

# **The Role Psychological Contract Plays in Organizational Behaviour: A Case Study of a Public University in Ghana**

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## **Abstract**

This paper examined the role of psychological contract on organisational behaviour and organisational commitment. A case study approach of research design was adopted in gathering data from 65 respondents from a public university in Ghana. Stratified random sampling method was employed to group the respondents into strata. Purposive sampling method was then employed to select the respondents for the study. The field data was analysed both quantitatively and qualitatively. Results from the study showed that commitment between employer and employees depend on the fulfilment of the perceived expectations between the two parties. Again, the study pointed out that majority of the employees would leave the organisation if their perceived expectations were not met. The study recommended that aside the written conditions of contract, employees must behave appropriately so that they will get the best from management.

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**Keywords:** Psychological contract, Organizational behaviour, employee commitment, Ghana

## **Introduction**

Every organization aims at keeping and retaining quality staff to achieve its aims and objectives. It is therefore important to understand the

relationships that exist between the employer and the employee in the organisation. When an organisation employs or hires personnel, they sign many paper contracts with both parties. Thus the employee and the employer develop some kind of expectation of each other. At this time, many employees do not realize that they are forming another contract that is not written on paper or articulated. This type of contract is called Psychological Contract. Rousseau and Tijoriuala (1998) define psychological contract as an implicit or explicit promise two parties make to one another. Conway and Briner (2009) provide a clear distinction between psychological contract and legal contract. To Conway and Briner (2009), psychological contract can be implicit; it can be unwritten and unspoken but it is being inferred from one's action and behaviour in the organization.

The importance of psychological contract in an organisation cannot be undermined. This is basically because it shows how employees perceive their organisation as well as how they will perform. It starts with a subjective point of view that the job applicant holds and can be predicated by the belief that there will be reciprocity once the job applicant is hired (Hess & Jepen, 2009). Psychological contract, again, helps in understanding of employment relationship and also, it is believed that it determines employees' behaviour and attitude (Anderson & Schalk, 1998). It makes both parties, i.e. the employee and the employer, have expectations about the employment relationship and through that they get to know that there will be reciprocity at the workplace. Satisfying psychological contract responsibilities signal employees that the employer highly values the relationship that exists between them. This motivates the employees to be clear of a continuous relationship. On the other hand, an unfulfilled psychological contract relationship will force employees to perceive a temporary relationship exists.

Given the reality that Human Resource Management Personnel communicates the responsibilities and expectations of the organisation as well as what the organisation will give in return to the employees, it however, appears that the psychological contracts are grounded in the individual's schema of the employment relationship. This schema develops early when individuals develop generalised values about reciprocity and hard work and these values are influenced by peers, family and interaction with co-workers (Morrison & Robinson, 2004). As a result of this, the employees develop some kind of perception towards the organisation. If both parties, i.e. the employee and the employer, realize that the exchange relationships are not working well, then they will exhibit attitudinal behaviours which will negatively affect performance.

The formation of the psychological contract begins at this stage and it is important that the organisation does not set up unrealistic expectations which when violated may result in dissatisfaction and lowered commitment

(Makin, Cooper & Fox, 1996). There are obvious links between the nature of the psychological and individual's commitments to the organisation. Employees who perceive transactional psychological contract are not likely to have high levels of commitment to the organisation. On the other hand, those with relational contract may show higher levels of commitment. However, a number of different aspects of commitment exist and the kind of psychological contract perceived may have differential effects on these different aspects of commitment. It has been suggested by Rousseau & Wade-Benzoni (1995) that, employees who are on contract terms are characterized by saliency of transactional obligations. To this end, the study sought to find out the role psychological contract plays in organisational behaviour. Specifically, the study answers four main questions. How do employees and management understand and perceive psychological contract? How does psychological contract fulfilment influence the commitment of the organisation (management)? How will psychological contract fulfilment influence the commitment of the employee (staff)? How will a breach of a psychological contract influence the employee's intention to leave the organisation?

## **LITERATURE REVIEW**

### **Theoretical Framework**

The social exchange theory provides a basis for the foundation of psychological contract. Blau (1964) differentiated social exchange from economic exchange along a number of dimensions; specificity of obligation time frame and the norm of reciprocity. Economic exchange is one in which the obligations of each party are specified typically in a formal contract. There is a mechanism in place to ensure fulfilment of those obligations and the exchange has a limited time frame. In contrast, the social exchange theory involves unspecified obligation where one party needs to trust the other that the benefits received will be reciprocated. The social exchange theory examines how a social exchange relationship develops in engendering feelings of personal obligations, gratitude and trust (Blau, 1964).

