

Research Article

Psychological Contract and Workers Commitment in Oil Companies in Nigeria

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A B S T R A C T

We in the study looked at the relationship between physiological contract and workers commitment in oil companies in Nigeria. A survey/cross sectional approach was adopted with a study population of 700 staff from 4 oil companies. The krejcie and Morgan table was used to determine a sample size of 248. Out of the 248 copies of questionnaires that were distributed only 240 copies were retrieved and used for the analysis. The study stated and tested four hypothesis, the result of the hypotheses indicated a significant relation between the dimensions of psychological contract and the measures of workers commitment. In line with the findings the study results shows that there is a significant relationship between employee psychological contract and worker's commitment in the oil companies in Nigeria. Deriving from the findings, the researcher recommends that managers of the oil companies should try as much as possible to circumvent breach of physiological contract, because its implication could lead to low productivity, resulting from moral breakdown and increase rate of turnover.

Keywords: Psychological Contract, Workers Commitment, Transactional Psychological Contract, Workers Continuance Commitment, Workers Normative Commitment

Introduction

In recent years the economic uncertainties has changed the business dynamics in Nigeria. With the accelerated changes in market demands, organisations have to amend to meet and adapt to these changes, which increases employees' work-related stress. On the other hand, the present rapidly-changing life styles have consequently changed individual values. More and more individuals prefer the transition contractual relationship and freedom to several other options. This has triggered the decrease of employee commitment to organisations and job satisfaction which disturbs leaders and managers of organizations. Thus, based on this it becomes highly imperative to build an appropriate organisational-member relationship.

Consequently, the psychological contract has become a major concern for scholars. Currently, the Nigerian society is in a transition period. Essentially, it is critical for organisations to understand the intricate and complex nature of human behavior especially with their realization of the innate nature of the reasons behind their actions at work.

Operational commitment ensures the much needed loyalty that instills attachment to work tasks in the organisation as may be assigned to employees. The attachment and loyalty position of employees according to Midway (2000) creates viable and functional work climates that facilitate attainment of goals. It prompts the much needed trust and confidence that help in synergizing activities which in turn promotes effective and efficient approaches for

operational and administrative goals. Whereas these positions are considered plausible, there is the need to establish a theoretical and empirical link between employee commitment and desired organisational strategic objectives. A committed workforce is the hallmark of a successful organization. The social economic change and the consequent organisational change have deeply changed the employment relationship between organisations and employees. This largely affects the psychological contract between organisations and employees. The decreasing trust and commitment between organisations and employees, the reduction of job satisfaction level and high turnover rate of workers have acutely affected the performance of workers in the Nigerian oil companies' workforce. Multiple empirical literatures of psychological contract have considered researched employees in their entirety, but lack concrete discussions of employees with different characteristics. This study therefore intends to consider employees with different characteristics. This creates a research gap which this study intends to fill by looking at how psychological contract affect workers commitment. A few empirical studies have been concerned with the relationship between psychological contract and organisational commitment. i.e Robinson and Rousseau (1994) looked at; Violations of psychological contracts which he stressed leads to increase in employee turnover, change in attitudes and severe emotional reactions such as resentment, feeling of injustice and anger and employees who feel that their psychological contracts have been breached tend to reciprocate against their employers with reduced levels of commitment (Robinson, 1996; Robinson et al., 1994), Vos and Meganck (2009) asserts that psychological contracts that offer career development (relational psychological contracts) enhance employee commitment and retention, Vos et al. (2003) concludes that we view psychological contracts as dynamic set of expectations which are affected by newcomers interpretations of their experiences after entry, Heidi and Rahim (2011) concludes that psychological contract explains employee commitment and consequently their turnover intentions, Turnley et al. (2002) asserts that psychological contract fulfillment is strongly related to employee citizenship behaviour directed towards the organisation, and Bal et al. (2013) concludes that developmental HRM rebalances the psychological contract such that employees perceive it as less transactional and more relational thus enabling higher employee engagement and commitment.

The primary purpose of this study is to gain a better understanding of how psychological contracts affect workers commitment. It is against this back ground that this study becomes highly imperative, in order to contribute to existing knowledge by determining the degree of relationship between psychological contract and workers commitment.

The purpose of this study is to investigate the relationship between psychological contract and workers' commitment in the oil companies in Nigeria. The objectives are: To examine the relationship between transactional psychological contract and workers commitment in the oil companies; to examine the relationship between relational psychological contract and employee commitment and to investigate the extent to which psychological contract affect employee emotional commitment to the organisation.

The following hypotheses are stated to guide the study:

H₀₁: There is no significant relationship between Transactional psychological contract and Workers Affective Commitment

H₀₂: There is no significant relationship between Transactional psychological contract and Workers Continuance Commitment

H₀₃: There is no significant relationship between Transactional psychological contract and Workers Normative Commitment.

H₀₄: There is no significant relationship between Relational psychological contract and Workers Affective Commitment.

