

THE EFFECTS OF PSYCHOLOGICAL CONTRACT BREACH ON THE PERFORMANCE OF EMPLOYEES IN AN ORGANISATION: THE CASE OF CamCCUL Ltd.

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ABSTRACT: The Psychological Contract is an important emerging area of human resource researchers and practitioners. Increasing recognition of the importance of human resources in enhancing Organizational performance, coupled with wider concerns about reputation and competitions have made the issue of Psychological Contract of highly relevant to researchers and those managing Organizations. Hence, the objective of the study is to analyse the effects of the psychological contract factors operationalized in terms of transactional, relational and employee performance in a private sector organisation in Cameroon. A structured questionnaire adapted and validated for this study was used to ascertain the responses of the respondents. A self-administered questionnaire was used to collect the data from twenty-five (25) samples. The analysis was conducted using SPSS, the major findings of the study indicated that Transactional Psychological contract has a strong positive significant relationship with turnover intention of employee in private organisation Also, the Relational were significantly related to employee performance in the said private organisation there by implying that a beach in the psychological contract has a significant effect on the performance of employee in an organisation. The owner/managers, regulatory agencies, government and other stakeholders will benefit from the findings, and recommendations suggested

KEYWORDS: Psychological contract, Relational, Transactional, performance, breach.

1 INTRODUCTION

When an individual becomes employed at an organization, many paper contracts are signed where both the employee and the employer expectations of each other. What many employees do not realize is that they are also forming another contract that is not written on paper nor articulated. This contract is called a psychological contract. A psychological contract plays a vital role in how employees perceive their organizations as well as how they will perform. Considering the importance of an employee performance and commitment to organizations, a perception of a breach in the psychological contracts can greatly reduce the performance of an employee within the organisation leading to anger, job dissatisfaction and violence exposed by the employee. This study is initiated therefore to analyse the effect of psychological contract breach on employees' performance within the organisation. Commitment on its path refers to that psychological contact which governs the attitude and behaviour of an employee and is characterised as the degree of loyalty, obligation and attachment towards an organisation and its goals. Psychological Contract Breach is negatively related to employee's trust in management, job satisfaction, intentions to remain within the organization, employee performances, citizenship behaviour, employee's commitment.

According li & Dai (2015) psychological contract is an understanding about mutual responsibility in exchange relationship between an employer and his employees in accordance with all kinds of promises whether written, spoken, or under the regulations of organisation. The psychological contract is an 'individuals' beliefs, shaped by the organization, regarding the terms of an exchange relationship between the individual employee and the organization (Beardwell, Holden and Claydon, 2004:520). it concerns the idea of an exchange between parties. individuals enter employment with a set of beliefs, expectations and obligations which they anticipate being meet by their employer likewise an employer holds a set of beliefs,

expectations and obligations leaving a binding exchange in place. With this in place we will realise that there is a slight difference between a psychological contract and an employment contract.

Employment contracts are written, explicit, legally binding, and doesn't tells much about what people actually do at work and may exert only a small influence on behaviour whereas a psychological contract is unwritten, implicit, no legal status, and actually tells us what people actually do at work, and exerts a large influence on behaviour, feelings and attitudes. Thus in every employment contract, there is a psychological contract. A Psychological contract breach therefore occurs when both parties the employer and employees perceive that obligations or promises on both sides have not been meet. On experiencing breach, on the path of the employee, employees are more likely to see themselves in a state of inequity(unfair) and as such they no longer get satisfied with their job, they turn to be less productive. These reactions then translate into different job outcomes that affect the overall wellness of the organization.

Extensive research has established that psychological contracts can be portrayed in two different ways: Transactional and Relational. A Transactional Psychological Contract is based on economic or extrinsic factors, tends to be specifically defined, and its time frame is finite and short-term (Alcover, Martínez-Iñigo, & Chambel, 2012; De Cuyper & De Witte, 2006). Employees with a Transactional Psychological Contract may expect financial and material exchanges, In general, employees whose Psychological Contracts are portrayed as Transactional base their contracts on financial rewards, money, and being paid on time (Bellou, 2009; De Cuyper & De Witte, 2006; De Hauw & De Vos, 2010). This financial incentive motivates employees to perform well in a short period of time but generally does not result in high performance in the long term. Because Transactional Psychological Contracts are close-ended, specific, and are based on extrinsic and economic factors, employees with this type of contract generally do not envision themselves working for their current organization in the long-term. The short-term perspective is due to the fact that employees with a transactional psychological contract are not driven by factors that facilitate loyalty to the organization.