Previous research on organisational commitment has been investigated in the light of the social exchange theory (Blau, 1964). Social exchange involves the cooperation between two parties for mutual gains. This theory has been adopted by researchers as a foundation for understanding the relationship between the employer and the employees. Although in psychological contract, the idea of employment relationship as an exchange was first coined by Argyis (1960), it can be seen in the writings of Bernard (1938) and March & Simon (1958). Bernard's 1938 theory of equilibrium implies that adequate rewards from the organisations are the basis of employment greater participation. The idea of reciprocal exchange underlies the employee-organisation relationship. This idea was further detailed by

March & Simon (1958) in their inducement-contributions model. They proved that employees are satisfied when there is a greater difference between the inducements offered by the organisation and the contributions they need to give in return from the organisations. The contributions of employees need to be sufficient enough to generate inducement from the organisation. The works of March & Simon (1958) is more recognized in the psychological contract literature (Conway & Briner, 2005) but the idea of a reciprocal exchange bears a remarkable resemblance to a core tenet of the psychological contract.

Psychological contract is viewed by Argyis (1960) as an implicit understanding between a group of employees and their foreman and proposed that, the relationship could be developed in such a way that employees would exchange high productivity and lower grievance in return for acceptable wages and job security (Taylor & Tekleab, 2004). Argyis (1960) believed that if there is not too much interference by the organisation with employee groups norms, employees will perform at a higher level and in return would respect the right of the organisation to progress. Levinson et al. (1962) defined the term Psychological contract based on the data they collected by interviewing 874 employees who spoke of expectations that seemed to have an obligatory quality. They defined the Psychological contract as comprising mutual expectations between an employee and the employer. These expectations may arise from their unconscious mind and thus each party may be unaware of their own expectations yet alone the expectations of the other party. The findings of Levinson et al. (1962) threw more light on the role of reciprocity and the effect of expected satisfaction of expectations. Specifically, the notion of the fulfilment of needs created a relationship in which the employees would try and fulfil the obligations of the organisation if only the organisation fulfilled the needs of the employees. This means that the employees and the organisation held strong expectations of each other and it was expectation of meeting these expectations that energized the two parties to continue in the relationship. In Table 1, the matching expectations of both employees and employers are presented.

Table 1: Matching employee and employer expectations

<b>Employee Expectation</b>	<b>Employer Expectation</b>
Jobs will be motivating, rewarding and satisfying	Reliable, diligence and trustworthiness
Safe and conducive working environment	Acceptance of organisational core values and visions
Fair rewards for efforts	Faithfulness and dedication to the job and the organisation
Involvement in work-related decision making	Demonstrate a concern for the reputation of the organisation
Opportunities for career and personal development	To conform to accepted standards of behaviour
Equal opportunity for all employees	Consideration for other employees and managers

Source: Dundon (2010:187)

## **Conceptual Review**

### **Psychological Contract: An Introduction to the Concept**

The origin of the concept of psychological contract can be traced to the 1960's. The idea has gained widespread attention in the academic and research field of organisational psychology, organisational behaviour and human resource management. The concept is now popular in practitioners' circles and most human resource managers use the concept to manage employment relationship and have found it to be a useful concept (Guest & Conway, 2002). There is no one universally accepted definition of the idea of psychological contract. It has been defined by many writers as the implicit understanding of the mutual obligations owed by the employee and the employer. The term is opposite or contrasted with formal legal employment contract that specifically spells out the formal duties, responsibilities and obligations of employer and the employee in the employment relationship. The definition that is most widely accepted is Rousseau's (1995:9); "psychological contract is a belief of an individual, shaped by the organization, regarding the terms of exchange arrangement between the employee and the organisation. These beliefs are shaped by pre-employed factors such as values, motives, on the job experience, socialization and broader societal context. Psychological contracts are viewed as "schemas or mental mould shaped by multilevel factors" (Rousseau, 2001), which affect how meaning is created around promises and how employees and employers make commitment to each other.

### **The Development of the Psychological Contract**

The development of the psychological contract was characterized by Conway & Briner (2005) as a relating process in which contracts are formed, developed, changed, fulfilled or unfulfilled and upon feedback that the

employee receives, he or she will interpret it. The Psychological contract is formed from series of changes which take place over a prolong time. The ongoing exchange relationship that exists between the employee and the employer are as a result of these series of exchange (Conway & Briner, 2005). They explain that as the psychological contract develops, it has two types of information that is different from each other. The first is the type of perception or beliefs that the individual brings to deal. The second type of information is about the items that the employer and the employee input into the relationship and how these are to be exchanged (Conway & Briner, 2009). They propose that the second type of information is more important because it helps to understand the reciprocity nature and expectations in the exchange relationship. The exchange relationship that form the psychological contract are viewed as explicitly or implicitly through messages, social cues and patterns of behaviour.

