



PSYCHOLOGICAL CONTRACT VIOLATION, ORGANISATIONAL CITIZENSHIP BEHAVIOUR AND MANAGERIAL PERFORMANCE IN BANKING INDUSTRY –AN EMPIRICAL ANALYSIS

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-----ABSTRACT-----

The psychological contract represents the mutual beliefs, perceptions and informal obligations between an employer and an employee. The purpose of the study was to find the relationship between psychological contract violation, psychological contract violation management and Managerial Performance. The research was carried out in selected public and private banks in Shimla 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 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 belongingness 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, OCB, Managerial Performance, Banks-----

1. INTRODUCTION

Psychological contract is the emotional and spiritual link between organizations and employees, which is a subjective implicit contract different from the explicit economic contract. The establishment and implementation of psychological contract affects the interaction between managers and employees (Hannah, Treen, Pitt et al., 2016). Job performance is the work behaviour under individual control that can achieve organizational goals, including results, behaviour, results + behaviour and quality. Job performance is conducive to the realization of the overall goal (Rodwell, Ellershaw, & Flower, 2015).

The psychological contract is dependent on social exchange theory, which represents the cognition and belief of both parties in the employment relationship for their responsibilities and obligations, including managerial responsibility and employee responsibility under the perspective of managers and employees. (Zellk & Uyargll, 2018; Sunday, Fauzi, Ahmad et al., 2018).

The establishment of a psychological contract is dynamic and Bank managers can change the organizational structure and internal environment. The core factor that is most sensitive to employee performance is psychological contract (Gerber, Grote, Geiser et al., 2012).

There is a dynamic exchange relationship between psychological contract and job performance. In order to maintain excellent job performance, positive psychological contract behaviour must be maintained (Wang & Yu, 2015).



Typically, in today's business environment that is characterized by uncertainty, it is pertinent for management to develop stable and effective relationship with their employees considering the adverse implication of a strained working relationship in organizations. It is against this backdrop, that this paper examines the linkage between psychological contract and employee retention, performance and productivity in organizations. Employees are the core strength and occupy an important position in enterprises. Different employees have different growth environment and living habit. Therefore, Bank managers must re-examine the management of the psychological contract of employees and gradually establish and adjust the content of psychological contract to meet the expectation of employees at different levels for the organization (McCabe & Sambrook, 2013; Tan, Wu, & Cao, 2014).

Job performance is divided into result-oriented, competency-oriented and behaviour-oriented, which is not only in pursuit of benefits, but also subject to personal factors and corporate managers (Raeder, Knorr, & Hilb, 2012).

Managerial Performance is widely regarded as a key source of organizational performance in Behaviour and Human Resource Management literature (Cavazotte, Moreno & Hickmann, 2012). It is the process of ensuring that a set of activities and output meet an organization's goals in an effective and efficient manner. It can focus on the performance of an organization, a department, an employee or the processes to manage particular tasks. MP is often defined as managerial behaviours believed to be optimal for identifying, assimilating and utilizing resources including human resources toward sustaining the organizational unit for which a manager has responsibility (Oh & Berry, 2009).

This paper uses the exploratory research method to explore the impact of the establishment of psychological contract of bank managers on their performance combined with commonly used performance appraisal standards and provides a broad theoretical basis for the extensive exploration of the relationship between individual psychological factors, psychological contract, and job performance. 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 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 Managerial Performance (MP) and how psychological contract violation management is related with organizational citizenship behaviours among employees working in institutions such as banks.

2. PROFILE OF PUBLIC AND PRIVATE BANKS IN DISTRICT SHIMLA

The financial system in District Shimla 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 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. Commercial banks in India are of 4 types namely: public sector banks, private sector banks, regional rural banks and foreign banks. Public sector banks are a major type of bank in India where a majority stake is held by the government.

There are 12 public sector and 21 private banks in India as on 27 November 2020. 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.

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 counterfeit 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 managerial performance exhibited by the employees at the workplace.

