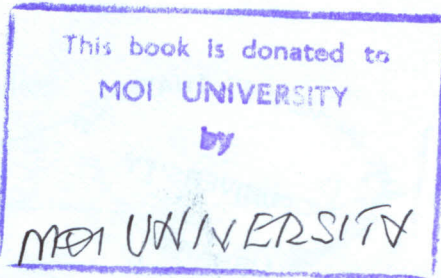


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**THE EFFECTS OF PSYCHOLOGICAL CONTRACT VIOLATION ON
EMPLOYEE-EMPLOYER RELATIONSHIP IN ORGANISATIONS: A CASE
OF KETEPA LIMITED KERICHO, KENYA**



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ABSTRACT

Psychological contract is a very vital tool in an organisation in determining the relationship between the employee and the employer; organisations that have seen the importance of respecting the contract have gained enormous performance in that employees will have trust and commitment to the organisation. This study therefore sought to examine the effect of the psychological contract violation on the trust and commitment employees have on their employers. The main objectives of the study were to find out how employees' psychological contracts affected their relations with organization and investigate these relationships and its effects on their commitment and trust in the organisation. The hypotheses of the study were: there is a relationship between meeting the expectations of employees, and their commitment to the organisation and also their trust in management. This study adopted Organisation Support Theory which holds that employees will contribute to the success of the organisation if their efforts are recognised and rewarded. The study used both qualitative and quantitative techniques. Stratified sampling technique was used to select the employees that were included in the sample. Relevant literature was reviewed specifically on the changing nature of psychological contract in the workplace and various effects of violating this contract on employee-employer relationship. The study adopted a survey research design. Data was collected mainly through questionnaires and interviews. Both inferential and descriptive statistics were adopted in data analysis. Chi square technique was used to make inferences of the population from the sample. Statistical package for social sciences (SPSS) was used as a tool to ease data analysis. The study found out that violation of the contract reduces trust and commitment of employees in organisation, therefore will awaken other organisations to respect the obligations and promises made to employees. The findings are of great importance to organisations in understanding the changing nature of employee-employer relationship and its effect on the way the employees are committed to the organisation's goal and objectives. This information should assist organisations in their effort to offer psychological contract that are more in tandem with the exchange relationships that employees are seeking to create.