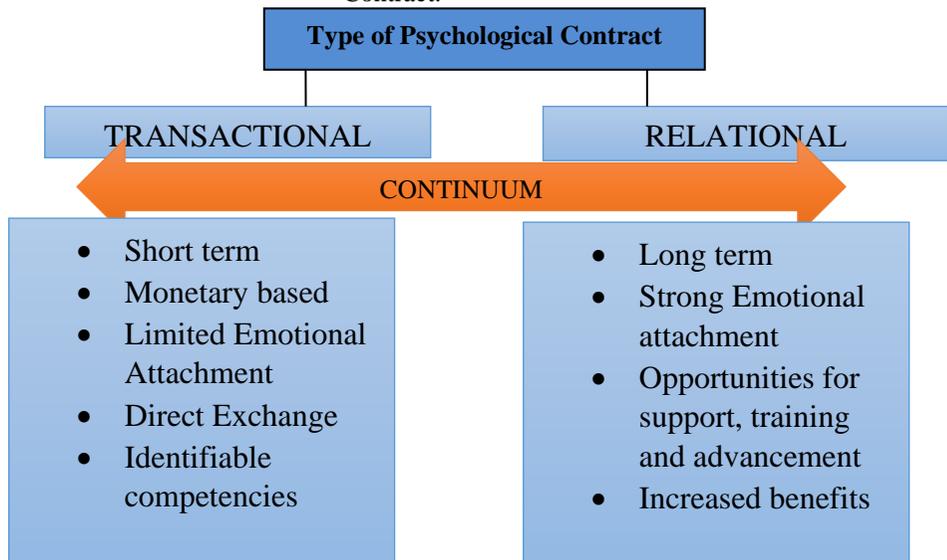
### **Transactional and Relational Psychological Contract**

Psychological contracts are shaped by the kind of perception that people make about their relationship with each other at work. Many researchers have confirmed that psychological contract can be viewed into two different ways and that is, transactional and relational contract. Transactional contract is based on extrinsic factors and with regards to time frame; it is in the short-term and finite (De Cuyper & De Writte, 2006). Employees who perceive a transactional psychological contract may have expectations about material exchange for their work done, financial or monetary terms and will have a short-term commitment to their obligations. For instance, if a salesman reaches their sales goals for the week they may expect to receive a spot bonus. This financial aid motivates employees to perform well in a short time frame but generally, this does not result in high performance in the long term. Rousseau (1990) proposed that, a transactional psychological contract has a very narrow scope observable by others and tends to be related with job stimulation on the part of the employees. Employees who are observed to have a transactional contract are generally described as people who base their contracts on financial rewards and being paid on time (Bellou, 2009). Employees with this type of contract do not consider themselves working for their current organisation in the long term.

On the other hand, employees with a relational psychological contract form more relations with their organisation than material rewards and economic exchange. A relational psychological contract is built through socio-emotional, non-economic and inwardly founded on trust and organisational commitment. A relational psychological contract has no exact limits; it is long-term, has a wide scope and its dynamic (De Cuyper & De Write, 2006; Rousseau, 1990). Employees who perceive a relational psychological contract

are described as people who base their contract on status, recognition, the chance to be creative (Bellou, 2009), job security, work/ lifestyle balance, training and career development (De Hauw & De Vos, 2010). The employees who base their psychological contract on status and recognition expect a “good job” or congratulation email from their boss when a major project has been successfully completed. Other employees such as research and development teams and engineers may base their psychological contract on whether they get opportunities to be creative with their work. For instance, all the employees of Google Inc. are given opportunity to devote 20% of their workweek to a project of their choice (Crowley, 2013). This will help them to explore and be creative.

Figure 1: A Summary of Differences between Transactional and Relational Psychological Contract.



Source: authors own construct

### Content areas of employer obligations

Two content areas are mainly prevalent when looking at the employee obligation of the psychological contract (Freese & Schalk, 2008; Coyle-Shapiro & Kessler, 2002). The first content area of employee obligation is in-role obligation, which refers to the tasks that are described in the job description. That is, the duties and activities associated with a particular job e.g. providing good services to client. The second content area is the extra-role obligation which refers to the tasks that do not belong to the activities described in the job description for instance, working extra hours. The content areas of employee obligations also contain a number of obligations that are possible elements of the psychological contract. Most research, whether empirical or theoretical hardly underpin the choice of the content areas of the

psychological contract. Even though research on contents of the psychological contract is the second most researched topic after breach of the contract (Conway & Briner, 2005), relatively few studies have been conducted in this area due to the fact that the obligations that form a contract can differ between employees and also, it depends on the type of organisation. For instance, in the research on expatriate managers by Guzzo, Noonan & Elron (1994), one of the possible obligations was providing language training for managers' families. This obligation makes sense since the research is on expatriate managers. However, language training of families as employee obligation does not make sense when looking at the psychological contract of University employees. The items that form the psychological contract can differ depending on the context of the research. This makes it hard for researchers to establish a solid conclusion about the content of the psychological contract.