Compared to a Transactional Psychological Contract, employees with a Relational Psychological Contract may believe that there is more to their relationships with their organizations than economic exchange. A Relational Psychological Contract is developed through non-economic, socio-emotional, and intrinsic factors founded on trust and organizational commitment. A Relational Psychological Contract is open-ended, indefinite, dynamic, and has a broad scope (De Cuyper & De Witte, 2006; Rousseau, 1990). Employees whose Psychological Contracts are portrayed as Relational may base their contracts on status, recognition, the chance to be creative, job security, work/ lifestyle balance, training, career development, and promotions. Some employees base their Psychological Contracts on status or recognition, which may simply mean that the employee expects a "good job" or a congratulatory email from his or her boss when a major project has been successfully completed.

Employees who base their Contract on Relational Contract that is to say they turn to feel really welcomed and feel at ease to socialise in the organisation, once there is some sort of change in relation within the organisation, the employee is no longer appreciated for a work well done, he turns to feel dissatisfied, he is unable to relate well with other employees and to an extend he can even lost trust in his manager. On the other hand, employees who base their contract on the Transactional Psychological Contract to say on extrinsic or economic awards or even say compensations, remunerations, once the employee is not at any point in time compensates like this, he turns to deviate from the goals of the Organisation and concentrate rather on his own goals. Looking critical at the dynamic nature of our business environment, and taking into consideration that our organisation is a whole system with sub systems which correlate in their functions, the question as to if organisations are respecting their rules and regulation within their skim of operation comes into mind.

Knowing fully well that it is only a satisfied employee that can be really productive, this study is geared at looking critically the effects of a Transactional and Relational Psychological Contract Breach and how they both affect the performance of employees in an Organisation. Both management and employee at some point in time always turn to fail to meet up to their obligations, but looking critically at it, the problem mostly result from the managers and to be precise the Human Resource managers. These Human Resource managers have been put in place to solve the problems of employees within the organisation and to make sure they are satisfied so as to perform effectively and efficiently. For example when an employee is employed, he needs to be given some level of training so as to be effective in his operations and avoid not meeting to task . Administering the fact that there are times that the Human Resource managers are in a state of dilemma by taking orders from the mangers, they turn to dissatisfy their employees.

Having in mind that a high labour turnover is disadvantageous to the wellbeing of the Company and its image to the general public may be damaged due to this, the management of every organisation should try to avoid making their employees annoyed. In order to avoid the state of dissatisfaction among employees in an Organisation and knowing that the employees are the only people who can help to achieve organisational goals and objectives, the Human Resource Manager should really focus on their functions and make sure their employees are always satisfied so as to avoid resistance to change, increase their commitment within the organisation in order to attain the Organisational goal.

The objectives of this study are divided into two (2) the main and specific objectives as stated below;

MAIN OBJECTIVE

To evaluate the effects of Psychological Contract Breach on the performance of employees within an Organisation

SPECIFIC OBJECTIVES

- To determine the extent to which A Transactional Psychological Contract influences employees performance in an Organisation
- To evaluate the contributions of a Relational Psychological Contract on the performance of employees in an Organisation

2 REVIEW OF LITERATURE

The goal of this chapter is to present the development of the psychological contract framework and examine some studies in the field as illustration of individual perceptions of the employment relationship and of psychological contract breach. The chapter is also concerned with the issue of job outcomes in relation to the Psychological Contract. The remainder of the chapter explores psychological contract breach and violation experienced by employees and employers. As such, the chapter will focus on the various types of literature, the Conceptual, Theoretical and Empirical as explained below;

According to Xu (2008) the Psychological Contract is a set of expectations that employees and employers hold of each other with regard to obligations they have towards each other. A Breach of Psychological Contract then is the perception one party has that the other party has failed to fulfil these obligations (Guerrero and Herrbach 2008, Pate 2006, Xu 2008). Bal and Smit (2012) found age related differences in perception of breaches. Older workers were more sensitive about the aspects of their Psychological Contract compared to younger workers. Older workers also expected more due to years of service and experience. Breaches occur due to factors such as broken promises (pay cuts), withholding promises (delaying bonuses), imposing longer working hours, or misunderstood changes in perception of what is fair or unfair. Breaches can also occur because of a contract drift (Shields 2007), which is a gradual divergence of what is involved in the exchange relationship and what each party believes should be involved. Contract driftscan occur due to an Organisational change such as a restructuring, merger, or acquisition. Addae et al. (2006) found that a lack of Organisational support was perceived as a Breach of employees Psychological Contract, this led to a high turnover if no effort was made to resolve the breach. Breaches of the Psychological Contract can reduce trust in an Organisation, but likewise a lack of trust can also cause the employee to perceive a Contract Breach (Atkinson 2007, Kramer 2006).

