

# Evaluating the Impact of Psychological Contract Disengagement on Workers Commitment in Selected Manufacturing Firms in Port Harcourt, Nigeria

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**Abstract:** The study is an empirical investigation into the impact of the psychological contract disengagement on workers commitment in selected manufacturing companies in Port Harcourt, Nigeria. The research design is cross-sectional/causal study. The questionnaire was adopted as the research instrument. The population of study is made up of 700 staff from 4 selected manufacturing companies in Port Harcourt. The Krejcie and Morgan table was consulted to determine a sample size of 248. Out of the 248 copies of questionnaires that were distributed only 240 copies were later retrieved and further used for the analysis. Simple Regression analysis was carried out to determine the impact of psychological contract disengagement on the workers commitment in the manufacturing sector in Port Harcourt, Nigeria. The result of the analysis indicated a strong negative impact of experienced psychological contract disengagement on workers commitment in the manufacturing sector. Therefore, the researchers conclude that to a very large extent, irrespective of the sector and based on review of previous studies, there is a strong negative impact of psychological contract disengagement on workers commitment

**Keywords:** Psychological Contract, Psychological Contract Disengagement, Workers Commitment, Manufacturing Companies, Port Harcourt, Nigeria.

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## 1. INTRODUCTION

The summed up importance of the concept of psychological contract underscores the organizations and the individual workers insight of their commonly satisfying obligations and commitments. This cognizance may originate from the formal work contract or stow away in numerous desires. Be that as it may, in a restricted point of view, psychological contract mirrors the accumulation of workers convictions about the obligations and commitments of the two sides in light of obligation, responsibility and trust in the business relationship.

Psychological contract definition takes after that given by Rousseau (1999) where he characterizes it as a people conviction with respect to the terms and states of complementary trade understanding between the worker on one hand and the organization on the other hand. In this manner, psychological contract happens when the employee or the organization trusts that a dedication or promise of future returns has been made, a commitment has been given or in light of the work exertion has been applied and subsequently a commitment or obligation has been made to give future advantages or repayments. It can likewise be taken as worker convictions about complementary and promissory commitments between himself and the organization (Morrison & Robinson, 1997). The philosophy of management here is that, the workers and the firm are one family. When the worker gives his best to the firm, the firm will reciprocate.

Some of these obligations are recorded as a composed formal contract of work, however to a great extent they are suggested and not transparently talked about (Anderson & Schalk, 1998). For instance, the worker has desires in promotion advancement, pay, training, employer stability, vocation improvement, and support with individual issues. Consequently, the organization anticipates that the worker will work additional hours, be steadfast, volunteer to do non-required errands, give information ahead of time while stopping, acknowledge exchange, to decline to help competitors, to protect relevant organizational information, and to spend at least two or more years with the organization. When all these expectation were not fulfilled then there is psychological contract disengagement.

Disengagement of the psychological contract occurs when one party perceives that the other has failed to fulfill its obligations or promises. The employee's perception that the organization has failed to fulfill one or more obligations relating to the psychological contract represents the cognitive aspect of disengagement - a psychological calculation of what the employee has received relative to what was promised.

Be that as it may, there is additionally a passionate expression that accompany disengagement, the sentiments of disloyalty, trouble, outrage, hatred, a feeling of bad form and wrongful damage ( Morrison & Robinson, 1997). This passionate experience comes full circle in attitudinal and behavioral reactions, for example, job dissatisfaction and lowered organizational commitment

Commitment, so to speak is an impression of psycho-social instruction of the worker within his environment, in this way it coordinates and channels his conduct within such environment (Rogovsky & Sims, 2000).

Commitment guarantees the truly necessary devotion that imparts connection to work engagement in the organization as might be allotted to workers. The connection and faithfulness position of workers according to Midway (2000), makes a feasible and practical atmosphere that encourage fulfillment of objectives. A committed workforce is the sign of a fruitful relationship.

At the point when an employee sees that his/her manager has neglected to satisfy at least one guaranteed obligation, he/she is probably going to respond in various ways. Thus, existing experimental psychological research exhibits that psychological contract disengagement is identified with lower employees commitment (Robinson, 1996).