### **Organizational behaviour**

Organisational behaviour implies the individual's psychological attachment to the organisation. For the purpose of the study, Organisational behaviour was limited to commitment in the organisation, the fulfilment or breach of the psychological contract, employer/employee relationship and how it affects attitude to work and intention to leave or remain in the organisation.

### **Organizational Commitment**

Organisational commitment has an important place in the study of organisational behaviour. This is due to the fact that there has been a lot of work that confirms that there exists a relationship between organisational commitment, attitude and behaviour of employees at the workplace (Porter et al. 1971). It is outlined by Bateman & Strasser (1984) that the need to study organisational commitment is related to (a) behaviour of employees and performance effectiveness, (b) attitudinal, effective and cognitive construct and (c) the nature of employees' job and role.

Organisational commitment has been studied in all sectors including the public, private and non-profit sectors and more recently internationally. Early research on organisational commitment focused on the definition of the concept and current research continues to examine the organisational commitment through two popular approaches; commitment related-attitude and commitment-related behaviour. There have been multiple definitions of organisational commitment by many scholars. Bateman & Strasser (1984) state that, organisational commitment has been operationally defined as multi-dimensional in nature which involves employees loyalty to the organisation, willingness to exert effort on behalf of the organisation, the

degree to attain goal and maintain quality relationship with the organisation and how to uphold the membership status of the organisation.

Three major components of organisational commitment were discussed by Porter et al. (1974) as being strong belief in and acceptance of organisational goals, one's readiness to exert effort on behalf of the organisation and to retain the membership status of the organisation. Buchanan (1974) stated that, commitment has been defined by most scholars as binding agreement between an individual (the employee) and the organisation (the employer). Three types of commitment has been identified by Meyer & Allen (1991); Affective commitment, continuance commitment and Normative commitment. Affective commitment is defined as the emotional attachment and how the employees participate or get involved in the achievement of the organisational goals and objectives. Affective commitment is further characterized by three factors according to Porter et al. (1974). That is, (1) the individual belief in and how he/she accepts the goals and values of the organisation, (2) the willingness to put effort on helping the organisation to achieve its goals and (3) one's desire to remain being member of the organisation. Mowday et al. (1979) further proposed that, affective communication is when the employee identifies his/herself with a specific organisation as well as the organisational goals and to retain membership to facilitate the goal. It is believed that it is the choice of the employee to remain being member and this is their commitment to the organisation.

Employees who are believed to perceive continuance commitment do so because of the investment that the employee has is non-transferable. This non-transferable investment includes things such as retirement relationship with employees or what the organisation regard as more important. Other factors that influence continuance commitment also includes years of employment or benefits that would be given to the employee that is highly to project the image of the organisation (Reichers, 1985). It was further explained by Mayer & Allen (1997) that, if the employee shares continuance commitment with the employer, often it makes it very difficult for the employee to quit from the organisation.

According to Balon (1993), normative commitment is the kind of feeling by an employee about the obligation to the workplace. It was discussed by Weiner (1982) that normative commitment is generalized value of loyal and duty. This type of commitment was also supported by Meyer & Allen (1991) prior to Balon's definition, defining normative commitment as being a feeling of obligation. Normative can be explained by other commitments like marriage, religion etc. Therefore, at the work place, employees will behave morally towards their obligations (Wiener, 1982). The three types of commitment according to Meyer et al. (1993) are said to be a

psychological state that determines the relationship of the employees with the organisation or it has the ability to determine if the employee will continue with the organisation. They further confirms that employees with strong affective commitment will stay in the organisation because they want to, those with strong continuance commitment remain because they have to and employees with normative commitment remain because they feel that they have to. They further defined an employee who is more committed as being one who stays with an organisation, attends work regularly and punctual.

### **Fulfilment or breach of the psychological contract**

The obligations that exist between the employee and the organization can be fulfilled or breached because psychological contract is based on obligations (Morrison & Robinson, 1997). If indeed an employee holds a psychological contract with an organisation, it is very important to note that it can either be fulfilled or breached. Under-fulfilled and breached are used by researchers to mean the same construct. There has been a lot of research on psychological contract breach because of its impact on the employment relationship (Morrison & Robinson, 1997). According to Turnley, Bolino, Lester & Bloodgood (2003), when employees perceive a discrepancy between what they were promised and what they actually receive, it results in a breach of psychological contract. Such discrepancies are as result of perceived inequality in the employment relationship by the employee. A discrepancy can be negative which refers to under-fulfilled or breach of a psychological contract. It happens when an obligation that has been made is under-fulfilled by either the employer or the employee. On the other hand, a discrepancy can also be positive. That is, the over fulfilment of the psychological contract. This means that the organisation provided more than was promised. Employees may feel more valued, trust management may become strong, and the employees may be more satisfied with the job when promises are fulfilled (Robinson & Morrison, 1995).

