

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

James Kagaari<sup>1</sup>

<sup>1</sup> Kyambogo University, Kampala, Uganda.

Received: 14 December 2013 Accepted: 31 December 2013 Published: 15 January 2014

---

## 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,  $r = -.37, p < .01$ ); (Psychological contract violation management and OCB;  $r = 0.48, p < .01$ ). 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. The researcher suggested further study on the same variables to be carried out in other organizations and a comparative study carried out with a larger sample size in the Ugandan banking industry.

---

**Index terms**— psychological contract violation; psychological contract violation management; organizational citizenship behaviours; banks; Uganda.

## 1 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 fulfil employees' expectations or delivering on their commitments.

### 3 PROFILE OF COMMERCIAL BANKS IN UGANDA

---

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

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

## 63 2 II.

### 64 3 Profile of Commercial Banks in Uganda

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

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

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

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

98 Whereas the commercial banking sector in Uganda is fast growing, it has been adversely affected by system  
99 inefficiencies and high operational costs coupled with stiff competition. Albeit the good performance of the  
100 financial system in supporting the economy through intermediation and operation of the payment system, the  
101 financial sector faces the problem of bank fraud which unfortunately is on the increase. Bank frauds take various  
102 forms ranging from alteration of cheques and / or counterfeit to skimming or cloning of cards. Bank frauds and

---

103 money laundering have indeed become the order of the day in the recent years in the banking industry. Most of the  
104 commercial banks have lost money due to such activities of which staff members are involved. History shows that  
105 all fraud cases handled point at insiders as the source, directly and or indirectly. Another important point to note  
106 is that Banks have sophisticated programs that can only be mastered by bankers, whether former or in-service.  
107 This brings about the question why this is happening in these financial institutions. With such counter-productive  
108 acts taking place, the management of these institutions have to find out whether the psychological contract on  
109 the side of the employees is being managed properly by the employer and whether employees go an extra mile in  
110 their duties.

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

## 123 4 III.

### 124 5 Literature Review a) Psychological Contract Violation

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

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

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

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

157 The psychological contract according to Rousseau, (2001), is shaped by various features which include;  
158 Voluntary choice (individuals freely participate), Belief in mutual agreement (Psychological contract reflects  
159 an individual's understanding of commitments made with the other party), multiple contract makers (workers'  
160 interpretation of the contract depends on the various sources of information), incompleteness (tend to be  
161 incomplete and need to be built over time). There are three types of psychological contracts and these include;  
162 Relational contracts where employees tend to be more willing to work overtime whether paid or not, help co-

## 5 LITERATURE REVIEW A) PSYCHOLOGICAL CONTRACT VIOLATION

---

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 contract theory (Rousseau, 2001) where employees believe and perceive that the organization has failed to fulfil 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 fulfil their promises. The reciprocal obligation regarding the relationship between the employee and the organization can be violated either through inability to fulfil 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 fulfil 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 fulfil 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 fulfil 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 is 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

---

226 encompasses positive involvement in the concerns of the organization (Organ et al., 2006). Examples of civic  
227 virtue can be seen in daily affairs such as attending meetings and keeping up with what is going on with the  
228 organization in general.

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

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

249 V.

## 250 6 Psychological Contract Violation and Organizational Citizen- 251 ship Behaviour

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

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

262 In case of any violation of the Psychological Contract, the individual's commitment will reduce since the  
263 employee's belief that the employer will fulfil promises is also questionable and one party perceives another to  
264 have failed to fulfil promised obligations. This will result into low or no Organizational Citizenship Behaviour  
265 among employees. According to Coyle-Shapiro, Jacqueline and Kessler (2002), employees who perceive their  
266 organizations to have violated the psychological contract respond with feelings of insecurity, decreased moral  
267 and stronger attraction to turnover all which reduces Organisational Citizenship behaviour in organizations.  
268 When such violations occur, employees will reduce or withdraw Organisational Citizenship Behaviours and adopt  
269 behaviour which adversely affects the organization and stick to the rule principles. They feel that extra role  
270 behaviour will not be Mossholoder, Setton and Henagan (2005) used relational perspective to explain OCB by  
271 considering that behaviour performed to benefit peers symbolize the depth of feeling for and interaction with  
272 others in organization. Such facilitating behaviour might also induce co-workers' positive emotion so that they  
273 would give some positive reaction including instrumental (e.g. getting more resources and power for promotion  
274 and rewards) and non-instrumental (e.g. reinforcing perception of mutual obligation between employee and  
275 his/her peers) outcomes ??Mossholoder et al., 2005). It can also be argued that performing OCB means individual  
276 trust in his/her co-workers. reciprocated by the organization. (Turnley & Turnley, 2000).