Literature Review

Psychological contract has roots in the following key theories; the equity theory which suggests that an individual's outlook or temperament towards their psychological contract will remain positive and optimistic as long as they feel that the treatment they receive is fair in comparison to others (Huseman, Hatfield and Miles, 1987), the exchange theory which looks at the reciprocal relationship between individuals with respect to particular reward or outcome (Buchanan and Huczynski, 1997) and the expectancy theory that examines the extent to which an individual's expectations (regarding availability of valued outcomes) influences motivation and performance of that individual or that an employee effort will lead to performance and performance will lead to reward (Vroom, 1964; Fred, 2011). Psychological contract theory can be explained in the social exchange framework (Blau, 1964) and norm of reciprocity (Gouldner, 1960) in that the presence of fulfillment resulting from psychological contracts that make employees sense or believe that there is care and concern towards their well-being and development can and or may induce employees to reciprocate towards their employers by enhancing their display of affective commitment as well as enhance their willingness to stay longer in the organisation.

Running parallel and independently to the early psychological contract work, the seminal works of Homans (1998) Blau (1994) and Gouldner (1990) characterized the beginnings of social exchange theory, and were themselves influenced by the earlier work of Mauss (1995) and Malinowski (1992). Homans (1998) had provided a theory which looked at the

interactive relationship between group members (Coyle-Shapiro & Conway, 2004) that was developed by Blau (1994). We focus on the work of Blau (1994) and Gouldner (1990) as together, their work represent the foundational ideas of social exchange theory (for a more comprehensive review. Blau (1994) differentiated social from economic exchange along a number of dimensions: specificity of obligations, time frame and the norm of reciprocity. In short, economic exchange is one in which the obligations of each party are specified, the mechanism in place to ensure fulfillment of those obligations is the formal contract and the exchange has a limited time frame. In contrast, social exchange involves unspecified obligations where one party needs to trust the other that the benefits received will be reciprocated. In short, social exchange theory examines how social exchange relationships develop in engendering "feelings of personal obligations, gratitude and trust" (Blau, 1994). The exchange of economic and socio-emotional resources and the adherence to the norm of reciprocity play a critical role - the actions of one party contingent upon the reactions of the other and it is this contingent interplay that characterizes how social exchange has been applied to the employment relationship.

The rule of exchange relationship plays a pivotal rule in the development of social relationship exchange. Gouldner (1990) argued the need for a positive reciprocity at any given engagement. He distinguished between two types of reciprocity: heteromorphic and homeomorphic reciprocity. Gouldner (1990) contends that the quality of a commitment to reimburse is dependent upon the estimation of the advantage got - profoundly esteemed advantages make a more grounded commitment to respond. The work on social trade hypothesis imparts some basic components to mental agreement hypothesis. As a matter of first importance, both view trade connections as including unmistakable and impalpable assets administered by the standard of correspondence. Second, each gathering brings to the relationship a lot of desires/commitments that they will give consequently to what they get. Be that as it may, the other party to the trade (for example the association) got progressively express thought by mental agreement specialists while the standard of correspondence was increasingly conspicuous and hypothetically refined by social trade scholars.

Concept of Psychological Contract

The generalized meaning of psychological contract emphasizes the organisation and the individual worker's cognition of their mutually fulfilling responsibilities and obligations. This cognition may come from the formal employment contract or shrouded in multiple expectations. But in a narrow perspective, psychological contract reflects the collection of employee beliefs about the responsibilities

and obligations of both sides based on perception, commitment and trust in the employment relationship. The study of Johnson & Fred(2018) discussed that this belief is employees' understanding and perception of the exchange relationship between what employee gives to the organisation (i.e. competence, effort and loyalty) and what the organisation gives in return (reward, promotion and satisfactory work environment). This perception is built upon the premise of subjective understanding of organisational commitment, but the organisation may not fulfill its part. The work of Argyris (1962) first introduced the concept of psychological contract. Psychological contract definition follows that given by Rousseau (1999) where he defines it as an individuals' belief regarding the terms and conditions of reciprocal exchange agreement between the focal person and another party', thus psychological contract occurs when one person or party believes that a commitment or pledge of future returns has been made, a contribution has been given or based on the pledge work or effort has been exerted and thus an obligation or indebtedness has been created to provide future benefits or reimbursements, it can also be looked at as employee beliefs about reciprocal and promissory obligations between himself and the organisation (Morrison and Robinson, 1997), individual beliefs is a reciprocal obligation between the individual and the organisation (Rousseau, 1989), 'individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisation' (Rousseau, 1995) and as an obligation as commitment to future action. Human Resource is epicenter for an organisation to utilize the resources in optimal and effective way to earn long term profits. All other resources like monetary resources, natural resources etc. are dependent on talented and capable human resources for their optimal utilization. Today world is a global village so employees can move not only within country but they can move to other countries as well. Due to high competition organisations are always in search of qualified employees, and human resource is most difficult to retain. To retain employee's organisation should give concentration to those factors that can effect satisfaction.