The manufacturing industry sub-sector in Nigeria is one sector that employees large number of workers. These workers are sometimes permanent staff, contractor's staff or staff on contractual agreement. Whatever category of staff these workers belongs, there is an innate psychological contract between the workers and the manufacturing companies that they are rendering their services to. When salaries are not paid, when necessary promotions are not given, when necessary incentives and rewards are not given, the workers start perceiving psychological contract disengagement.

The authors viewed the psychological contract as an ongoing chain of events whereby disengagement is both a cause of subsequent reactions and is the effect that stimulates a subsequent reaction. The aftermath of this perceived disengagement of the psychological contract in terms of decrease or loss of workers commitment to the manufacturing sub-sector in Nigeria justify the reasons for this research. Hence, this study aims to investigate the impact of psychological contract disengagement on workers commitment in the manufacturing industry in Port Harcourt, Nigeria.

## 2. LITERATURE REVIEW

Hassan (2015) looks at the impact of perception of psychological contract breach on commitment of workers. The investigation was done on 85 junior level officials working in private banks in North Delhi. Results uncovered that impression of violation of psychological contract altogether predicts workers commitment. Results additionally uncovered that workers experienced psychological contract violation at different level. The discoveries have suggestion for management, that management should endeavor to comprehend and deal with worker's psychological contract so that employees couldn't feel breach of it. The study equally observed that view of violation may bring down their dedication towards the organization. It will influence their activity execution contrarily.

Zottoli (2003), explain the improvement of feelings of Psychological Contract violation through the attributions workers make for the violation they see. A second objective of this investigation was to examine the connection between psychological contract violation, hierarchical skepticism, authoritative citizenship behavior and working environment aberrance practices, to decide if it augur well to think about psychological contract violation, not psychological contract breach, as the more proximal impact on those attitudinal and behavioral results. Causal, duty and accuse attributions each

independently clarified critical measures of the change in psychological contract violation. Furthermore, duty attributions could clarify extra difference past that represented by causal attributions. Rather than a full entailment perspective of attributions, accuse attributions were not ready to represent extra change in psychological contract violation past that represented by causal and duty attributions. Another trial of the full entailment show, utilizing auxiliary condition displaying, demonstrated that the model had average fit. In spite of this average fit, the ways from causal to obligation attributions, duty to accuse attributions and accuse attributions to contract violation were all expansive, demonstrating support for the entailment show. In the auxiliary investigations including psychological contract violation, the outcomes showed that psychological contract violation added to the expectation of authoritative citizenship practices, working environment abnormality practices and hierarchical negativity, past the prescient energy of psychological contract breach. Hence, the lion's share of earlier investigations that have taken a gander at the connection between psychological contract breach and hierarchical results have overlooked a vital connection between psychological contract violation and these same results.

Suazo (2002) analyzed antecedents and results of psychological contract breach. In particular, this examination explored singular contrasts, connections in the working environment and statistic contrasts amongst subordinates and chiefs as forerunners of psychological contract breach. Moreover, the connections between psychological contract breach and workers' eagerness to perform both in-part and additional part practices were analyzed. With a specific end goal to test the speculations, overview information were gathered from 237 people working in an assortment of associations. The outcomes propose that individual contrasts were essentially connected with psychological contract breach. Specifically, positive emotional demeanor was adversely identified with psychological contract breach and value affectability was emphatically identified with psychological contract breach. The outcomes additionally propose that the nature of the worker's association with his/her association and quick manager were essentially identified with psychological contract breach. In particular, saw authoritative help and pioneer part trade were both contrarily identified with psychological contract breach.

Rigotti (2009) Using poll information from 592 representatives working in excess of 30 distinct associations crosswise over Germany, portioned relapse models were tried against curvilinear impacts for the connection between breach of the psychological contract and employment fulfillment, full of feeling hierarchical responsibility, expectation to stop, violation, and trust. This investigation gives observational proof to limit models of psychological contract breach. The outcomes suggest that earlier examinations have thought little of the effect of psychological contract breach.