Shimla is the capital city of Himachal Pradesh. There are 6 public 19 private banks in Shimla District. The Public Sector Banks are namely Allahbad Bank, Bank of Baroda, Canara Bank, Himachal Pradesh Rural Bank, State Bank of India, Punjab National Bank and UCO bank. The private sector Banks include Oriental Bank of Commerce, Jammu & Kashmir Bank, IndusInd Bank, Indian Bank, ICICI Bank, Punjab & Sindh Bank, Syndicate Bank, Vijaya Bank, Yes Bank and HDFC bank. There are numerous branches of each of these banks. In the present study three public and three private banks are undertaken for study and Psychological Contract Violation on the managers of these banks is analysed and their impact on Managerial Performance of the employees is carried out.

3. LITERATURE REVIEW OF PSYCHOLOGICAL CONTRACT

Psychological contract is a concept that has gained interest as a construct relevant for understanding and managing contemporary employment relationship in organizations (De Vos, Annelies and Dirk, 2006). The concept of psychological contract was conceived by Argyris in 1960, but not until the mid 1980s and 1990s following the advent of corporate downsizing, mergers, and takeovers that the concept was explored as a theory in explaining its impact on employee behaviour in the workplace (Cyril, 2013).

Psychological contract is defined by Mueller (2009) as an implicit agreement between the employee and employer about how each expects to be treated based on the culture, language or behaviour used in the workplace. She noted that it is these expectations that guide behaviour and how events are interpreted. These expectations arise from the perception of promises made by the employer to the employee (Freese and Schalk, 2008).

When employees join an organisation 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. Psychological contract breach arises when an employee perceives that his or her organization has failed to fulfil one or more of the obligations comprising the psychological contract (Robinson, 1996).

Differentiation between breach and violation is a relatively new concept in the study of psychological contract theory. It is common for researchers to use the terms interchangeably for any breaking of psychological contract terms (Bunderson, 2001; Zhao, Wayne, Glibkowski & Bravo, 2007). The perception of a broken promise is referred to as a breach of the psychological contract. Circumstances associated with the breach may elicit a negative emotional reaction to the breach. The negative emotional reaction is referred to as a psychological contract violation (PCV).

Morrison and Robinson (1997) were the first to propose that psychological contract breach and violation were distinctly different constructs. They argued that violation results in a degree of emotional damage while breaches do not. Psychological contract violation is defined as the emotional or affective state that may, but does not always, result from the perception of psychological contract breach (Morrison & Robinson, 1997). Thus, PCV has



been described as the feelings of anger, injustice, resentment, and distrust that arise from the realization that the organization has not honoured the psychological contract (Raja, Johns, & Ntalianis, 2004).

Rousseau (1995) stressed that psychological contract consists of individual beliefs regarding terms of an exchange agreement between individuals and their organization. Similarly, Guest (2007) asserts that psychological contract is concerned with the perception of both parties to the employment relationship: organization and individual, of the reciprocal promises and obligations implied in that relationship.

Armstrong (2012) explained that psychological contract is a system of beliefs that encompasses the actions employees believe are expected in return from the employer, and, reciprocally, the actions employers believe are expected of them and what response they expect in return from their employees.

In the views of Knights and Kennedy (2005), psychological contract is a set of individual beliefs regarding reciprocal obligations between the employee and the organization. Some of these are recorded in the form of a written formal contract; largely they are implied and not openly discussed.

John (2013) sees psychological contract as the expectations between employee and employer and of what their mutual obligations are to each other. He contends that many of these obligations will be informal and imprecise: they may be inferred from actions or from what has happened in the past, as well as from statements made by the employer during the recruitment process or in performance appraisals. He further added that some of these obligations may be seen as promises and others as expectations'. He concluded that both the promises and expectations are considered by the employee to be part of the relationship with the employer.

Turnely and Feldman (2000) explained that psychological contract emerges when individual employees believe that their employers have promised to provide them with certain rewards in return for their contributions in the organization.