Considering the abstract idea of the mental agreement, analysts have endeavored to sort mental agreement things (e.g., professional stability, fascinating work, vocation possibilities, pay, preparing and formative chances, self-governance in work) as far as two basic measurements: value-based and social. The differentiation between the two draws upon the lawful work of MacNeil (1974; 1980) and furthermore parallels Blau's (1964) qualification among monetary and social trade. Value-based and social agreements can be separated dependent on their center, time span, dependability, degree and substance. Value-based agreements contain profoundly unmistakable trades

that are monetary in center; the terms and conditions stay static over the limited time of the relationship and the extent of the agreement is tight. Conversely, social agreements contain unmistakable and impalpable trades; are open finished and the details of the agreement are dynamic; the extension might be wide in that there is overflow between a person's work and their own life.

Value-based mental agreement: concentrates more on the express components of the agreement without bookkeeping much for natural characteristics of workers. These are progressively normal in organisation with definitive administration styles and hierarchal control. Value-based agreements are seen as "identified with careerism, absence of trust in boss, and more prominent protection from change. They will in general be shorter term in nature. A few researchers believe McGregor's Theory X to be firmly identified with value-based manager worker connections or dictator the executives, which are bound by value-based mental agreements that expect to keep individuals working for extraneous reasons and keep up business as usual. Social mental agreement: stresses association of the association and level of social trade. These mental agreements will in general be longer term in nature. McGregor's Theory Y is seen in participative administration that accentuates initiative and has similitudes with social mental agreements in their regular accentuation on duty and faith in the inherent estimations of individuals to need to work for something past than money related reasons. Social agreements are seen as related with trust and expanded acknowledgment of progress.

The theoretical qualification among value-based and social agreements is clear. Rousseau (1990) contends that they speak to grapples on a continuum with the end goal that a mental agreement can turn out to be progressively social and less value-based and the other way around. Nonetheless, the experimental proof isn't so obvious as far as supporting the value-based social differentiation. In deciphering the observational discoveries, one should remember that analysts have operationalized the mental agreement as far as explicit commitments and a highlights based estimation approach may loan itself all the more effectively to catching the social value-based qualification. The key issue is the hybrid of things (Taylor and Tekleab, 2004). For instance, preparing might be a value-based or social thing (Arnold, 1996) and one examination bolsters preparing as a free measurement (Coyle-Shapiro and Kessler, 2000). Endeavoring to group mental agreement things into social value-based elements has not yielded predictable outcomes.

An elective methodology catches the highlights of the mental agreement. O'Leary-Kelly and Schenk (2000) operationalized social and value-based agreements as far as

four measurements: center, time period, consideration and soundness utilizing a 15 thing measure. Sels, Janssens and Van den Brande (2004) extended the number of dimensions to six to include tangibility (the degree to which the terms of the psychological contract are explicitly specified), scope (the extent to which the boundary between work and personal life is permeable), stability (the extent to which the psychological contract is subject to change without negotiation), time frame (the perceived duration of the relationship), exchange symmetry (the extent to which the relationship is unequal) and contract level (the extent to which the contract is regulated at the individual or collective level). These two studies provide empirical support linking the features of the psychological contract to outcomes. O'Leary-Kelly and Schenk (2000) found that relational contracts were negatively associated with intentions to leave the organisation. Sels et al. (2004) did not classify their dimensions into relational and transactional contracts but nonetheless found that the dimensions of long-term time frame, an unequal employment relationship and a collective contract level were positively associated with affective commitment.

So, in light of the empirical evidence, the question needs to be raised as to whether the transactional-relational distinction matters? Rousseau (1990) found that relational employer obligations were associated with employee relational obligations (e.g., job security in return for loyalty) and transactional employer obligations were associated with transactional employee obligations (e.g., high pay for high performance). These findings would support Gouldner's (1960) homeomorphic reciprocity in that the resources exchanged are similar. Together with the empirical evidence of the features based approach, the emerging conclusion is that the type of psychological contract matters in terms of defining the potential resources to be exchanged and the nature of those resources. The difficulty for researchers is how to best capture the transactional-relational distinction.

Organizational Commitment

Organisational commitment is seen as the relative strength of an individual's association or identification with and participation in a particular organisation (Mowday, Steers and Porter, 1979). Most scholars support the view of Meyer and Allen who emphasized that organisational commitment reflects the psychological status between employees and organisations. The definition of Meyer and Allen clearly emphasizes that organisational commitment is the employee's psychological perception of the relationship between individuals and organisations and it reflects employee psychological status of being loyal to the organisation. Hence, organisational commitment is employees' sense of identification, loyalty, involvement and willingness in organisations based on their affection to

organisations, individual benefits and sense of responsibility.