Atkinson (2007) found that reactions to perception of Breaches of the Psychological Contract include anger, resentment, sense of injustice, dissatisfaction, and the possibility of a dissolving relationship. Robinson et al. (1994) found that reactions to breaches varied depending on the perceived nature of the Contract. When a Psychological Contract was more Transactional than Relational, individuals' reactions to perception of breach of the Contract was less severe. In addition, research has found that if the employee decides to carry on working for the organisation after he or she perceived a breach of their Psychological Contract, the contract becomes more Transactional (Atkinson 2007, Herriot and Pemberton 1997, Pate et al. 2003). The study of Bal and Smith (2012) on emotional reactions among employees to Breaches of the Psychological Contract, showed these reaction influenced their attitudes and behaviours towards work. Thus negative emotions such as anger or frustration about a Breached Contract also make employees' cognitive views of their job more negative, reducing their motivation level and decreasing their effort and activation at work (Parzefall and Coyle-Shapiro 2011).

Parzefall and Coyle-Shapiro (2011) found that emotional responses immediately follow breaches, but these emotions become stronger if the employer's actions perceived as a breach are not justified. They also found that emotional reactions were detrimental to the level of trust in a relationship and ultimately to the relation itself, if these reactions had a lasting impact on the employee's views of the employer. Hence a breach of the Psychological Contract does not automatically and necessarily lead to a violation of the psychological contract. Suazo and Stone-Romero (2011) explain the distinction between breach and violation of the Psychological contract as follows. A breach is the perception by the employee that they have received less than what they were promised. A violation is the depressing emotional state that follows a breach such as anger, resentment. This distinction is relevant for management. Tomprou and Nikolaou (2011) claim that since today recruits tend to expect more from their Psychological Contract compared to previous generations, we can also expect more new recruits

experiencing violations of their Psychological Contract rather than mere breaches. Rozario (2012) claims that violations lead to a personal withdrawal from the Organisation and a nonfulfillment or lack of productivity.

A reaction to a breach of Psychological Contract is influenced by the individual's sense making process. This process is the way in which an individual understands, interprets, and creates meaning based on the information available to them (Parzefall and Coyle-Shapiro 2011, Weick 1995). Underlying the sense making approach is the idea that when something unexpected takes place, an explanation is needed. If the explanation is not provided or the employee is not satisfied with the explanation, the employee will 'make' their own explanation in terms of a violation of the contract, triggering negative attitudes and behaviours. Chiang et al. (2012) found that violations of Psychological Contract usually occur during rapid, unpredictable changes in an organisation. Dulac et al. (2008) showed that when a breach is perceived, the relationship between the employee and the employer will be a determining factor in the sense making process that might or might lead to feelings of violation. Below is a figure that illustrates the violation of the Psychological Contract based on the Conceptual Model.

In the past, organization expected loyalty and commitment over a lengthy period of time and employees expected job security and remuneration based over their long duration of service to the organization. The most interesting point in this theoretical framework is the recognition of the Psychological Contract as a tool in the Manager's efforts to handle the employment relationship. Substantiating that, Guest & Conway (2002) reported findings from a survey of 1,306 senior HR showing that the Psychological Contract offers managers a framework within which to contemplate and administer the ER (employment relationship). The authors propose to view Psychological Contract as an instrument to assist employers in planting the seeds of change without compromising the co-operation and aid of their workforce in the process. It interprets the fluidity in modern business life as call for organizations to take the most out of their human capital which means to know what employees expect from their employers and Psychological Contract offers the means to do exactly that (Guest and Conway, 2002; CIPD, 2005a and 2005b).

The work of Rousseau (1995 and 2000) in particular and the relevant typology provides an important categorisation that facilitates the definition of the PC as well as its content Equally, the work by Guest and Conway (1998 and 2004), empowers the Psychological Contract as an important tool for critical analysis of the employment relationship in organizations. It also helps management adopt practices to build a 'healthy' PC that could lead to increased levels of satisfaction and commitment in employees. Nevertheless, there is an important limitation to our knowledge of PC, as the majority of the literature is devoted to normative theory and there is little empirical evidence of what happens in practice. Little significance is attached on whether firms acknowledge the concept as a function of their HR departments and whether it is taken into account when designing policies and strategies. Psychological Contracts have been often defined according to their particular characteristics. For example, Rousseau (1995 and 2000) distinguishes between two types of PC: Transactional Contracts, which are structured with emphasis on material rewards that have a short-term duration and are relatively narrow in their scope; Relational Contracts, which are structured around less tangible rewards, have a significant duration (often without an implied end-date) and are subject to the individual parties' beliefs.