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

284 Employees are just as likely to exceed work-role requirement, not to, or engage in anti citizenship behaviour  
285 depending upon their perceptions of fairness of the organization. Psychological contracts are formed on the  
286 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 fulfil 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).

### 7 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. Bernard (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).

### 8 VII.

#### 9 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.

#### 10 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.

#### 11 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. VIII.

#### 12 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.

#### 13 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, Amsol and Rozihana (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".

---

## 14 X.

## 15 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. IV.

## 16 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) XI.

## 17 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.

## 18 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 citizenship behaviours.

The study findings have revealed that there is a positive significant relationship between psychological contract violation management and organizational citizenship behaviours. Acovic 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 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 fulfil promises is questionable, a situation that should either be avoided or minimised by managers of organisations.

## 19 XIII.

## 20 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

## 20 CONCLUSION

397 to gain a sense of belonging in the organisation and go extra mile to make sure that the goals and objectives  
 398 of the organisation are achieved. This shows that employees who exhibit organisational citizenship behaviours  
 399 work with a lot of passion and have a strong connection to the organisation. Organisations should not only  
 400 honour the economic contracts but should also honour the psychological contracts by ensuring that they fulfil  
 401 their promised obligations to the employees in order to elicit more work effort from the employees. Organisations  
 402 in particular top managers should connect to each and every employee since every interaction with an employee  
 403 has the potential to inspire exhibition of discretionary effort. This can be done through defining individual and  
 404 organisational goals / objectives in a realistic and every day terms to make them meaningful to employees' day  
 405 to day experiences. However, the study had its limitations like any other cross sectional survey; there is need for  
 406 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.

1

Name of the organization	N	n	Return/Response
KCB Jinja Road Branch	123	51	21
Standard Chartered Bank -5 Speke Road Kampala 210		51	21
Post Bank U. Ltd -Kampala Rd	96	51	20
Centenary Bank -Headquarters -H/Office	120	51	40
Barclays Bank -Head Office	192	52	42
Total	741	256	144

Figure 1: Table 1 :

2

1	CONSC.	2	Indices CIVIC	3	ALTRUISM	4	COURTSEY	5	SPORTSM
---	--------	---	------------------	---	----------	---	----------	---	---------

Figure 2: Table 2 :

3

	Mean	SD	Alpha	1	2	3	4	5	6
Age of respondent -1				1					
Sex of the respondent -2			.12		1				
Marital status -3			-.21 *	.10		1			
Tenure -4			.57 **	.23	-.27 **		1		
PCV -5	3.88	.10	.91	-.07	.21 *	.01	-.08		1
PCVM -6	3.25	.07	.96	.21 *	.10	-.18	.26 **	.21 *	1
OCB -7	3.38	.23	.94	.24 **	-.01	.02	.17 *	-.37 **	.48

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

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

Figure 3: Table 3 :

407



4

	Model 1	Model 2	Model 3
Model	B1	B2	B3
(Constant)	2.798**	3.546**	1.765**
Qualification	-.192	-.181	-.072
Age	.333**	.314**	.221*
Sex	-.094	.047	.044
Marital status	.089	.068	.129*
Tenure	.057	.011	-.093
PCV		-.205**	-.285**
PCVM			.603**
R <sup>2</sup>	.077	.195	.493
? R <sup>2</sup>	.077	.118	.298
R <sup>2</sup> adj.	.042	.158	.466
?F	2.21	19.19**	76.41**
F	2.21 {df = 5,132}	5.29** { df = 6, 131}	18.07** {df = 7, 130}

a. Dependent Variable: Organisational Citizenship Behaviour

Figure 4: Table 4 :