On the other hand, employees may feel betrayed, feel angry and will develop some kind of mistrust for management when they realize that their organization has failed to give them what was promised (Raja, Johnsons & Ntalianis, 2004). When that happens, it can lead to increased turnover intentions, lower level of organisational commitment and reduced job satisfaction (Sturges, Conway & Guest, 2005). Two conditions have been outlined by Morrison & Robinson (1997) as contract breach; that is, renegeing and incongruence. When an agent or agents of the organisation intentionally or knowingly break a promise to an employee it is referred to as renegeing (p. 231). This usually happens because of the employer's inability to fulfil the promise or unwillingness (Morrison & Robinson, 1997). Incongruence is when an employee and the agent(s) perceive and understand the promise

differently. This congruence may take place since a psychological contract is subjective and perceptual (Morrison & Robinson, 1997). Literature describes the two conditions underlying a contract breach from an employer's perspective. This means the reasons why the employers are not able to fulfil their obligations are being described. Though, beside the fact, the employer can choose to over or under-fulfil their obligations, whilst the employee can also do the same thing. Logically, it is being assumed that the incongruence and renegeing arguments can hold for employees. When the obligations are being understood differently by the employer and the employee, this can be viewed from both their perspectives. It can also be assumed that beside employers, the employees might also be unwilling or unable to fulfil their obligations. For example, a private circumstance may not permit an employee to work extra hours.

### **Employment Relationships**

Rousseau proposed that the psychological contract takes the form of mental mould which becomes relatively stable over time. Rousseau (1995) believes that in an organisation where two parties are working interdependently, if there is mutual understanding with regards to the working agreement both parties will perform better. This mutuality leads to relationship that enables planning, cooperation and effective performance (Rousseau, 2001).

However, if mutual understanding does not exist between the employer and the employee, there will be lack of agreement in the employment relationship. Due to this lack of mutuality, it is very easy for one party to intentionality or unintentionally breach the terms of the agreement. For instance, if an employee perceives a promise of career advancement within the organisation and his/her manager is unaware of this perception, he may fail to choose the employee for a management development program. When this results, the employee will see it as a breach of contract and in response to the breach, the employee may fail to uphold the promise to the employer. With regards to in-role performance, this can cause many adverse consequences for the organisation (Tekleab & Talor, 2003).

### **Empirical Review**

There are a number of studies that have been conducted by various researchers on psychological contract fulfilment and breach. One of such studies had been carried out by Levinson et al.' (1962). Their findings emphasized the functionality of role reciprocity and threw more light on the effect of anticipated satisfaction of employee-employer expectations. Much emphasis is put on needs fulfilment within the employment relationship

whereby employees work at fulfilment of employers needs if their needs have to be met (Coyle-Shapiro & Parzafall, 2008).

Also previous research on psychological Contract by Robinson & Morrison (1995) and Turnley & Feldman (1999) found that psychological contract breach is likely to have a pervasive negative impact on employees' work attitudes. They indicated that breach of contract is negatively related to job satisfaction, positively related to intent to quit and negatively related to employees self-reports of in-role and extra-role performance. Gouldner (1960) also suggested that if employees observe fair treatment in their organisations, justified rewards and respect, it will please them to reciprocate by increasing their effort to work and be loyal to the organization.

Knights and Kennedy (2005) studied the concept of psychological contract violation among 387 executive management personnel from Australian Public Sector. The estimated result shows that there exists a negative relationship between psychological contract violation on organizational commitment and job satisfaction. The study therefore recommended the need to reduce perception of violation by instituting human resource strategies and policies that improves open communication.

In an attempt to establish whether or not there exist a relationship between psychological contract factors and employee turnover intention in private sector organization in Nigeria, Salisu and Kabiru (2015) employed a survey and cross sectional research design with a sample size of 280. The estimated results from their study found a significant and positive relationship between transactional psychological contract and turnover intention. The study again found that balance psychological contract dimensions play a critical role in determining the turnover of employees leaving a private organization.

Coyle-Shapiro (2002), on the study "A psychological contract perspective on organizational citizenship behaviour", examined the role that psychological contract framework plays in understanding organizational behaviour of public sector employees. The study draws survey data from 480 public sector workers over a three year period. The results of the study indicate that, anticipation of future inducement is very critical in explaining the strong willingness of employees engaging in organizational citizenship behaviour. Also, the study revealed that trust among employer deepens the relationship between employer obligations and organisational citizenship behaviour.

McDonald and Makin (2000) sampled 797 staff to examine the differences between psychological contracts of permanent employees and that of non-permanent employees. Results of the study pointed out that non-permanent staff exhibit significantly lower level of continuance commitment to work. The study went on to indicate that, "On the measures of affective and

normative commitment, however, the levels of commitment of the non-permanent staff are significantly higher than those of the permanent staff.”