Shields (2007) sees the psychological contract as filling in the gaps left by the formal legal contract of employment to constitute a more complete account of the entire range of mutual obligations between employer and employee.

Psychological contract helps to define the relationship between employees and their organizations (Argyris, 1960; Rousseau, 1989). In particular, psychological contracts specify what employees believe they owe their organizations and what they believe they are owed in return. Most prior research has conceptualized the psychological contract as one aspect of the social exchange relationship that exists between individuals and their organizations.

Social exchange relationships (Blau, 1964; Homans, 1961) are comprised of the voluntary actions that each party engages in with the expectation that the other party will reciprocate those actions in one way or another. Although the exact nature of the exchange relationship is not fully specified in advance, general expectation of reciprocity guides its development. A central element in the psychological contract is the employee's belief that the organization will live up to its promises and commitments. When an employee perceives that the organization has failed to fulfil its promises or obligations, then the employee experiences psychological contract breach.

Psychological contract breach is defined as the employee's cognition that he or she has received less than was promised. As such, psychological contract breach typically creates the perception of an imbalance in the social exchange relationship. Psychological contract violation, as mentioned earlier, is related to, but conceptually distinct from, psychological contract breach. It is a result of psychological contract breach and is related to the inducement of anger, injustice, resentment, and distrust.

In the contribution of Conway and Briner (2005), they argued that the concept of psychological contract is used to explain behaviour through considering the extent to which the employee believes that the employer has kept the promises the employee perceives were made to him. They noted that as in any relationship, if promises are kept, then satisfaction and a desire to remain in the relationship are likely consequences. If, on the other hand, promises are broken, negative emotions and the urge to withdraw in that relationship may follow.

Schein (1965) cited in Armstrong (2005:299) emphasized the importance of psychological contract as he suggested that the extent to which employees work effectively and remain committed to the organization depends on:

The Importance of Psychological Contract:

- The degree to which their own expectations of what the organization will provide them and that they owe the organization in return match that organization's expectations of what it will give and get in return; and
- 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-actualization and challenging work in exchange for high productivity, high-quality work, and creative effort in the service of organizational goals; or various combinations of these and other things.

John (2013) made a distinction between psychological contract and the legal contract of employment. He posits that psychological contract focuses on the reality of the situation as perceived by the employee and employer, and may be more influential than the formal contract in affecting how employees behave from day to day. He noted that it is the psychological contract that effectively tells employees what they are required to do in order to meet their side of the bargain and what, in return, they can expect from their job.

On the other hand, John (2013) stressed that the legal contract of employment offers only a limited and uncertain representation of the reality of the employment relationship; which the employee may have contributed little to its terms beyond accepting them.

Armstrong (2012) pointed out the employment relationship aspects that are covered by psychological contract. From the perspective of the employee these are; 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 employment relationship as competence, effort, compliance, commitment and loyalty.

Grobler, Warnich, Carrel, Elbert and Hartfield (2011) conclude that psychological contract fulfils two main objectives; to manage the employment relationship, and to manage expectations arising from the employment relationship.

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.

The above discussion presents key features which are prominent in psychological contract. Conway and Briner (2005) outlined the features of psychological contract as follows:

- The psychological contract is based on beliefs or perceptions. It follows that different individuals (even in the same organization) will have potentially different conceptions of what the psychological contract actually entails;
- The psychological contract is implicit rather than explicit. It is thought to be inferred from the promises made or implied by the organization or the employee. Therefore the parties are thought to draw conclusions as to the existence and substance of various promises and obligations based on the observed behaviour of the other party;
- The psychological contract is based on perceived agreement rather than an actual agreement. This suggests the possibility that employees and managers will often disagree as to the content of the psychological contract;
- The psychological contract is based on exchange and is therefore founded on the principle of reciprocity. The implied promises to behave in a certain way at work, for example, are conditional on the other party providing something as part of the deal;
- The psychological contract is ongoing and evolving. Unlike a written legal contract that might be set for a specific period, the terms of the psychological contract are (potentially) being continually re-written as the parties interact and mutual expectations, obligations and promises are generated and implied. This implies that psychological contract is established when there are mutual satisfaction on the part of both employees and employer vis-s-vis their expectations (Dipankar, 2013);
- Psychological contract is a central determinant of work behaviour which specifies the dynamics of employment relationship (Dipankar, 2013); and
- Psychological contract may also be categorized based upon context of individual and group (Dipankar, 2013).



