms and seek employment elsewhere when employers fail to live up to their agreement.
Hybrid or Balanced psychological contracts combine commitment on the part of the employer to develop workers while anticipating that they will be flexible and willing to adjust if economic conditions change. This entails shared risk between the employer and employee (Rousseau & Wade-Benzoni, 1995).

Violation of the Psychological Contract is the most important issue in the psychological contracttheory (Rousseau, 2001) where employees believe and perceive that the organization has failed to fulfill its promises by failing to comply with the terms of the psychological contract (Sparrow, 2000). The reverse is true for the employer where the employees fail to fulfill their promises. The reciprocal obligation regarding the relationship between the employee and the organization can be violated either through inability to fulfill their obligations or by one party purposefully revoking the promise. For example, an employee of Barclays bank caused a financial loss reneging his obligation of honesty and loyalty to the bank. This could have been caused by the employee’s perception or believe that the organization failed to comply with the terms of the contract. Newstrom and Keith (2002), state that when parties do not fulfill their promises, they will experience feelings of anger and betrayal.

In the research follow up of Niehoff and Robert (2001), it has been analyzed that 55% of their samples reported violation of one or more of the employment terms by their employer. Niehoff and Robert (2001) also argue that when either party perceives that the other has failed to fulfill one or more obligations there is perceived breach or violation. According to Rousseau (2001), psychological contract violation occurs in three forms which include inadvertent violation where both parties are willing to maintain the relationship but due to differing interpretations of a solution or action one party perceives the other to have broken the bargain. The second form is disruption of the contract where circumstances declare that one party cannot fulfill their promise for example due to labour market factors and forced downsizing programmes and third form is where one party is able to maintain the contract but unwilling to do so.

### IV. Organizational Citizenship Behaviours (OCB)

Since human resources are regarded as a strategic asset of an organization, valuable and unique employees not only adequately perform their required job, but also exert efforts that are beyond work requirements for the organization to achieve competitive advantage (Lee & Kim, 2010). As the job market becomes more aggressive, it has become necessary for employees to go above and beyond that which is formally required by the job description in order to remain competitive. Such actions are termed as Organizational Citizenship Behaviours (OCB).

Organ (1988), generally considered the father of OCB defined OCB as the individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system and in the aggregate promotes the efficient and effective functioning of the organization. The word discretionary according to Organ meant that the behavior is not formally enforceable. This includes voluntarily helping co-workers to complete assigned duties or solve work-related problems, tolerating occasional inconvenience at the work place, actively participating in the organizational development among others. What is important is that these examples of behaviors are helpful to the organizations, yet they are not part of the core elements of the employee job (Shaiful, Hassan, Mohammad, Norshimah, Kamsol & Rozihana, 2005).

Over the years, OCB has received a substantial amount of scholarly attention. This is due to the understanding that superior organizational performance is not possible through ordinary employee effort alone. The ability of the organization to elicit employee behavior that goes beyond the formal duty can be a key asset that is difficult to be imitated by competitors (Bolino & Turnley, 2003). According to Organ et al. (2006), the definition of OCB includes three aspects that are central to this construct.

First, OCBs are thought of as discretionary behaviours which are not part of the job description and are performed by the employee as a result of personal choice; secondly, OCBs go above and beyond that which is an enforceable requirement of the job description. Finally, OCBs contribute positively to the overall organizational effectiveness. Tuija, Hyypia and Pihkala (2007), defined OCB as an exceptional type of individual’s work behaviour being productive to the organization but not recognized directly or explicitly by the formal reward system. OCB is based on the employee’s personal choice to give extra effort at work (Podsakoff, MacKenzie, Paine & Bachrach 2000). According to Organ (1988) there are five dimensions of OCB which have emerged and received a lot of research attention. These include, altruism, conscientiousness, sportsmanship, courtesy and civic virtue. Altruism is defined by discretionary behaviours that have the effect of helping a specific work colleague with an organisationally relevant task or problem. It is an attitude or way of behaving marked by unselfish concern for the welfare of others. Conscientiousness consists of discretionary behaviour that goes well beyond minimum role and task requirements (Law, Wong, & Chen, 2005) , or showing great care, attention, and industriousness in carrying out a task or role especially towards customers or doing things according to a sense of right and wrong especially towards customers. These behaviours indicate that employees accept and adhere to the rules, regulations and procedures of the organization. Civic virtue is characterized by behaviours that indicate
the employee’s deep concerns and active interest in the life of the organization (Law et al., 2005). It is behaviour that shows willingness to responsibly participate in the life of the organization. This dimension also encompasses positive involvement in the concerns of the organization (Organ et al., 2006). Examples of civic virtue can be seen in daily affairs such as attending meetings and keeping up with what is going on with the organization in general.