Commitment is the state of intellectual and emotional adherence to some political, social, or religious theory or action or practice. It is a continuing obligation. Commitment implies dependability, reliability, predictability, consistency, caring, empathy, and sense of duty, sincerity, character, integrity, and loyalty (Shiv Khera, 2001) According to Meyer and Allen (1991), organisational commitment reflects at least three general themes: affective attachment to the organisation, the perceived costs associated with leaving it, and the obligation to remain with it. These three approaches are referred to as affective, continuance and normative commitment. Common to these approaches is the view that commitment is a psychological state that characterizes the employee's relationship with the organisation to continue membership of it. Employee commitment may therefore be defined in terms of relative strength of the employee's identification with, involvement in, and willingness to continue to render services to their organisation.

Commitment refers to attachment and loyalty. Mowday et al (1982), defined commitment as consisting three components; an identification with the goals and values of the organisation, a desire to belong to the organisation; and a willingness to display effort on behalf of the organisation. Salancik (1977) in his definition of commitment, hold that it is a state of being in which an individual becomes bound by his action and beliefs that sustain his activities and his own involvement. Three features of behaviours are identified as important in binding individuals to his acts, (1) the visibility of the acts, (2) the extent to which the outcomes are irrevocable, and (3) the degree to which the person undertakes the action voluntarily. According to the researcher, commitment can be increased and harnessed to obtain support for organisational ends and interest through such approaches as participation in decision-making and empowerment. Organisational commitment as explained by O' Reilly, is typically conceived of as an individual's psychological bond to the organisation, including a sense of job involvement, loyalty, and belief in the values of the organization. O' Reilly & Chatman (1986), developed their multidimensional framework on the basis of the assumption that commitment represents an attitude towards the organisation. The authors identified three distinct forms of commitment, which they labeled compliance, identification, and internalization. Compliance occurs when attitudes and corresponding behaviours are adopted in order to gain specific rewards. Identification occurs when an individual accepts influence to establish or maintain a satisfying relationship. Internalization occurs when influence is accepted because the attitudes and behaviours an employee is encouraged to adopt are congruent with existing values. Employees thus become committed to organisations with which they share values.

Martin and Nichols (1987), in their view, see commitment as encapsulating "giving all of yourself while at work". This entails such things as using time constructively, attention to details, making extra effort, accepting change, cooperation with others, self-development, respecting trust, pride in abilities, seeking improvements and giving loyal support.

Martin and Nichols presented a "model of commitment based on three major pillars, each with three factors.

Employee commitment has long been a focus of study for researchers interested in the design and management of organisations. Commitment has been found to be related to a variety of attitudinal and behavioural consequences among employees for example, motivational level, organisational citizenship and turnover rates (Mayer and Allen, 1997).

Considerable research had taken place to explore the wide variety of antecedents that influence commitment levels. Different schools of thought hold the notion that levels of commitment are influenced by organisational practices that are congruent with employee's personal values (Wechsler, 1994). The rational school of thought tends to emphasize the importance of organisation practices that credibly reward performance with tangible benefits (Miller, 1992). In this study, the Nigerian society with its socio-cultural setting will be a determinant factor in understanding employee commitment in relation to his employer and organisation.

The concept of commitment plays an important part in Human Resources Management philosophy (Armstrong, 2003) It refers to attendant loyalty. According to Leininger (2002), commitment does not equal retention. Employee commitment is a much deeper concept than just staying in a company. He opined that employee commitment is more accurately defined as "an employee's pride in the company and his or her willingness to work hard for its growth". The dimensions of employee commitment are discussed as follows.

Affective Commitment

This refers to the worker's passionate connection to, recognizable proof with, and inclusion in the organization. Workers with a solid emotional responsibility proceed with work with the organization since they need to. Mowday (1982) opined that the antecedents of affective commitment generally fall into four categories; (1) personal characteristics, (2) structural/ organisational characteristics, (3) job-related characteristics and (4) work experiences. According to Coetzee, (2005), various research studies have been conducted to link demographic characteristics such as age, tenure, gender and education to commitment, the relationship were neither strong nor consistent because of too many variables - job status, work rewards and work values moderating the relationship. However, research has proved that affective commitment is related to

decentralization of decision making and formalization of policy and procedures. Considerable amount of research has been conducted into the relationship between work experience variables and affective commitment.

Work experience variables that have been found to correlate with affective commitment include equity in reward distribution (Rhodes & Steers, 1981); role clarity and freedom from conflict (Glisson & Durick, 1988), fairness of performance - based rewards and job challenge (Mayer & Allen, 1987); opportunity for advancement (O'Reilly & Caidwell, 1980); and participation in decision making (Rhodes & Steers, 1981). The various research studies suggest that work experiences play the largest role in employee's decision to remain with an organisation.

Heskett (2005) opines that a systematic approach to achieving profitability and productivity of the organisation is through the quantification of the impact of employee satisfaction which is hallmark of employee commitment, on the value of products and services delivered. This will build customer satisfaction. From here one can assess the impact on profitability, and increased productivity. Linking all the measures will give one a picture of service-profit chain. And an understanding of relationships among the links can help an organisation craft comprehensive strategy for lasting competitive advantage.