3. RESEARCH DESIGN

Defining Concept

Psychological Contract

Organizational psychologist Argyris firstly used the term “Psychological Work Contract”. The concept is mainly to express that there is still an unstated common expectation which we all know in enterprise relationship between employees and enterprises in addition to terms involved in formal labor contract, which affects employee's work attitude and work behaviour.

After that, Levinson and other researchers investigated an administrative institution, and stated that psychological contract is an intangible contract between employees and organization, which represents expectations of employees and enterprises.

Sehein defined psychological contract as an unstated expectation between every employee and enterprise leaders or other staffs in any business. Psychological contract exists in two aspects of employee's individual and enterprise.

Feng, Zhang Wenxian think that psychological contract refers to the invisible common cognition of responsibility and obligations between the employees and corporate, which is not completely realized by corporate leaders.

Robinson, Kraatz and Rousseau pointed out that this common perception embodies employees to believe that enterprises will give him a reasonable salary, promotion opportunity, stable job security because of their work ability, emotion and attitude and working maintenance for enterprise. Young investigated and pointed out whether employees have stocks shares affects degree of psychological contract with enterprise.

Psychological contract can be understood as the understanding on mutual responsibilities and obligations between employees and enterprises. This kind of understanding doesn't have a written document to clear it, but it performs on unspoken subjective commitment of staffs and enterprise. Due to relative obligations and responsibilities of psychological contract between enterprise and workers, many scholars divide psychological contract into three dimensions: (a) Material Incentives; (b) Environmental Support; (c) Development Opportunities.

In summary, some scholars understand psychological contract from both employees and enterprise, while another scholar believe that enterprise spokesperson is difficult to define, so employees perceive "belief system" is psychological contract. Thus both the employees and the enterprise need to adhere to the responsibility of both the parties.

Psychological Contract Violation

Violation of the psychological contract is described as multi-dimensional (Morrison and Robinson, 1997), because it includes a wide range of reactions. At one level, such violation causes frustration, irritability and anxiety (Robinson, *Social and Behavioural Sciences* 210 (2015) 231-240 and Morrison, 1995; Pate and Malone, 2000).

More extreme emotional responses including grief, anger, resentment and indignation can ensue (Rousseau, 1989; Pate and Malone, 2000). Breach has also been associated with other behavioural outcomes, such as low organizational citizenship, commitment, satisfaction, reduced trust and an increased degree of cynicism (Robinson and Rousseau, 1994, Robinson and Morrison, 1995; Robinson, 1996; Herriot et al, 1998; Pate et al, 2000).

As a result, when an individual's psychological contract is violated, the relationship becomes more calculated and interactive, and as it continues the perceived violation may gain added strength (McLean Parks and Kidder, 1994; Pate and Malone, 2000).

Put differently, psychological contracts serve to motivate employees as to meet the promises made by the employer when employees are confident that employers will consistently meet their promises. Strategies, structures, and organizational processes define what employers want from their employees and what they are willing to offer, influencing in addition the manner in which contract negotiations are undertaken and the nature of the contracts that are managed collectively (Herriot & Pemberton, 1995).

Job Performance

The performance of staff determines output of enterprise, which affects survival and development of enterprise, and the importance to enterprise cannot be underestimated. Enterprise has development target in competitive environment, staffs also have their goal in work, and the measurement of completion degree of staffs for enterprise's goal is called performance.