Civic virtue can also be demonstrated on a larger scale by defending the organization’s policies and practices when they are challenged by an outside source. Courtesy has been defined as discretionary behaviours that aim at preventing work-related conflicts with others (Law, Wong & Chen, 2005). This dimension is a form of helping behaviour, but one that works to prevent problems from arising. This also includes the word’s literal definition of being polite and considerate of others (Organ et al., 2006). Examples of courteous behaviours are asking fellow employees if they would like a cup of coffee while you are getting one for yourself, making extra copies of the meeting agenda for your teammates, and giving a colleague ample notice when you alter something that will affect them. Finally, sportsmanship has been defined as willingness on the part of the employee that signifies the employee’s tolerance of less-than-ideal organizational circumstances without complaining and blowing problems out of proportion. Organ et al. (2006) further define sportsmanship as an employee’s “ability to roll with the punches” even if they do not like or agree with the changes that are occurring within the organization. By reducing the amount of complaints from employees that administrators have to deal with, sportsmanship conserves time and energy. Studies have showed that the factors listed above are the most robust and distinct factors in assessing OCB.

OCB symbolizes a quality of ties among colleagues (Sun, Aryee & Law, 2007), influencing employees’ perceptions and expectations in an organization. OCB might be a valuable investment for employees to build up relationships with co-workers, subordinates or supervisors. In other words, expression of OCB suggested that individual makes an investment to gain better reward or career advancement. Accordingly, it could be inferred that engagement of OCB may reduce intention to leave because of the expected effect. Bergeon (2007) yet suggested that OCB would improve employees’ interpersonal connections.

Mossholoder, Setton and Henagan (2005) used relational perspective to explain OCB by considering that behaviour performed to benefit peers symbolize the depth of feeling for and interaction with others in organization. Such facilitating behaviour might also induce co-workers’ positive emotion so that they would give some positive reaction including instrumental (e.g. getting more resources and power for promotion and rewards) and non-instrumental (e.g. reinforcing perception of mutual obligation between employee and his/her peers) outcomes (Mossholoder et al., 2005). It can also be argued that performing OCB means individual trust in his/her co-workers.

V. Psychological Contract Violation and Organizational Citizenship Behaviour

When the Psychological Contract is respected, employees are compelled to align their goals to those of the employer and in this way feel they are helping themselves as they engage in OCB irrespective of whether or not they get direct organizational reward for it. When an employee feels that his sense of support from the employer is violated, he/she will withdraw Organisational Citizenship Behaviours; adopt behaviour which adversely affects the organization such as absenteeism, tardiness, theft since there is no reciprocated behaviour by the organization.

The results of psychological contract violation range from outcomes such as negative impact on employees’ work behaviours and attitudes to voluntary turnover (DelCampo, 2007). Conversely, the intact psychological contract has predicted many potential benefits. Researchers have shown that individuals with intact contracts have high levels of organizational commitment, extra-role behaviours (OCB) that promotes effective functioning of the organization, productivity, and job satisfaction (Coyle-Shapiro & Kessler, 2000).

In case of any violation of the Psychological Contract, the individual’s commitment will reduce since the employee’s belief that the employer will fulfill promises is also questionable and one party perceives another to have failed to fulfill promised obligations. This will result into low or no Organizational Citizenship Behaviour among employees. According to Coyle-Shapiro, Jacqueline and Kessler (2002), employees who perceive their organizations to have violated the psychological contract respond with feelings of insecurity, decreased moral and stronger attraction to turnover all which reduces Organisational Citizenship behaviour in organizations. When such violations occur, employees will reduce or withdraw Organisational Citizenship Behaviours and adopt behaviour which adversely affects the organization and stick to the rule principles. They feel that extra role behaviour will not be reciprocated by the organization. (Turnley & Turnley, 2000).