It is therefore essential to comprehend which type of relationship is relevant in each case. Potentially, an employer offers a Relational-type of contract but employees demand a Transactional-type contract one creating thus confusion in the Organisation. Of course, in the practice, neither employers nor employees would use this terminology but it is useful in understanding the nature of Psychological Contract in theory. Guzzo and Noonan (1994) suggested a hybrid combination of Psychological Contract both with Transactional and Relational elements. This could also correspond to reality as organizations need to build up for example its credibility to holding a sound Transactional deal before going on and establishing a more long-term Relational deal that requires considerably more investment in trust and loyalty.

Some researchers argue on the principle of mutuality in the exchange relationship. The argument raised is that in Organizations there can be power differentials and therefore employees might not be able to input their expectations ending for the bargain to be one-sided in the advantage of the employer (Lewis, Smithson and Kugelberg, 2002). It should be noted that this argument is theoretical and although it could correspond in practice, there is little empirical evidence to support their precise translation to business practices. In other words, although literature makes important conceptual observations about the Psychological Contract and its relation with Organisations, there is little knowledge of whether Organisations take the concept into account and if any apply it in practice (Conway and Briner, 2005)

3 DATA DESCRIPTION AND METHODOLOGY

The research method used for the study was the descriptive design which involved the use of questionnaire to elicit information from the respondents to say, the survey research design method was used in this study. It also involved the use of a self-designed questionnaire in collecting data from the respondents. This method was chosen in order to make reference to

phenomena as they exist in real life and it is relatively economical in terms of time and resources. Moreover, the population framework of this study was made up of employees of CamCCUL whether young or old, male or female, single or married. This explains why the survey research was of paramount importance here. Practically, this research did not only make use of the survey research design but the sample survey since only a sample of the population was studied.

Questionnaire were used to carry out the research, the questionnaire was structured with its content geared to achieve the objectives of the study. The questionnaire was personally administered by the researcher so as to acquire adequate data. As such, the main tool for data collection was based on questionnaire. The respondents were given One (1) week to answer the questionnaires which were later collected and the data analysed. The questionnaire contained seven (7) demographical questions, five (5) questions for psychological contract and its breach, five (5) questions about transactional contract and five (5) questions on relational psychological contract finally four (4) questions on employee performance in an Organisation making a total of twenty-six (26) questions. In order to administer the coastal questionnaire, a prototype including, twenty-five (25) questionnaires were distributed.

The population of this study comprised of the employees of Cameroon Cooperative Credit Union (CamCCUL), among which twenty-five (25) were selected of the total population. This study was focused on the employees of the Organization. And also on the Human resource department Manager as they are an important group to investigate because they play a key role in Organizations by making important economic contribution to their Organisation. The respondents included males and females. The sample constituted respondents from a fairly well distributed age-group varying between 21 and 60years. An Organisational tenure was assessed with one open-ended question which asked the respondents the number of years they had worked in their organizations. This Tenure varied from one (1) year to thirty (30) years

In this study, the simple random technique was used to select the respondent. The sample used consisted of twenty-five (25) respondents. The respondents were only chosen from the group to ensure adequate representation or all the categories of employees in the Organization this enabled the employees have equal chance of being included in this study. As such, the research used the stratified random sampling techniques to group the respondents

The questionnaire contained both open ended and closed ended questions and most especially Likert scale questions which had various responses where the respondents were asked to circle the number which most closely matches to their opinion on a scale from 1-4, where 1=Strongly Disagree (SD), 2=Disagree (D), 3=Agree (A), and 4=Strongly Agree (SA). The questionnaire was personally administered by the researcher so as to acquire adequate data. As such, the main tool for data collection was based on questionnaire. The respondents were given one week to answer the questionnaires which were later collected and the data analysed. The questionnaire contained seven (7) demographic questions, five (5) questions for psychological contract and its breach, five (5) questions about transactional and five (5) questions on relational psychological contract finally four (4) questions on the performance of employee in an Organisation making a total of twenty-six (26) questions. In order to administer the coastal questionnaire, a prototype including, twenty-five (25) questionnaires were distributed in the organisation from which twenty well answered questionnaires were collected back.