Job performance is the degree that enterprise employees achieve job target, and it can be used to measure performance of employees' current work. The task of enterprise is subdivided to each functional department, then functional department subdivides to each employee, so employees' completion of performance is to help enterprise



accomplish enterprise target. Some scholars divided job performance into task performance and environmental performance. Two scholars divided job performance into two dimensions: task performance and contextual performance.

Some researchers conclude that the higher the psychological contract of employees is, the higher is the job performance. The relativity between psychological contract and job performance varies from different groups. For counsellors in university, psychological contract has a significant positive influence on task performance and innovation performance, but its influence on contextual performance is not significant.

Organizational Citizenship Behaviours (OCB)

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 behaviour 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.

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).

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 fulfil promises is also questionable and one party perceives another to have failed to fulfil 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 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, 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 wrongful harm all which do not foster OCB.

Gacovic and Tetric (2003) asserted that perceptions of organization failure to fulfil 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 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 OCB and Managerial Performance.

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).

5. 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 numerous branches of 3 public and 3 private banks' in Shimla district (see Table 1) whose target population comprised of 740 banking officials.

c) Sample design and size

Using Krejcie and Morgan (1970) model of determining sample size, out of the 740 banking officials, a sample size of 256 respondents was obtained as shown in Table 1. The target group included banking officers, senior banking officials, Heads of departments and supervisors in the selected banks using the random sampling method.



Table 1: Sample Size

Name of the organization	N	n	Return/Response
State Bank of India	210	51	21
Punjab National Bank	122	51	21
UCO Bank	96	51	20
ICICI Bank	20	51	40
HDFC Bank	192	52	42
Total	740	256	144

6. 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.

7. 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 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”.

8. 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-2: Self-scored OCB Factor Analysis

Seeks and accepts responsibilities at all times	.759
Willingly gives time to help others who have work related problems	.741
Gets a great deal done within a set time frame	.735
Readily accepts more work	.708
Always expected to attend work regularly and be punctual	.655
Assists superior with his work	.525
Does not take days off without previously asking for them	.512
Stays at work for longer hours than the workday even without compensation	.768
Keeps abreast of changes in the organization	.685
Always in position to start any engagement at the appointed time	.669
Never takes long lunches and extra breaks	.576
Defends the organization when other employees and outsiders criticize it	.786
Attends functions that are not required but that help the organizational image	.588
Takes action to protect the organization from potential problems	.587
Discourages idle conversations with fellow colleagues and friends during work hours	.798



Keeps all personal meetings with relatives and friends outside of work hours	.698
Treats fellow colleagues with respect	.562
Consumes a lot of time complaining activities	.881
Does only what is required of him/her and never volunteers for extra work	.828

	COSC.N	CIVIC	ALTRUISM	COURTSEY	SPORTSM
Eigen value	5.09	4.21	3.64	3.36	1.75
Percentage value	19.56	16.14	13.97	12.92	6.65
Cumulative percent	19.56	35.72	49.68	62.59	69.25

9. 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

	Mean	SD	Alpha	1	2	3	4	5	6	7
Age of respondents-1				1						
Sex of Respondents-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*	.1	-.18	.26*	.21*	1	
OCB-7	3.38	.23	.94	.24*	-.01	.02	.17	-.37*	.48	*1

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

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

10. 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) ($r = -.37, p \leq .01$) and Psychological contract violation management and Organisational citizenship behaviour (OCB) ($r = .48, p \leq .01$). 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

Model	Model B1	Model B2	Model B3
(Constant)	2.798**	3.546**	1.765**
Qualification	-.192	-.181	-.072
Age	.333**	.314**	.221*
Marital Status	.089	.068	.129*
Tenure	.057	.011	.093
PCV		-.205**	-.285**
PCVM			.603**
R ²	.077	.195	.493
Δ R ²	.077	.118	.298
R ² 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*

11. FINDINGS

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. 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 fulfil promises is questionable, a situation that should either be avoided or minimised by managers of organisations.

12. 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.

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