Herscovitch and Meyer (2002) argues that when the psychological contract is broken, the employees will also develop negative feelings about the organization leading to withdrawal of support and hence
reduction in productivity, betrayal, resulting in anger, resentment or sense of injustice and wrong full harm all which do not foster OCB. Gacovic and Tetrick (2003) asserted that perceptions of organization failure to fulfill obligations or psychological contract violation are an important source of emotional exhaustion and job satisfaction and finally absence of Organisational Citizenship behaviour. Employees feel that extra role behaviour will not be reciprocated by the organization (Turnley & Fieldman, 2000).

Employees are just as likely to exceed work-role requirement, not to, or engage in anti citizenship behaviour depending upon their perceptions of fairness of the organization. Psychological contracts are formed on the basis of trust; violation may lead to lower commitment to the organisation and less organisational citizenship behaviour. In other words, if employees feel the organization has failed to fulfill promised obligations, they are less likely to give their best or more effort and are less likely to engage in organizational citizenship behaviour (Coyle-Shapiro et al., 2006), the following hypothesis can be generated. H1: Psychological contract violation is negatively related to Organisational Citizenship Behaviour (OCB).

VI. PSYCHOLOGICAL CONTRACT VIOLATION MANAGEMENT AND OCB

Rousseau (1995) suggested that psychological contract depends on the employee’s understanding of the explicit and implicit promises regarding the exchange of employee contributions (such as efforts, loyalty and ability) and organisational inducements (such as pay, promotion, job security). Devidson (2001) also depicted eight common content elements: benefits/reward, job security, challenge in the job, working hours, development opportunities, fair treatment, working conditions, work life and work life balance. Analysing, Rousseau’s works (1989, 1995, and 2000) would clearly specify the following as the content of psychological contract: stability, loyalty, and state of well-being, external employability, internal advancements, dynamic performance, external employability, internal employability, trust, equitable pay, fairness, and all other related contents. Barnard (1938) cited in Bhatnagar and Sandhu (2005) posited that individuals exchange their contributions for certain inducements that the organisation offers. Robinson and Morrison (1995) citing Adam’s equity theory (1965) argued that employees seek to keep their contributions and their employers’ contributions relatively equitable.

Consequently, the better the psychological contract violation is managed the better the OCB exhibited and better the productivity. According to Coyle-Shapiro, Morrow and Kessler (2006), individuals engage in OCB as a form of reciprocity based on how well they have been treated by the organization. Based on the reviewed literature, a hypothesis is generated. H2: There is a relationship between Psychological contract violation management and Organisational citizenship behaviour (OCB).

VII. METHODOLOGY

a) Research design

The study was conducted using a cross sectional survey design, which employed quantitative methods during the process of data collection and analysis.

b) Study population

The study was carried out in 5 commercial banks’ main branches in Kampala region (see Table 1) whose target population comprised of 741 banking officials.

c) Sample design and size

Using Krejcie and Morgan (1970) model of determining sample size, out of the 741 banking officials, a sample size of 256 respondents was obtained as shown in Table 1. The target group included junior banking officers, senior banking officials, supervisors, support staff and line managers in the various departments of the selected commercial banks. Heads of departments and supervisors in the selected commercial banks provided the lists of the banking officials in their departments, forming a sampling frame from which, potential respondents were selected using a lottery approach.

Table 1: Sample size

<table>
<thead>
<tr>
<th>Name of the organization</th>
<th>N</th>
<th>n</th>
<th>Return/Response</th>
</tr>
</thead>
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<tr>
<td>KCB Jinja Road Branch</td>
<td>123</td>
<td>51</td>
<td>21</td>
</tr>
<tr>
<td>Standard Chartered Bank - 5 Speke Road Kampala</td>
<td>210</td>
<td>51</td>
<td>21</td>
</tr>
<tr>
<td>Post Bank U. Ltd - Kampala Rd</td>
<td>96</td>
<td>51</td>
<td>20</td>
</tr>
<tr>
<td>Centenary Bank - Kampala Rd</td>
<td>120</td>
<td>51</td>
<td>40</td>
</tr>
<tr>
<td>Barclays Bank - Head Office</td>
<td>192</td>
<td>52</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>741</td>
<td>256</td>
<td>144</td>
</tr>
</tbody>
</table>
VIII. **Data Collection Procedure**

Due to the sensitivity of operations in banks, the researcher assured respondents that the information collected will be kept confidential and that their identity would be kept anonymous. Also, voluntary participation was sought with verbal consent. A response rate of 56% was obtained.