Normative Commitment

Normative commitment reflects a feeling of obligation to continue employment. Employees with high level of normative commitment feel that they ought to remain with the organisation. Werner (1982), suggests that the feeling of obligation to remain with an organisation may result from the internalization of normative pressures exerted on an individual prior to entry into the organisation (family or cultural orientation), or organisational orientation on entry. Normative commitment may also develop when an organisation provides the employee with "rewards in advance". For example, an organisation may pay tuition fees or bears a significant costs associated with the job training of the employee. Recognition of these investments causes employees to feel an obligation to reciprocate by committing themselves to the organisation until the debt has been paid (Scholl, 1981).

Exceptional leadership, organisational systems and strategies combined with a good work environment, that is, an environment that provides the employee the opportunities to align effort and strategies to that of the organisation, be empowered, collaborate with work-team, for growth and development, and support and recognition, will enhance the effort of a normatively committed employee and make him to stay with the organisation. Employees with high level commitment contribute to the organisation's success

through retention of satisfied and loyal customers. This also is reflected in higher output, higher productivity of high quality and valued products which in turn increases the organisation's share of the market. Higher output and productivity and increased share of the market, positively impacts on profitability and value growth in the assets of the organisation.

Continuance Commitment

Continuance commitment refers to an awareness of the costs associated with leaving the organisation. The potential costs of leaving an organisation include the threat of wasting the time and effort spent acquiring nontransferable skills, losing attractive benefits, giving up seniority-based privileges, or having to uproot family and disrupt personal relationships. Apart from the costs involved in leaving the organisation, normative commitment will also develop as a function of a lack of alternative employment opportunities. Employees whose primary link to the organisation is based on continuance commitment remain because they need to.

Becker (1960) introduced the side sets theory in which employees continue to maintain their membership in an organisation if his/her sunk cost or personal investments outweigh the advantages of leaving the organisation. The side set theory which is calculative commitment, constituted for (March & Simon, 1958), attitudinal commitment.

Robertson et al (2003) in his investigation of the validity of different conceptual dimensions of commitment, suggests two broad categories as more consistently verified empirically. A summary of the available evidence (Morrow, 1993) indicates that commitment can be differentiated between calculative/ continuance commitment and attitudinal/ affective commitment. The former is more instrumental in nature reflecting a situation an employee remains with an organisation because of the benefits of staying and or cost of leaving is greater than the benefits of leaving and or cost of staying. The latter is reflective of a positive attitude towards an affective attachment to the organisation wherein an employee is committed to the organisation because of his/ her feelings towards the mission and values of the organisation or its members. Continuance commitment is negatively related to performance. Employees simply do what is required, and have high rate of absenteeism and low motivation (John & Sako, 1961). It does follow therefore that continuance commitment does not impact much on the profitability and productivity of the organisation as it is based on the employee staying because of the cost of leaving the organisation.

Psychological Contract on Employees Commitment

Organisational commitment reflects the employee's emotion of voluntary participation in organisational

activities with the increasing unilateral investment in organisations. Psychological contract reflects the belief system of employees to mutual responsibility and obligation between individuals and organisations. But the difference between them is that: the content of organisational commitment is unidirectional which only reflects employee emotion to organisation, but psychological contract involves the bidirectional relationship which reflects employees' belief to taking responsibilities and the organisation taking responsibilities also. In this process, employees will compare and modify the extent of both sides fulfilling the contract, in order to reach the balanced state ultimately Rousseau has emphasized that organisational commitment is actually the result of psychological contract.

Individual cognition, comparison and belief of responsibilities of both sides then make individuals have different commitment ways and levels in organisations. Psychological contract reflects employee's subjective belief of the responsibility and obligation between individuals and organisations. Whether the right expectation in psychological contract is realized or not, has an important effect on workers. With the right expectation, the material guarantee is to provide high level of reward, pay for performance, promotion and development.

These material guarantees have a large effect on workers' decision about whether they will stay in the organisation and affect their emotional dependence and involvement in organisations. The interpersonal support and internal development expectation has correlation with long term work guarantee, career development, good interpersonal environment and social emotional exchanges. These aspects will affect workers' love for the organization, which then affects whether they stay or not in the organization. The study of Mildred (2015) who analyzed the effect of psychological contract on organisational commitment of workers, found that transactional contract has a significant negative relationship on organisational commitment but relational contract has a positive influence.