- 408 [European Journal of Work and Organizational Psychology] , *European Journal of Work and Organizational*  
409 *Psychology* 11 p. .
- 410 [Academy of Management Review] , *Academy of Management Review* 22 p. 226.
- 411 [Morrison and Robinson ()] , R F Morrison , P Robinson . 2001.
- 412 [Armstrong ()] *A Handbook of Human Resource Management Practice. London: Kogan Banking in Uganda*, M  
413 Armstrong . <http://www.guideafrica.com> 2006.
- 414 [Mossholder et al. ()] ‘A relational perspective on turnover: Examining structural, attitudinal, and behavioral  
415 predictors’. K W Mossholder , R P Settoon , S C Henagan . *Academy of Management Journal* 2005. 48 p. .
- 416 [Busingye ()] *Avalanche of bankers. The Independent*, J Busingye . <http://www.independent.co.ug> 2012.
- 417 [Muhumuza (2012)] *Banks defy gloom to post profits. The CEO Magazine*, M Muhumuza . 2012. May. p. .
- 418 [Wesaka (2009)] *Barclays Bank loses Shs 3b to fraud. The Monitor*, A Wesaka . 2009. 13 th October, 2009.
- 419 [Tukamuhabwa et al. ()] ‘Can an organization have a psychological contract? A performance in Uganda’s  
420 commercial banks’. B R Tukamuhabwa , J Ntayi , M Muhwezi , S Eyaa , J Saturday , D E Guest , N  
421 Conway . *Information Management and Business Review* 2012. 2000. 4 (1) p. . (Explaining Outsourcing -13)
- 422 [Rousseau and Wade-Benzoni (ed.) ()] *Changing individual-organizational attachments: A two-way street*, D M  
423 Rousseau , K A Wade-Benzoni . A. Howard (ed.) 1995. (The changing nature of work. Jossey Bass)
- 424 [Coyle-Shapiro and Kessler ()] ‘Consequences of the psychological contract for the Employment relationship: A  
425 large-scale survey’. J Coyle-Shapiro , I Kessler . *Journal of Management Studies* 2000. 37 p. .
- 426 [Downsizing, restructuring and privatization] *Downsizing, restructuring and privatization*, Oxford, UK: Black-  
427 well.
- 428 [Oikarinen et al. ()] *Effects of HRM practices on Employees’OCB within networks. A Paper prepared for 19 th*  
429 *Nordic Academy*, T Oikarinen , M Hyypia , T Pihkala . 2007. Bergen, Norway.
- 430 [Namubiru (2011)] *Electronic banking fraud taking root in Uganda. The New Vision*, L Namubiru . <http://www.newvision.co.ug>  
431 //www.newvision.co.ug 2011. January 12.
- 432 [Coyle-Shapiro and Kessler ()] *Exploring reciprocity through the lens of the Psychological contract: employee and*  
433 *employer perspectives*, J Coyle-Shapiro , I Kessler . 2002.
- 434 [Bolino and Turnley ()] *Going the extra mile: Cultivating and managing Employee citizenship behavior*, M C  
435 Bolino , W H Turnley . 2003. Academy of Management Executive. 17 p. .
- 436 [Sun et al. ()] ‘Highperformance Human resource practices, citizenship 36. Behaviour; and organisational  
437 performance: A relational perspective’. L Sun , S Aryee , K Law . 10.5465/AMJ.2007.25525821. *Academy of*  
438 *Management journal* 2007. 50 (3) p. .
- 439 [Coyle-Shapiro and Kessler (2000)] *Mutuality, Stability and Psychological Contract Breach: A Longitudinal*  
440 *study*, J A M Coyle-Shapiro , I Kessler . 2000. August. Toronto. (Paper presented at the Academy of  
441 management)
- 442 [Newstrom and Keith ()] *Organisational Behaviour, Human Behaviour at work 11 th Edition*, Tata McGraw-Hill  
443 publishing company limited, J W Newstrom , D Keith . 2002. New Delhi.
- 444 [Organ ()] *Organisational Citizenship Behaviour-the Good soldier syndrome*, D W Organ . 1988. (1 st Edition)
- 445 [Podsakoff and Mackenzie ()] ‘Organisational Citizenship behaviours and sales unit Effectiveness’. P M Podsakoff  
446 , S B Mackenzie . *Journal of Marketing Research* 1994. 31 p. .
- 447 [Lexington et al. ()] *Organizational citizenship Behavior: Its nature, antecedents, and consequences*, Mas-  
448 sachusetts Lexington , D Toronto , Health , D W Organ , P M Podsakoff , S B Mackenzie . 2006. London:  
449 Sage Publications.
- 450 [Gakovic and tetrick ()] ‘Perceived organizational support and work status: a comparison of the employment  
451 relationship of parttime and full-time employees attending university class’. A Gakovic , L E &tetrick .  
452 *Journal of Organizational Behaviour* 2003. 24 p. .
- 453 [Rousseau ()] ‘Psychological and implied contracts in organisations’. D M Rousseau . *Employer Responsibilities*  
454 *and Rights Journal* 1989. 2 (2) p. .
- 455 [Delcampo (2007)] ‘Psychological Contract Violation: An Individual Difference Perspective’. R Delcampo .  
456 *International Journal of Management. Thursday* 2007. March 1 2007.
- 457 [Rousseau ()] *Psychological Contracts in Organisations: Understanding Written and Unwritten Agreements*, D  
458 M Rousseau . 1995. London: SAGE.
- 459 [Rousseau (ed.) ()] *Psychological contracts in the United States: Associability, Individualism and Diversity*, D M  
460 Rousseau . D.M. Rousseau and R. Schalk (ed.) 2000. Newbury Park, CA: Sage. (Psychological contracts in  
461 employment: Crossnational perspectives. in press)