Data collected from questionnaires administration was compiled, sorted, edited, classified and coded into a coding sheet and analysed using a computerized data analysis package known as Statistical Package for Social Science 20.0. The Pearson product-moment correlation coefficient (r) was used to compute the relationship between the included variables of the study. The general formula for the Pearson's' product moment correlation coefficient used was;

$$r = \frac{cov(xy)}{\sqrt{var(y)}\sqrt{var(x)}}$$

The econometric form of the model is as follows;

EP= f (PCB) where PCB is measured by TSC and RPC

EP= f (TPC, RPC)

EP = $a_0 + a_1TSC + a_2RPC + \epsilon_t$

Where; EP= Employee Performance

PCB=Psychological Contract Breach

TPC= TransactionalPsychologicalContract

RPC= RelationalPsychologicalContract

a_0 = constant term

a_1 = regression coefficient of Transactional Psychological Contract

a_2 = regression coefficient of Relational Psychological Contract

ϵ = error term

Apriori expected signs: a_0 , a_1 and $a_2 > 0$

In this research study, the researcher is dealing with 2 variables one depending on the other from the title of this piece of work *THE EFFECT OF PSYCHOLOGICAL CONTRACT BREACH ON THE PERFORMANCE OF EMPLOYEES IN AN ORGANISATION*, the Dependent Variable is the Performance of Employee and the Independent Variable is Psychological Contract Breach. This is so because a breach in the psychological contract will affect the performance of employees in an organisation which could further result to a fall in the company turnover both in human and financial resources. Focusing on the Psychological Contract, we have two variables which are the Transactional and Relational Psychological Contract where a Transactional Contract is based on economic or extrinsic factors, tends to be specifically defined, and its time frame is finite and short-term while a Relational Contract is based on status, recognition, the chance to be creative, job security, work/ lifestyle balance, training, career development, and promotions.

The simple percentage and regression analysis were used to analyse the data collected from the field. This enable the researcher to establish the effects between the various variables. The simple percentage was used to determine the numbers of respondents in relation to their sex, status, position, location, education etc. on the other hand, regression analysis was used to verify the related importance and reliability and information contained in the questionnaire for presentation.

From the objective of the study, the following research model was developed

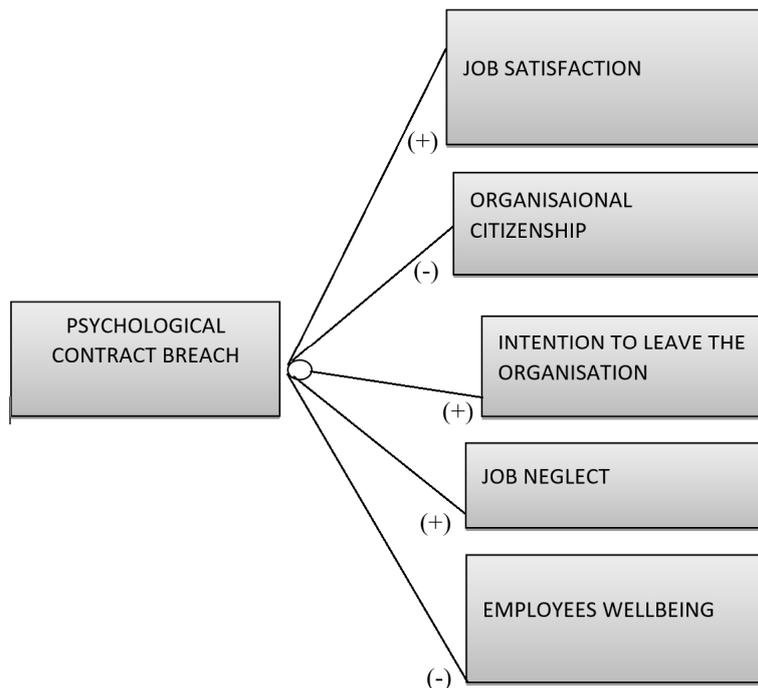


Fig. 1. Conceptual Model of Psychological Contract Breach

Source: field survey (2018)

Based on the model above, the following hypothesis was adopted for the study:

- H_0 : Psychological Contract Breach has a no effect on performance within an Organisation;
- H_1 : Psychological Contract Breach has a significant effect on performance within an Organisation.

4 PRESENTATION AND DISCUSSION OF RESULTS

This research was designed to determine the effects of the Psychological Contract Breach on the Performance of employees in an Organisation. The sample size of this data was twenty-five (25) drawn from the employees of the Cameroon Cooperative Credit Union (CamCCUL).data collected was then analysed and results obtained are then discussed under the following headings.

Table 1. Gender Classification

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	8	40.0	40.0	40.0
Valid Male	12	60.0	60.0	100.0
Total	20	100.0	100.0	

Source: authors' analysis using SPSS (2018)

From the table it can be seen that, out of the sample of 20 respondents used in within the framework of this study, 8 of them were female, giving a percentage score of 40 percent, while the remaining 12 respondents were male constituting a score of 60percent.