Methodological Procedures

Research Design

Research design is a plan or strategy of investigation which is concerned with obtaining answers to research question and control of variance. Basically, there are two types of research design in management science. These are case study and survey. For Ahiazu (1981), a survey method refers to a strategy in which a representative sample of a population is studied and result generalized. He noted that such a survey method or design, studies large and small population by selecting and studying samples drawn from the population. The survey/ cross sectional design is applied in this study. According to Johnson *et al* (2019),

survey research method is a distinctive methodology that covers a large sample population or the entire population as the researcher may decide to define in scope. For Hart (2018), the population, universe or aggregate comprise the totality of units having certain defined characteristics in common. Osuala, (1992), observed that the complex nature of social research which respect to the population of any study necessitates the definition of appropriate boundaries to ensure that the researcher can carry on a meaningful work. The population of this study is confined to the oil firms in Nigeria. This is made up of 700 staff of oil companies in Nigeria.

Sample Size and Sampling Technique

A sample is a small portion or part used to represent the quality and nature of the entire population. When a given population of the researcher interest is large, the researcher is advised to scientifically collect a representative sample of the population. The principle which governs the choice of the sample size is that it should be representative of the population. Consequently upon this, krejcie and morgan table (1979) was adopted in choosing the sample size for this study. For a population size of 700 and 5% confident level, Krejcie and Morgan table recommends 248 sample size. Therefore the sample size of the study is 248 staff from selected oil companies in Nigeria. And Pearson Product Moment Correlation technique was used to test the stated hypothesis via the use of SPSS version 20.0

Data Presentation

The data generated through the use of the research instrument are presented and analyzed. The data are presented in table form thereafter a concise explanation of what the table entails is described as scientifically possible.

Table I. Response Rate

S. No.	Items	frequency
1.	Distributed copies of questionnaire	248
2.	Returned copies of questionnaire	240
	Response rate	96%

Source:- Desk search, 2019

The table above indicated the response rate of the respondents to the research instrument used for gathering primary data. The table shows that a total number of 248 copies of the questionnaire were distributed to the staff of the oil companies that participated in the study. Out of this total, the researcher was able to retrieved 240 copies which were later scrutinized and used for further analysis. This represent 96% response rate.

Table 2.Position of the Respondents in the Company

Position in the company		Frequency	Percent	Valid Percent
Valid	Management Staff	28	11.7	11.7
	Senior staff	60	25.0	25.0
	Junior Staff	42	17.5	17.5
	Casual workers	110	45.8	45.8
	Total	240	100.0	100.0
			.	

Source: Researcher's Desk, 2019.

Starting from the rear, the table above shows that (110), representing 45.8% of the respondents are casual workers. This is an indication that most of the oil companies in Nigeria still have large number of casual workers on their pay roll. The table further shows that (42), of the respondents representing 17.5% of the total respondents indicated that they belong to the junior staff cadre of their various companies. 60, representing 25% of the respondents claim to be senior staff in their various companies while (28), representing 11.7% of the respondents identified themselves to be part of the management staff of their various companies. The table shows a good mix of level of position of the respondents to the study. Since the study is at macro level, having most of the respondents below the management cadre is a good indication of the rightful respondents.

Descriptive Analysis of the Major Variables of the Study

It is sufficient in every study of this magnitude to give a descriptive analysis of the respondents to the various indicators that have been used to operationalize each of the dimensions and measures of the study. We start this section by describing the mean score of the respondents on transactional psychological contract.

Bivariate Analysis

Hypotheses Testing

H_{01} : There is no significant relationship between transactional psychological contract and affective commitment.

Table 3.Position of the Respondents in the Company

		Transactional	Affective commitment
Transactional	Pearson Correlation	1	.991**
	Sig. (2-tailed)		.000
	N	240	240
Affective	Pearson Correlation	.991**	1
	Sig. (2-tailed)	.000	
	N	240	240

**.Correlation is significant at the 0.01 level (2-tailed).

Table 4.Transaction and Normative commitment

Correlations			
		Transactional	Normative commitment
Transactional	Pearson Correlation	1	.990**
	Sig. (2-tailed)		.000
	N	240	240
Normative	Pearson Correlation	.990**	1
	Sig. (2-tailed)	.000	
	N	240	240

**.Correlation is significant at the 0.01 level (2-tailed).

The table above presents the correlation coefficients[®] of 0.991 between transactional psychological contract and affective commitment. The correlation coefficient shows that there is a strong positive relationship between transactional psychological contract and affective commitment. The relationship is statistically significant ($p < 0.001$, $r = 0.991$, 2-tailed). The decision therefore, is to reject the null hypothesis and accept the alternative which states that there is a significant relationship between transactional psychological contract and affective commitment.

H₀₂: There is no significant relationship between psychological contract and normative commitment

The Table 4, above provides a correlation coefficient (r) of 0.990. This indicates a very strong positive relationship between transactional psychological contract and normative commitment. The Correlation is significant at the 0.01 level (2-tailed). This has provided answer to research question two and given a decision to hypothesis two. The decision is to reject the null hypothesis and accept the alternative which infers that there is a significant relationship between transactional psychological contract and normative commitment of workers in the oil companies in Nigeria.

H₀₃: There is no significant relationship between transactional psychological contract and continuance commitment.