Walker, (2013) explored the results related with breach and satisfaction of the psychological contract of wellbeing.. Auxiliary condition demonstrating was utilized to test a model of wellbeing that examined the positive and negative results related with breach and satisfaction of the psychological contract of security. Members were 424 social insurance laborers enlisted from two clinics in the State of Victoria, Australia. Following slight adjustment of the guessed demonstrate, a great fitting model came about. Being harmed in the work environment was found to bring down view of trust in the business and increment impression of boss breach of security commitments. Trust in the business fund psychologically impacted apparent manager breach of security commitments with the end goal that brought down trust brought about higher impression of breach. Impression of manager breach essentially affected representative satisfaction of wellbeing commitments with high view of breach bringing about low worker satisfaction of commitments. Trust and impression of breach fundamentally psychologically affected security states of mind, however not wellbeing conduct. Satisfaction of representative security commitments fund psychologically affected wellbeing conduct, yet not security states of mind. Ramifications of these discoveries for security and psychological contract look into are investigated. A positive accentuation on social trade connections in associations will have positive results for wellbeing atmosphere and security conduct.

Kickul (2004) reacted to the call for more culturally diverse examinations of the psychological shrink by exploring contrasts in: (1) the apparent significance of different psychological contract commitments, (2) the recurrence of saw psychological contract breach, and (3) worker states of mind and practices following psychological contract breach. An example of 60 American and 76 Hong Kong Chinese workers finished measures identified with the psychological contract, work fulfillment, goal to turnover, authoritative duty, work execution, and hierarchical citizenship practices. Results demonstrated that the representatives from the two societies varied regarding apparent psychological contract significance and breach. In particular, the American laborers set higher significance and saw less breach of both inherent and outward psychological contract results than the Hong Kong representatives.

Marthins, (2010) examined how social trades change the connection between psychological contract violation and work performance. Information were gathered from an example of 266 representatives in an administration part organization in the USA. Regression analysis was utilized to investigate the directing impacts of social exchange on the connections between psychological contract violation and work performance (operationalized as in-part practices and hierarchical citizenship behaviours). It was discovered that the negative connection between psychological contract violation and work performance was directed by social exchange, to such an extent that the relationship was more grounded for employees with high social exchange relationship, perceived firm help, and trust.

Abu-Doleh (2015) build up a model that inspects the impacts of psychological contract break on hierarchical results and the directing impact of individual convictions on the connection between a psychological contract violation and authoritative results. The investigation discoveries demonstrate that a psychological contract violation is contrarily identified with hierarchical results. Likewise, the investigation found that individual convictions direct the connection between a psychological contract violation and authoritative results. It was inferred that individual convictions can disturb or reduce the negative impacts of a psychological contract violation on workers' firms outcomes.

Chiu and Jei-Chen (2008) examined the psychological impacts and the communication impacts of psychological contract violation and unfriendly attribution style on workers abnormality (i.e., relational aberrance and hierarchical abnormality). Information were gathered from 233 representatives and their bosses in eight electronic organizations in Taiwan. Results exhibit that psychological contract breach related emphatically to both relational and authoritative aberrance. Psychological contract breach did not strongly affect hierarchical aberrance than on relational abnormality. The study observed that antagonistic attribution style affected the connections between psychological contract breach and the two types of workers abnormality. In particular, the higher the threatening attribution style, the more grounded the positive connection between psychological contract violation and worker aberrance.

### 3. METHODOLOGY

The research design is a cross sectional/causal study, which seeks to investigate the effect of psychological contract disengagement on workers commitment to their organizations. The population of study consist of 700 workers of 4 manufacturing firms in Port Harcourt. The krejcie and Morgan table was consulted to determine a sample size of 248 worker. Out o the 248 copies of questionnaires that were distributed only 240 copies were later retrieved and further used for the analysis. Simple Regression analysis was carried out to determine the impact of psychological contract disengagement on the workers commitment to the manufacturing sector in Port Harcourt, Nigeria. Simple regression analysis was carried out with the aid of SPSS version 20 to determine the effect of psychological contract disengagement on workers commitment. The result of the analysis is presented below with interpretation .