IX. **Instruments and Measurement**

The researcher used a 6-point scale, self-administered structured questionnaire to measure the study variables. Psychological contract violation was measured using instrument adopted from Robinson and Rousseau (1994). For example, each respondent was asked to indicate his/her perception of the psychological contract violation on an item such as “I feel betrayed by the organisation”.

Psychological contract violation management was measured using an instrument adopted from Robinson and Rousseau (1994) to measure the respondents’ perception of fulfilment of obligations. The responses were rated on a 6-point scale ranging from (1) representing ‘85%-100% of the time’ to (6) representing ‘10%-25% of the time’ on an item such as “Working for this organisation gives me job security”.

Organisational citizenship behaviours was measured using an instrument developed by Podsakoff and Mackenzie (1994), cited in Shaiful, Hassan, Mohammad, Norshimah, Kamsol and Rozhana (2009). Respondents were asked to indicate their extent of OCB demonstration ranging from ‘This is exactly like me’ (1) to ‘This is not like me at all’ (6) on items like “Helps others who have a heavy workload” on a self-report rating on an item such as “Readily accepts more work”.

X. **Data Processing and Analysis**

The retrieved questionnaires from the respondents were cleaned, coded and organised for consistency, accuracy and effectiveness. The results were computed using SPSS version 19 adopted for windows (Statistical software package for social scientists) to obtain demographic characteristics, zero order correlations and regression analysis of the study variables.

<table>
<thead>
<tr>
<th>Table 2: Self-scored OCB Factor Analysis</th>
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<tbody>
<tr>
<td>Indices</td>
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<tr>
<td>CONSC.</td>
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<tr>
<td>CIVIC.</td>
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<tr>
<td>ALTRU.</td>
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<td>COURSE.</td>
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<td>SPORTS.</td>
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</table>

IV. **Validity and Reliability**

Factor analysis was conducted to establish the validity of the instrument. A single index was obtained for Psychological contract violation and psychological contract management. In table 2, factor analysis generated the five distinct factors as conceptualised by Organ (1988): Conscientiousness, Civic Virtue, Altruism, Courtesy and Sportsmanship. These indicators were found to explain 69 per cent of variance in OCB.
Cronbach alpha test values obtained are shown in Table 3. According to Nunnally (1998), instruments with Cronbach values equal or greater than .7 are deemed to be reliable.

Table 3: Descriptive statistics and zero order correlations

<table>
<thead>
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<th>SD</th>
<th>Alpha</th>
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<th>4</th>
<th>5</th>
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<td>.10</td>
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<td></td>
<td>.57*</td>
<td>.23**</td>
<td>-.27**</td>
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<td>.10</td>
<td>.91</td>
<td>-.07</td>
<td>.21*</td>
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<td>-.08</td>
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<tr>
<td>PCVM</td>
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<td></td>
<td></td>
<td>3.25</td>
<td>.07</td>
<td>.96</td>
<td>.21*</td>
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<td>.26**</td>
</tr>
<tr>
<td>OCB</td>
<td>-7</td>
<td></td>
<td></td>
<td>3.38</td>
<td>.23</td>
<td>.94</td>
<td>24**</td>
<td>.01</td>
<td>.02</td>
<td>.17</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2-tailed).
**Correlation is significant at the 0.01 level (2-tailed), N = 144.

XI. RESULTS AND INTERPRETATION

The six items measuring Psychological contract violation (M = 3.88, SD = .10) were averaged to form a scale with values indicating that 40% - 55% of the time employees perceived violation of the psychological contract. The 13 items of psychological contract violation management (M = 3.25, SD = .07) were averaged to form a scale, with higher values of 55% - 70% of the time psychological contract violation was being managed. The 26 self-report OCB items (M = 3.38, SD = .23) were averaged to form a scale, with 59% - 50% indicating “This is somehow like me”.

The zero order correlation analysis in Table 3, revealed a significant negative relationship between the Psychological contract violation and Organisational citizenship behaviour (OCB) (r = -.37, p ≤ .01) and Psychological contract violation management and Organisational citizenship behaviour (OCB) (r = .48, p ≤ .01).

The hypotheses were tested using a hierarchical regression in Table 4. In model one, all of the control variables were entered into the regression equations. In the second model, psychological contract violations were entered in the equations. In the third model, the psychological contract violations management was entered in the equation. The hypotheses 1, 2, and 3 were supported by the findings, 46.6 per cent variance in OCB being explained by the predictor variables. The findings show the existence of a significant negative relationship between Psychological contract violation and OCB. Also, the findings show a significant positive relationship between psychological contract violation and OCB.