**METHODOLOGY**

A case study design was adopted for this research. This design was selected because it helped the research to gain an in-depth understanding of the perceived psychological contract between employers and employees in the organisational setting. The major methods used to gather data were purposive sampling technique and questionnaire administration. The target population was the entire staff of a public university in Ghana i.e. both teaching and non-teaching staff of the University. According to the staff records for 2014, there were approximately 65 Senior Members (teaching staff), 25 Senior Members (non-teaching staff), 50 senior staff and 75 junior staff. Primary data was sourced from the target population using a questionnaire. On the other hand, secondary data were sourced from the human resource department of the university. The target population of all the teaching and non-teaching staff was 215. The sample frame was obtained from the department of human resource management. A breakdown of the target population per the category in which they work is shown in table 2.

Table 2: Sample Frame of University Staff in the Public University

Serial Number	Category	Number per category
1.	Senior Members (Teaching Staff)	65
2.	Senior Members (Non-Teaching staff)	25
3.	Senior Staff (Non-Teaching staff)	50
4.	Junior Staff (Non-Teaching staff)	75
Total		215

Source: Department of Human Resource Management, (2014)

A stratified random sampling technique was then employed to select the respondents whilst individual respondents were selected using purposive sampling technique after determining the number of respondents from each stratum. Table 3 displays the respondents per strata. The questionnaire was pre-tested before a full scale survey was conducted. This was done to determine the validity and reliability of the instrument. Therefore, the pilot survey was conducted from 18th to 20th June, 2015. The sample questionnaires were purposively distributed to the staff and management of the university to answer. Respondents took two days

to answer the questionnaire. In all, 65 questionnaires were handed out whilst 6 staff in management positions were interviewed.

Table 3: Stratified Random Sampling

Category of Respondents	Total Population	Number of Respondents
Senior Members (Teaching Staff)	65	21
Senior Members (Non-Teaching staff)	25	8
Senior Staff (Non-Teaching staff)	50	17
Junior Staff (Non-Teaching staff)	75	25
<b>TOTAL</b>	<b>215</b>	<b>71</b>

The data collected were statistically analyzed using the Statistical Package for Social Sciences (SPSS). The open-ended questions were grouped based on the responses given by the respondents. Interpretations and discussions of data were done using tables and charts as depicted in the next section. Data analyses were further disaggregated into the various categories of staff of the university.

## RESULTS AND DISCUSSION

Table 4: Socio-demographic Characteristics of Respondents

Characteristics	frequency	Percentage
Gender		
Male	44	62
Female	27	38
<b>Total</b>	<b>71</b>	<b>100</b>
Education		
PhD	8	11
Master’s Degree	18	25
Bachelor’s Degree	33	47
HND	12	17
<b>Total</b>	<b>71</b>	<b>100</b>

In Table 4, the gender and educational distribution of the respondents are presented. Majority of the respondents were male representing 62% while the remaining 38% were female. On education, quite a number of the respondents representing 47% were bachelor degree holders, 11% had PhD, 25% had master’s degree and 17% being HND holders. This reflects a high rate of knowledgeable workers. This table also reveals that there are different academic classes of the staff at the university. By extension it can be said that you don’t necessarily need to have a degree to be employed at the university since there is a good number of HND staff as well.

Table 5: Employees Perception and Understanding of Psychological Contract at the Public University

	Frequency	Percentage
Yes	47	72.3
No	4	6.2
Somehow	14	21.5
Total	65	100

Table 5 displays the perception and understanding of psychological contract by employees. 72.3% of the employees' (staff) of the public university indicated that their output depends on their wellbeing at the University. 6.2% of them also indicated that they are not aware whilst 21.5% of the respondents indicated that they somehow do not have any perceptions of psychological contract with regards to their role at the public university. This is a clear indication that the staff of the University do have perceptions of a psychological contract since 72.3% represent the majority of the respondents. It further confirms that output of staff depends on their perceived expectations and as a matter of fact they cannot be taken for granted. This gives additional responsibility to the management aside the written terms of contract agreement. It confirms Conway and Briner's (2005) explanation of psychological contract that, it's a perception or belief that the individual brings to deal in the employment relation. It also supports Hess and Jepen's (2009) view of psychological contract as a subjective point of view that the individual holds and can be predicated by the beliefs that there will be reciprocity.

Table 6: Descriptive Statistics of Management Perception of Psychological Contract

	Are you aware that Staff output depends on staff general wellbeing at this university?	Is there anything you expect from staff?
Valid No.	6	6
Mean	1.00	1.00
Median	1.00	1.00
Std. Deviation	.000	.000

Table 6 above contains a summary of results on the descriptive statistics of management response of their understanding and perceived psychological contract. The table tests the understanding of the management in line with questions relating to perceived psychological contract of people in management positions. A total of 6 management staff members were interviewed. The mean and median computed gave a 1 with the Standard deviation of .000. This table reveals that management is fully aware of the fact that there are unwritten expectations that staff must comply with in order to merit the rewards that the job offers. It is also a clear pointer to the fact that management considers the staff as key stakeholders in the pursuit of the vision of the institution.