CLASSIFICATION OF RESPONDENTS ACCORDING TO AGE

Table 2. Age classification of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-30	7	35.0	35.0	35.0
Valid 31-45	11	55.0	55.0	90.0
Valid 45 and above	2	10.0	10.0	100.0
Total	20	100.0	100.0	

Source: authors' analysis using SPSS (2018)

From the table, it can be seen that majority of the respondents from a sample size of 20 fell within the age 31 and 45 years, as 11 of them of them were identified giving a score of 55 percent. 7 out of the 20 respondent were between the age of 20 and 30 years. The least percentage score of these respondents as far as age distribution is concern was from 45 and above, as only we had only 2 respondents with a score of 10 percent.

CLASSIFICATION OF RESPONDENTS ACCORDING TO MARITAL STATUS

Table 3. Classification according to marital status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	11	55.0	55.0	55.0
Valid Married	7	35.0	35.0	90.0
Valid Divorced	2	10.0	10.0	100.0
Total	20	100.0	100.0	

Source: authors' analysis using SPSS (2018)

The table 3 shows the classification of respondents according to their marital status. From this table, it is seen that majority (that is 11 of them) of workers are still single with a score of 55 percent. Only 7 workers are identified to have been married with a score of 35 percent and 2 of the respondents are divorced.

CLASSIFICATION OF RESPONDENTS ACCORDING TO LEVEL OF EDUCATION

Table 4. Classification of respondents according to educational background

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Secondary	2	10.0	10.0	10.0
Diploma	1	5.0	5.0	15.0
Degree	8	40.0	40.0	55.0
Master	4	20.0	20.0	75.0
above masters' level	5	25.0	25.0	100.0
Total	20	100.0	100.0	

Source: authors' analysis using SPSS (2018)

From table 4, it was noticed that the least qualification in the organization is secondary school level where 2 of the responded were identified with a score of 10 percent. 1 person had a diploma with a score of 5 percent, while most (8 of them) of the workers had degree with a score of 40 percent. 4 of the respondents had a master degree with a score of 20 percent and 5 workers had above master level with a percentage score of 20 percent.

CLASSIFICATION OF RESPONDENTS ACCORDING TO LENGTH OF STAY

Table 5. Classification of respondents according to the years spent at the organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-5years	13	65.0	65.0	65.0
6-10years	6	30.0	30.0	95.0
11-15years	1	5.0	5.0	100.0
Total	20	100.0	100.0	

Source: authors' analysis using SPSS (2018)

From table 5 it shows the number of years spends in the organization, a vast majority of respondent were identified to have spent only between 1 and 5 years with 13 of them in number giving a score of 65 percent. 6 out of 20 respondents were working in the organization for between 6 and 10 years, while only 1 worker had stayed for long i.e. between 11 and 15 years with a score of 10 percent.

DESCRIPTIVE STATISTICS FOR THE MAIN RESEARCH OBJECTIVE

To evaluate the effects of Psychological Contract Breach on the performance of employees within an Organisation.

Table 6. Descriptive Statistics for main variables

The table is divided into TPC and RPC respectively	N	Minimum	Maximum	Mean	Std. Deviation
the level of financial motivation greatly stimulate performance	20	2.00	4.00	3.3500	.74516
the pay package received sustain your standard of living	20	1.00	21.00	3.6000	4.19774
there are normally delays in your payment	20	1.00	4.00	2.2500	1.11803
being paid bonuses for over time	20	1.00	4.00	2.1500	.98809
failure of the organization to motivate influence your performance	20	1.00	4.00	2.8000	1.15166
the level of job security in the organization contribute to your performance	20	1.00	4.00	3.4000	.94032
you benefit from the services of human resource management department	20	1.00	4.00	3.2500	.71635
the level of appreciation for the job well done stimulate your performance	20	2.00	4.00	3.2000	.76777
the job training received from here has helped attained organizations' goals	20	1.00	4.00	3.2500	.78640
relation with co-workers has increased your performance	20	1.00	4.00	3.1500	.74516
Valid N (list wise)	20				
AVERAGE				3.0400	1.215668

Source: authors' analysis using SPSS (2018)

Table 4.2 presents findings on the effects of Psychological Contract Breach on the performance of employees within an Organisation. Findings are presented on the table based on minimum, maximum, means and standards deviations. According to the means and standard deviations above, any mean score of 3.0 and above is accepted implying that most of the respondents tend to agree to the item while any mean score of less than 3.0 implies that respondents disagree to the item. From the table, it can be observed that, It would be observed that considering the first main variable which is transaction al psychological contract, the respondents were of the opinion that the level of financial motivation greatly stimulate performance(3.3500) and also for the fact that the pay package receive sustain their standard of living(3.6000) while the second main variable agrees for all the questions used to capture this variable. Overall, the findings show that psychological contract is inclusive as shown by the total mean score of 3.04 hence we expect this to exhibit a positive association with the performance of the employees in organisations.