- 462 [Bhatnagar and Sandhu ()] 'Psychological empowerment and organisational citizenship behaviour (OCB) in "IT"  
463 managers: A talent retention tool'. J Bhatnagar , S Sandhu . *Indian Journal of Industrial Relations* 2005. 40  
464 (4) p. .
- 465 [Van Dyne and Pierce ()] 'Psychological Ownership and feelings of possession: Three field studies predicting  
466 employee attitudes and Organizational Citizenship Behaviour'. L Van Dyne , J L Pierce . *Journal of*  
467 *Organizational Behaviour* 2004. 25 (4) p. .
- 468 [Quantitative and Qualitative studies of Violation of 19. Psychological contract. Research in organizational change and development  
469 *Quantitative and Qualitative studies of Violation of 19. Psychological contract. Research in organizational*  
470 *change and development*, 5 p. .
- 471 [Turnley and Fieldman ()] 'Reexamining the effects of Psychological violations, Unmet expectations and job  
472 dissatisfaction as mediators'. W H Turnley , D C Fieldman . *Journal of Organizational Behaviour* 2000. 21  
473 p. .
- 474 [Coyle-Shapiro et al. ()] 'Serving two organizations: exploring the employment relationship of contracted  
475 employees'. J A M Coyle-Shapiro , P C Morrow , I Kessler . *Human Resource Management* 2006. 45 (4)  
476 p. .
- 477 [Niehoff and Robert ()] 'The just workplace: Developing and maintaining 25. Effective psychological contracts'.  
478 B P Niehoff , J Robert . *Review of Business* 2001. 22 (1/2) p. .
- 479 [Sparrow (ed.) ()] *The new employment contract: Psychological Implications for future work*, P Sparrow . R.J.  
480 (ed.) 2000.
- 481 [Burke C.L. Cooper (ed.)] *The Organisation in Crisis*, Burke & C.L. Cooper (ed.)
- 482 [Bergeon ()] *The potential paradox of organizational citizenship behaviour: good citizens 3. at what cost?*, D  
483 Bergeon . 2007. Academy of Management Review. 32 p. .
- 484 [Uganda Bankers' Association. Code of Good Banking practice] *Uganda Bankers' Association. Code of Good*  
485 *Banking practice*, <http://ugandabankers.org>
- 486 [Robinson and Rousseau ()] 'Violating the psychological contract: not the exception but the norm'. S L Robinson  
487 , D M Rousseau . *Journal of Organizational Behaviour* 1994. 15 p. .