Table 7: Descriptive statistics of Management Responses on Psychological Contract Fulfilment on Commitment

Valid No.	6
Mean	1.33
Median	1.00
Std. Deviation	.516

Table 7 above presents the summary of results on the descriptive statistics of the responses of management as to how psychological contract fulfilment influences the commitment of the organization. The mean, median and standard deviation computed were 1.33, 1.00 and .516 respectively. The statistical values above clearly depict the fact that there is a direct relationship between the commitment of management and the perceived psychological contract between both parties. Management is therefore made more committed in fulfilling their obligations as staff honours their side of the contract.

Table 8: Management responses on Psychological Contract fulfillment on Commitment

Type of reward	Frequency	Percentage
Promotion	4	66.7
Financial incentives	2	33.3
Total	6	100.0

In Table 8, we shows how management is prepared to fulfil its side of the contract as long as it remains satisfied with output of staff. Greater percentage of the responses of management (66.7%) shows that they will promote staff if they are satisfied with their output. 33% of the respondents also were of the view of giving financial incentives. This means management of the University is ready to show commitment if their perceived expectations from employees are met. It also implies that, the relationship between psychological contract fulfilment and commitment depends on the output of the staff. This supports Freese and Schalks' (2008) studies on the content areas of employer obligations. According to them, employers offer opportunities for promotion, career development and financial rewards to the employees who meet their expectations. This means that the employees (staff) need to fulfil their side of the contract, so that management will also fulfil their needs.

Table 9: Descriptive Statistic of Employees Response on Psychological Contract Fulfilment on Commitment

Valid No.	Mean	Median	Variance	Skewness	Std. Error of skewness
65	1.33	1.0000	.227	.699	.297

Table 9 above presents results on the descriptive statistics of the responses of employees as to how psychological contract fulfilment influences the commitment of the organisation. The mean, median, variance and skewness computed were 1.3385, 1.0000, .227 and .699 respectively. This is

a pointer to the fact that the university staff is aware of the implications of psychological contracts. This in effect influences their decisions to either continue or abrogate the contract with the university.

Figure 2: Employees responses on psychological contract fulfilment on commitment

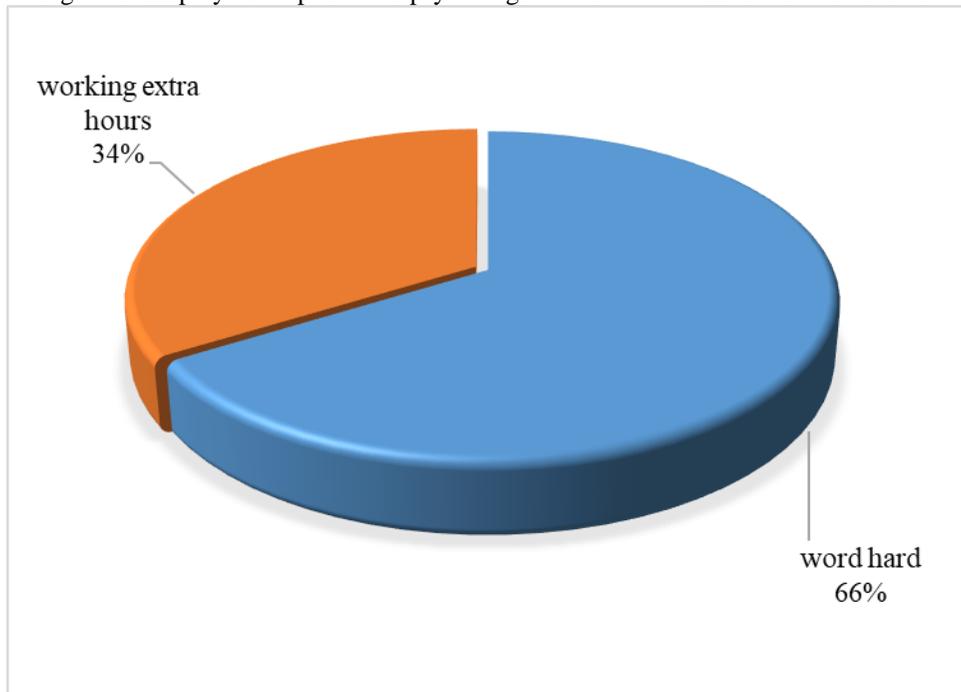


Figure 2 shows how the employees of the University are prepared to fulfil their side of the contract as long as management meets their perceived expectations. A greater percentage of the responses of the employees representing 66.2% shows how they were prepared to work hard and 33.8% representing how they are prepared to work extra hour. This implies that they will accept to take extra roles and work beyond the normal working time of the organization so far as their expectations are met. It also suggests that employees' commitment to work depends on how their expectations are met. It support Goulner's (1960) findings that if employees observe fair treatment in their organisation, justified rewards and respect, it will please them to reciprocate by increasing their effort to work hard and remain loyal.