Table 4: Hierarchical Regression

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.798**</td>
<td>3.546**</td>
<td>1.765**</td>
</tr>
<tr>
<td>Qualification</td>
<td>-.192</td>
<td>-.181</td>
<td>-.072</td>
</tr>
<tr>
<td>Age</td>
<td>.333**</td>
<td>.314**</td>
<td>.221*</td>
</tr>
<tr>
<td>Sex</td>
<td>-.094</td>
<td>.047</td>
<td>.044</td>
</tr>
<tr>
<td>Marital status</td>
<td>.089</td>
<td>.068</td>
<td>.129*</td>
</tr>
<tr>
<td>Tenure</td>
<td>.057</td>
<td>.011</td>
<td>-.093</td>
</tr>
<tr>
<td>PCV</td>
<td>-.205**</td>
<td>-.285**</td>
<td></td>
</tr>
<tr>
<td>PCVM</td>
<td></td>
<td></td>
<td>.603**</td>
</tr>
<tr>
<td>R²</td>
<td>.077</td>
<td>.195</td>
<td>.493</td>
</tr>
<tr>
<td>ΔR²</td>
<td>.077</td>
<td>.118</td>
<td>.298</td>
</tr>
<tr>
<td>R²adj</td>
<td>.042</td>
<td>.158</td>
<td>.466</td>
</tr>
<tr>
<td>ΔF</td>
<td>2.21</td>
<td>19.19**</td>
<td>76.41**</td>
</tr>
<tr>
<td>F</td>
<td>2.21 (df = 5,132)</td>
<td>5.29** (df = 6, 131)</td>
<td>18.07** (df = 7, 130)</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organisational Citizenship Behaviour

XII. DISCUSSION

The relationship between Psychological contract violation and Organisational citizenship behaviours.

The findings showed support for the hypothesis that there is a negative significant relationship between psychological contract and organisational citizenship behaviours. This corroborates earlier such findings, for instance, Coyle-Shapiro, Marrow and Kessler (2006) established that individuals engage in OCB as a form of reciprocity based on how well they have been treated by the organisation and that if they feel that the organisation has failed to fulfil the promised obligations,
they are less likely to engage in organizational citizenship behaviours. Del Campo (2007) argued that psychological contract violation results into outcomes that have a negative impact on employees’ work behaviours.

The relationship between Psychological contract violation management and Organisational citizen behaviour.

The study findings have revealed that there is a positive significant relationship between psychological contract violation management and organizational citizenship behaviours. Gacovic and Tetrick (2003) in support of the the findings, argued that when an organization lives to its promises, employees experience less emotional exhaustion and are more satisfied with their jobs. This means that fulfilling employee promised obligations will make them go an extra mile. When employers deliver on their commitments, that is, when by their actions fulfil employees’ expectations; they reinforce the employees’ sense of fairness and trust in the organisation and generate a positive psychological contract between employer and employee.

The employee’s perception of fairness of the organization will determine whether they engage in citizenship behaviours or not. The findings also indicate that in case of any violation of the psychological contract, the individual’s commitment will reduce since the employee’s belief that the employer will fulfill promises is questionable, a situation that should either be avoided or minimised by managers of organisations.

XIII. Conclusion

From the study, the findings supported the hypothesis that there is a negative relationship between psychological contract violation and Organisational citizenship behaviour. The findings also confirmed the hypothesis that psychological contract violation management is positively related to organisational citizenship behaviour. Employers should ensure that the promised obligations to the employees are fulfilled and not violated for employees to gain a sense of belonging in the organisation and go extra mile to make sure that the goals and objectives of the organisation are achieved. This shows that employees who exhibit organisational citizenship behaviours work with a lot of passion and have a strong connection to the organisation. Organisations should not only honour the economic contracts but should also honour the psychological contracts by ensuring that they fulfil their promised obligations to the employees in order to elicit more work effort from the employees. Organisations in particular top managers should connect to each and every employee since every interaction with an employee has the potential to inspire exhibition of discretionary effort. This can be done through defining individual and organisational goals / objectives in a realistic and every day terms to make them meaningful to employees’ day to day experiences. However, the study had its limitations like any other cross sectional survey; there is need for improvement on the instrument. Also, the study was conducted in the banking sector only, so there is need to widen the scope to other firms.

References