### 4. RESULTS

**Table 1: Variables Entered/Removed<sup>a</sup>**

| Model                                     | Variables Entered                    | Variables Removed | Method |
|---|--------------------------------------|-------------------|--------|
| 1   | Psychological contract disengagement | .                 | Enter  |
| a. Dependent Variable: workers commitment |                                      |                   |        |
| b. All requested variables entered.       |                                      |                   |        |

**Table 2: Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .991 <sup>a</sup> | .982     | .982              | .77883                     |

a. Predictors: (Constant), psychological contract disengagement

**Table 3: ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | Df  | Mean Square | F         | Sig.              |
|-------|------------|----------------|-----|-------------|-----------|-------------------|
| 1     | Regression | 8074.796       | 1   | 8074.796    | 13311.952 | .000 <sup>b</sup> |
|       | Residual   | 144.367        | 238 | .607        |           |                   |
|       | Total      | 8219.163       | 239 |             |           |                   |

a. Dependent Variable: workers commitment

b. Predictors: (Constant), psychological contract disengagement

**Table 4: Coefficients<sup>a</sup>**

| Model |                                      | Unstandardized Coefficients |            | Standardized Coefficients | T       | Sig. |
|-------|--------------------------------------|-----------------------------|------------|---------------------------|---------|------|
|       |                                      | B                           | Std. Error | Beta                      |         |      |
| 1     | (Constant)                           | -2.120                      | .182       |                           | -11.637 | .000 |
|       | Psychological contract disengagement | -.928                       | .008       | .991                      | 115.377 | .000 |

a. Dependent Variable: workers commitment  
 Commitment= -2.12 +0.928psychological contract dis.

**Interpretation:**  
 The table above presented the results of the regression analysis carried out on the two variables of study. Psychological contract disengagement as the independent variables and workers commitment as the dependent variable. The regression equation stated has workers commitment is dependent on psychological contract disengagement. The equation indicates that workers commitment is negatively related to psychological contract disengagement.

The model also presented additional information, such as the coefficient of determination  $r^2$  which is 0.981. Other useful information includes the estimate of statistical significance of the coefficient relating to the constant in the model. It also provides information on the t value and an analysis of variance which provides an f test for the model. The p value suggests that the coefficient and the model achieve a high level of statistical significance.

### 5. CONCLUDING DISCUSSION

The study empirically examined the impact of psychological contract disengagement on the workers commitment in selected manufacturing companies in Port Harcourt. This study is empirical, but such empirical investigation has not been carried out in port Harcourt. As expected, the result of the simple regression analysis carried out indicated that there is a negative impact of the perspective of psychological contract disengagement on workers commitment. This finding is in line with the finding of Hassan (2015) who examines the influence of perception of psychological contract breach on organizational commitment of employees. The difference between these two studies is that, that of Hassan 2015, was carried out among bank workers in India while this present setting examined the manufacturing sector workers in port Harcourt. Similar study by Hartman, et al (2015) observed that psychological contract breach as a critical framework for understanding salesperson-employer relationships. From the study, descriptive analysis indicated that when workers start experiencing psychological disengagement such as refusal of the wages to be paid at the appropriate time, refusal of the employees to grant loan request, refusal to offset medical bills, refusal to reward extra effort and extra hour bonuses, reciprocating, the workers start exhibiting deviance behaviour. This finding is in line with the study of Chin et al (2008), who investigated the main effects and the interaction effects of psychological contract breach and hostile attributional style on employee deviance. Furthermore, the findings of this study supported the empirical findings of Suazo (2005). The work of Suazo concludes that psychological contract breach is positively related to intent to quit, negatively related to professional commitment, and negatively related to employees' in-role and extra-role work performance. Moreover, psychological contract violation fully mediated the relationship between psychological contract breach and intent to quit and professional commitment. Therefore, this study finally concludes that irrespective of the business sector, geographical location, age, races, or any form of cultural diversity, experiencing psychological contract disengagement impacts negatively to a very large extent on the commitment of workers to the organization.

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