REGRESSION RESULTS AND TEST OF HYPOTHESIS

Table 7. Regression results

Dependent Variable: PERFORMANCE				
Method: Least Squares				
Date: 10/05/18 Time: 09:28				
Sample: 20				
Included observations: 19				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
TPC	0.375000	0.201449	1.843933	0.0689
RPC	0.134000	0.700113	3.297396	0.0715
C	2.798000	0.513746	4.559242	0.0000
R-squared	0.627000	Mean dependent var		3.543500
Adjusted R-squared	0.511000	S.D. dependent var		0.178359
S.E. of regression	0.169393	Akaike info criterion		-0.666744
Sum squared resid	2.295516	Schwarz criterion		-0.550991
Log likelihood	32.00325	Hannan-Quinn criter.		-0.620212
F-statistic	4.006381	Durbin-Watson stat		1.648232
Prob(F-statistic)	0.029369			

Source: authors' analysis using SPSS (2018)

The table above presents regression results of our study, the coefficient of transactional psychological contract is positive **(0.375000)** implying that a unit increase in transactional psychological contract will improve organisational performance by 37.5% (0.375units). This coefficient is statistically significant at 0.05 level with 95 per cent confidence hence we reject our null hypothesis and conclude that leadership style significantly impact on the performance of the organisation.

The adjusted R-squared which is the coefficient of multiple determination also shows that it explains changes in the organisational performance by more than 50 per cent and less than 50 per cent is explained by the error term. The overall significant test as shown by the F-statistic is statistically significant at 5% levels showing that our results are more than 99 per cent reliable and can be used for policy recommendations. Testing for the statistical significance, looking at the probability value, it can be observed that P-values for the two variables TPC and RPC are respectively 0.0689 and 0.0715 which are both greater than 0.05 at 5% two tailed test hence the coefficient of these two variable TPC and RPC are not statistically significant. Thus, we reject the null hypothesis and conclude that psychological contract breach have a significant impact on the performance of an organisation.

DISCUSSION OF FINDINGS

The study sought to investigate the effects of psychological contract breach on the performance of employees in an organisation. The results of the study show that both variables that were used to measure performance i.e. TPC and RPC had positive coefficient and therefore influence performance positively. This led to the rejection of the null hypotheses formulated earlier in chapter one. This implies that: H₁: Psychological Contract Breach has a significant effect on performance within an Organisation.

5 CONCLUSION AND RECOMMENDATIONS

The main objective of this study was to analyse the effects of a psychological contract breach on the performance of employee in an organisation the case of the Cameroon Cooperative credit union league (CamCCUL) the results from the main variables showed that a breach in the psychological contract significantly affects the performance of employee within this Organisation. Equally, it has been shown that when employees' have a perception of a psychological contract breach it will have a direct impact on the performance of organizational citizenship behaviour and individual exit intentions. This conclusion is in support of the views of Robinson & Morrison (1995), Robinson & Rousseau (1994) and Turnley& Feldman (2000).

The focus of previous research has mainly been on psychological contract fulfilment. The present study examined whether the effects of psychological contract breach on job outcomes was dependent on psychological contract type. Although the present study provided support for previous studies' findings, new findings were made highlighting the importance of organizations fulfilling the initial promises made to employees. The consequences of a breached psychological contract can harm an organization such that employees may become less satisfied with their jobs, may want to leave their organization, may feel less supported by their organization, and may reduce their organizational citizenship behaviors. It is especially important for organizations to be aware of the differences in how employees react to a breach of their psychological contract depending on the type of psychological contract employees have because the reactions can vary dramatically and affect the organization significantly.

The psychological contract as earlier mentioned is an unwritten set of expectations about what employer and employee will give and receive in the context of the workplace. These expectations are promises and can either be at a transactional or a relational level. Because organisations need to adapt to a changing environment, breaches of the psychological contract will happen in any organisation. These breaches can trigger emotional reactions that alter the attitudes and behaviours of employees towards the employment relation. If this is the case, then employees perceive the breach as a violation of the Psychological Contract. This paper therefore explores the research literature on the Psychological contract to gain insight into when employees perceive a breach of their psychological contract, and how they react to these breaches.