The table above presents the correlation coefficient of 0.992 which indicate a strong positive relationship between transactional psychological contract and continuance commitment. Correlation is significant at the 0.01 level (2-tailed). The implication of this is that we have been able to provide answer to research question three and take a decision on hypothesis three. Therefore, we reject the null hypotheses which state that there is no significant relationship between transactional contract and affective commitment and accepting the alternate which infer a significant relationship between the two variables.

H₀₄: There is no significant relationship between Relational Psychological contract and Affective commitment.

The table above presents a Pearson Product Correlation Coefficient (PPMC) of 0.986. This coefficient indicates a strong positive relationship between relational psychological contract and affective commitment of workers in the oil companies in Nigeria. The Correlation is significant at the 0.01 level (2-tailed). These findings had answered the study research question four and give a decision to hypothesis four. Therefore, the decision is to reject the null hypothesis that stated that there is no significant relationship between relational psychological contract and affective commitment and accepting the alternative which infer that there is a significant relationship between relational psychological

Table 5. Transactional and Continuance commitment

Correlations			
		Transactional	Continuance commitment
Transactional	Pearson Correlation	1	.992**
	Sig. (2-tailed)		.000
	N	240	240
Cont.	Pearson Correlation	.992**	1
	Sig. (2-tailed)	.000	
	N	240	240
**. Correlation is significant at the 0.01 level (2-tailed).			

Table 6. Relational Psychological contract and Affective Commitment

Correlations			
		Relational	Affective commitment
Relation	Pearson Correlation	1	.986**
	Sig. (2-tailed)		.000
	N	240	240
Affective	Pearson Correlation	.986**	1
	Sig. (2-tailed)	.000	
	N	240	240
**. Correlation is significant at the 0.01 level (2-tailed).			

contract and affective commitment of workers in the oil companies in Nigeria.

Discussion of Findings

This study examines the relationship between psychological contract and commitment of workers in oil companies in Nigeria. The respondents strongly agree that they get rewarded by their organisation when they put in outstanding performance and that they get promoted by their various companies as at when due. This is the crust of psychological contract as it revolved around the economy of social exchange and in support of the view MacNeil (1974; 1980) and that of Blau's (1964) distinction between economic and social exchange as reviewed above. Furthermore, the respondents agreed that their organisation provides a good working environment and further strongly agree that their organisation provides job training as part of her obligation to them. This in support of the findings of Taylor & Tekleab (2004) and Coyle-Shapiro & Kessler, (2000) The respondents strongly agree that their organisation help them in solving personal family problems and strongly agree that their company normally arrange career development programme for the members of staff. The evidence here is that there is no breach of psychological at all between the employee and the employer.

Astonishingly, the respondents agreed that they are ready to work extra hours for their company as part of their obligations. This is a surprise finding but which is not impossible as naturally workers will want to attach working extra hour to more payment. The respondents strongly agree that protection of company information is an obligatory duty to them and that they refuse to support their company competitors and major rivals. This crust of transactional contract has sponge in Rousseau (1990) seminal work. The respondents strongly agree that they agree to do non-required task as a measure of loyalty to their various organizations. Astonishingly, the findings revealed that they are willing to accept transfer to any part of their branches without fear. This fairly good conduct and performance obligations displayed by the respondents. But they emphasize that justice is the key indicator influencing the loyalty of workers to their organization and finally they strongly agree that highly value benefits creates a stronger obligation to reciprocate. With a mean score of 3.27 and a standard deviation of 1.22, the respondents moderately agreed that they are passionate about continuo stay in their company. This is against the view of O'Leary-Kelly and Schenk (2000) found that relational contracts were negatively associated with intentions to leave the organization Again, the respondents strongly agree that they are happy working for their various companies and strongly agree that they are emotional about the goal of their company and that they are not interested in

moving to another company and that is why they put in much the company. This support the view of Selset *al.* (2004). The respondents agreed that they don't actually like leaving their company simply because their view are taken seriously and they equally agreed that another job offer will not even make them leave their present company. This commitment to the core as acclaimed by Gouldner's (1960) and Rousseau (1990).

The result of the tested hypothesis was highly commendable. The first result shows that there is a strong positive relationship between transactional psychological contract and affective commitment. The relationship is statistically significant ($p < 0.001$, $r = 0.991$, 2-tailed). The decision therefore, is to reject the null hypothesis and accept the alternative which states that there is a significant relationship between transactional psychological contract and affective commitment.

The result further indicates a very strong positive relationship between transactional psychological contract and normative commitment. The Correlation is significant at the 0.01 level (2-tailed). The decision is to reject the null hypothesis and accept the alternative which infers that there is a significant relationship between transactional psychological contract and normative commitment of workers in the oil companies. Overall, all the tested hypotheses indicated a significant positive relationship between all the variables tested which infer a strong positive relationship between psychological contract and employees' commitment to the organization.