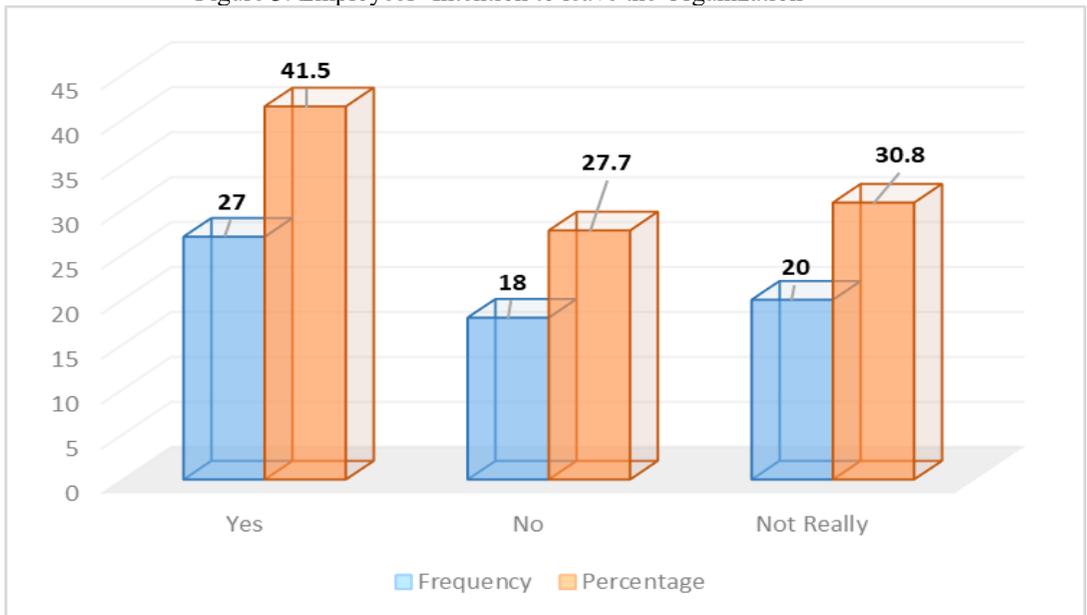
This also confirms the study of Coyle-Shapiro and Kessler (2002) in which they proposed that, the second content area of employee obligation is extra-role obligation. They stated that employees are prepared to take extra task, thus tasks that do not belong to the activities described in job description for instance, working extra hours if they meet their expectation.

Table 10: Psychological Contract Breach and Intention to leave

	Are you likely to part away if expectations are not met?	What will you do if management does not respond to your social, personal and welfare issues?
Valid No.	65	65
Mean	1.8923	2.0308
Median	2.0000	2.0000
Variance	.723	.624
Skewness	.211	-.055
Std. Error of skewness	.297	.297

From Table 10, the mean, median, variance and skewness computed were 1.8923, 2.0000, .723 and .211 respectively. These statistical figures above show the strong relationship between the expectations of the employees and how it is likely to affect their decisions of either extending or terminating the contract. Employee’s expectations are directly proportional to their commitment to their jobs at the public university.

Figure 3: Employees’ Intention to leave the Organization



In Figure 3, we present results on how employees are likely to part away if their expectations are not met. Greater percentage (41.5%) of the respondents indicated that they will leave the organisation. 30.8% were however not sure as to leave or remain in the organization while 27.7% indicated that they will not leave the organization. This implies that employees have various decisions on intention to leave. However, a study on psychological contract breach by Turnley and Feldman (1999) found out that

psychological contract breach is likely to have a pervasive negative effect on employees' work attitudes. They indicated that a breach of contract is positively related to intention to quit, reduced satisfaction and lower level of organisational commitment.

## **Conclusion**

The study examined critically the role of psychological contract on organizational behaviour and organisational commitment taking into account 71 sampled respondents from a public university in Ghana. Questionnaire administration was used to gather primary information from the respondents. From the study, it was found that commitment between the employer (management) and the employees (staff) depends on the fulfilment of the perceived expectations of both parties. Thus, when both parties fulfil their side of the contract, it would ensure cooperation for mutual gains. It can also be concluded that majority of the employees (staff) indicated that they would part away if their expectations from management are not met. The study therefore recommends that employees who work hard must be recognized by management and rewarded accordingly or promoted so that they will be more committed to work. Employees who work for extra hours must be paid to encourage them give of their best. Also, aside written conditions of contract, employees must behave appropriately so that they get the best from management.

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