As recommendations:

- The human resource personnel should ensure that proper, updated, and effective policies are practiced in modern organizations to avoid the problems being experienced as per research findings.
- Good employee treatment, performance based pays systems, good quality of work life, equal chances to decision making mechanism will help enhance the organizations image and improve employee morale and commitment at work.
- Managers also need to be able and willing to offer justifications when breaches happen if they want to avoid these breaches to be perceived as violations of the psychological contract.

- Clear channels of communication are also a pre-requisite for good employee selection and has a positive co-relationship to commitment and performance.
- Organization culture should also be accommodative and facilitating compensation schemes and benefits well structured; career openings clearly marked and practiced to gain employee confidence.
- Organisations can manage the Psychological Contract at the selection and recruitment level by attempting to ensure a fit between the job applicants and the organisation's values.
- We as Researchers need to encourage organization to embrace and encourage employee equal treatment practices to avoid discontent amongst few employees who feel oppressed and detached from organizations work life.

The limitation of the study could be analysed as follows:

- There is little evidence to support whether companies actively used the notion of the psychological contract in light of the changes the past two decades.
- Due to the small number of participants in the study, it is not possible to make any generalizations from the findings. This has implications for the findings in the research.
- While the aim of the study is to get employee perceptions of Psychological Contract breach committed by employers, it is nonetheless limited as employer's interpretation of the reported events was not taken into consideration. This may have provided greater insight into employer's actions.

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APPENDIX 1

RESEARCH QUESTIONNAIRE

Dear Respondent,

I am TAYONG DESMOND MIMBA, a lecturer/researcher in the University of Bamenda in the department of Management and Marketing in the **Faculty of Economics and Management Sciences (FEMS)**. I am carrying out a research study on **THE EFFECTS OF PSYCHOLOGICAL CONTRACT BREACH ON THE PERFORMANCE OF EMPLOYEES IN AN ORGANISATION**. As a member of your organisation, your views are of great importance in my study as such, it is my humble appeal for you to help me in conducting this research by supplying correct answers to the questions below. I do sincerely promise that the information to be obtained would be treated with utmost secrecy. Thanks for your time, cooperation and contribution to my study.

SECTION A: PERSONAL DATA

Instructions: Please tick the correct letters where necessary

1) Gender

a) female b) male

2) Age

a) 20-30 b) 31-45 c) 45 and above

3) Marital status

a) single b) married c) divorced d) widowed

4) Educational background

a) primary b) secondary c) diploma d) degree e) masters
f) above master's level

5) Are you a worker?

a) Yes b) No

6) Which type of account do you have?

a) Savings Account b) Current Account c) Deposit Account

7) How long have you been working for your organisation?

a) 1-5yrs b) 6-10yrs c) 11-15yrs d) 16yrs and above

SECTION B: TRANSACTIONAL PSYCHOLOGICAL CONTRACT

Please read each statement and circle the number which most closely matches your opinion on a scale from 1-4, where 1=Strongly Disagree (SD), 2=Disagree (D), 3=Agree (A), and 4=Strongly Agree (SA).

Please circle only one choice for each item.

S/N	ITEM	SD	D	A	SA
1.	The level of financial motivation greatly stimulates your performance within the organisation				
2.	The pay package you receive from your organisation sustains your living standard				
3.	There are normally delays in your pay package				
4.	You are being paid bonuses for overtime work				
5.	Once you depend more on financial motivation, a failure by your organisation to meet up with this influences your performance				

SECTION C: RELATIONAL PSYCHOLOGICAL CONTRACT

S/N	ITEM	SD	D	A	SA
6.	The level of job security in your organisation contributes to your performance				
7.	Do you benefit from the services of the Human resource department of your Organisation?				
8.	The level of appreciation for a job well done by your Boss stimulates your performance				
9.	The job training you have received at your job place have helped you in the attainment of the organization's objectives				
10.	The way you relate with your co-workers have increased your job performance				

SECTION D: PSYCHOLOGICAL CONTRACT AND BREACH

S/N	ITEM	SD	D	A	SA
11.	you have been clearly made known of the terms of employment you are working under				
12.	You are satisfied with the terms of your employment contract				
13.	You have ever witnessed a failure in the employment contract obligation				
14.	You only perform because you know you will be rewarded by your employer				
15.	You do not perform well once you have not been well compensated for a job well done by your employer				

SECTION E: EMPLOYEE PERFORMANCE

S/N	ITEM	SD	D	A	SA
16.	Workers contribute to fast rate of turnover				
17.	Increase in Profit of your Organisation is as a result of your hard work				
18.	Increase in organization Revenue is as a result of workers' performance				
19.	increases in workers' productivity leads to increases in productivity				

Thanks for your participation!