Practical/ Theoretical implication of the Study

The study is imperative to all the managers and chief executive officers in the oil companies in Nigeria. It will help them have a better understanding on how breach of psychological contracts affects the workers commitment to the organization and how to improve on it. This will help different oil companies achieve success better than others.

The policy makers will obtain knowledge of human resources management issues and the process of managing the issue of psychological contract in the oil companies. They will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector participation. The study will provide information to potential and current scholars on Strategic human resources management and the issue of managing the breach in psychological contract and how to encourage employees' commitment through various studies. This will expand their knowledge on strategic human resources management in the oil companies and also identify areas of further study.

Summary

The study revealed that that there is a significant relationship between transactional psychological contract and affective commitment of the workers. It is also revealed that

there is a significant relationship between transactional psychological contract and normative commitment of workers in the oil companies in Nigeria. Furthermore, the exploration establishes that there is a significant relationship between transactional contract and affective commitment and that there is a significant relationship between relational psychological contract and affective commitment of workers in the oil companies in Nigeria. Further experimental testing revealed that there is a significant relationship between relational psychological contract and normative commitment of the employees of the oil companies in Nigeria and conclusively; that there is a significant relationship between relational psychological contract and continuance commitment of workers in the oil companies in Nigeria.

Conclusion

Given the results of all the tested hypotheses, the study has established that there is a strong positive relationship between Psychological contract and employee commitment to the organization in the oil companies in Nigeria. The study further concludes that the oil companies in Nigeria seem to be doing well in keeping up to their obligations with the employees. This has foster the loyalty of the workers and which is eventually been reciprocated by the employees. The implication of has shown a greater effect on the increase in productivity and low labour turnover.

Recommendations

Based on the findings and conclusions the following recommendations are made:

- That managers of the oil companies should try as much as possible to avoid breach of psychological contract, because its implication could lead to low productivity resulting from moral breakdown and increase rate of turnover.
- Highly value benefits creates a stronger obligation to reciprocate and as such good performance should be applauded and highly rewarded periodically to enhance the psychological contractual arrangement and to motivate employees commitment towards the organization,
- Employees should also keep to their obligations to the organisation and always be willing to do more, such as working extra hours, protecting the secrets of the organisation at all time. In doing these, the loyalty of the employees is identified and the employer will be willing to reward extra services.
- Employers should be ever ready to track employees' immediate perceptions of contract breach and their affective reactions as they evolve over time.

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Appendix

Questionnaire

Section A - Demographics

1. Gender - Male ☐ Female ☐
2. Age
 - 20 - 30 ☐
 - 31 - 40 ☐
 - 41 - 50 ☐
 - 51 - 60 ☐
 - 61 and above ☐
3. Education qualification
 - SSCE ☐
 - BSc ☐
 - MSc ☐
 - PhD ☐
 - Others ☐
4. Work Experience
 - 0 - 10yrs ☐
 - 11 - 20yrs ☐
 - 21 - 30yrs ☐
 - 31 and above ☐
5. Position in the organization
 - CEO ☐
 - Management staff ☐
 - Senior Staff ☐
 - Junior Staff ☐
 - Casual Workers ☐

a	Transactional Contract	1 N	2 SD	3 D	4 A	5 SA
6.	I get rewarded by my organization when I put up an outstanding performance					
7.	I get promoted by my organization as at when due					
8.	My company provide satisfactory work environment					
9.	My company provides job training as part of their obligations to me					
10.	My company helps in solving my personal problems					
11.	The company arranges for career development programmes for the staff					
b	Relational Contract					
12.	I am willing to work extra hours for my company as part of my personal obligation					
13.	Protection of company information is an obligatory duty to me					
14.	I refuse to support competitors and company rivals					
15.	I volunteer to do non-required task as a pledge of loyalty to the organization					
16.	I am willing to accept transfer at anytime					

17.	Justice is one of the most important factor influencing loyalty to the organization					
18.	Highly value benefits creates a stronger obligation to reciprocate					
c	Affective Commitment					
19.	I am passionate about continuous stay in this company					
20.	I am always happy working for my company					
21.	I am emotional about the goals of my company					
22.	I am not interested in moving to another company and that why I put in much for my company					
23.	I want to remain with my company because my views are taken seriously.					
d	Normative Commitment					
24.	I don't actually like leaving my company because my views are taken seriously					
25.	Another jobs offer will not even make me leave my company					
26.	I don't believe that one must always be loyal to the company					
27.	I feel a sense of rural obligation that is why I cannot leave my company					
28.	My company ensures that I don't leave them because I am meaningful					
e	Continuance Commitment					
29.	I have remained with my company because leaving will require sacrifices which another company will not provide					
30.	I am always concerned about the nature of benefits that will come with a new company that's why I can't leave my company					
31.	I can't leave my company now because alternatives are scares					
32.	I am not afraid of what might happen if I quit my current company without having another					
33.	I have always considered the future cost of leaving my company for another					