

# Psychological Contract and Employee Engagement Of Banking Firms In Rivers State.Nigeria.

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**Abstract:** *This study looks at the relationship between the psychological contract and employee engagement in selected banking businesses in Rivers State, Nigeria, with an emphasis on job security and career advancement as crucial elements of the psychological contract. Cognitive engagement is used to measure employee engagement. The psychological contract, an unwritten set of expectations between employers and employees, is crucial for achieving organizational goals, especially in dynamic and highly competitive sectors like banking. This study employs a survey research approach, with primary data collected through structured questionnaires distributed to staff at 15 operating banks in Rivers State. SPSS version 23.0 was used to examine a total of 232 valid responses using the Spearman Rank Order Correlation. The research indicated a slight, statistically significant positive association between work stability and cognitive engagement ( $p = 0.545$ ,  $p < 0.001$ ), and a strong positive correlation between career growth and cognitive engagement ( $r = 0.685$ ,  $p < 0.001$ ). These results provide validity to the idea that meeting psychological contract qualities, particularly perceived job security and opportunities for advancement, boosts employees' cognitive participation in their jobs. According to the report, companies that wish to enhance employee engagement should encourage open communication, promote job security, and implement planned career development efforts. These strategies not only strengthen the psychological contract, but also improve performance, creativity, and organizational loyalty. Recommendations are offered for bank management to embrace policies and procedures that reinforce the psychological contract, fostering a cognitively engaged workforce.*

**Keyword:** Psychological Contract, Job Security, Employee, Engagement, Cognitive Engagement.

## Introduction

Formal agreements between managers and employees, such as employment contracts and non-disclosure agreements, establish the regulations for the workplace. The psychological contract, on the other hand, is a crucial but sometimes overlooked component of the employment relationship (Naidoo et al. 2019). This unofficial understanding contributes significantly to employee engagement at work. Employer and employee share common views, standards, and unwritten duties. This is known as the psychological contract (Saurombe & Barkhuizen, 2020). It outlines the social and informal norms that govern the link and specifies what is anticipated at work (Gordon, 2020). Even though it is not written down, research indicates that the psychological contract is an important component of the relationship between a boss and an employee (Bussin, 2021; Holland & Scullion, 2021; Mmamel et al., 2021). There are two perspectives on the psychological contract: the employer's and the employee's. It is obvious who represents the employee's point of view, but it is less evident who represents the employer's point of view (Alcover, Rico, Turnley, & Bolino, 2017). Although the corporation as a whole is the true other party in the psychological contract, agents handle workers' expectations (Coyle-Shapiro and Kessler, 2010). The middle bosses are the only ones who are constantly communicating with employees. They believe they are capable of being engaged in day-to-day operations and meeting the requirements of their personnel. According to Coyle-Shapiro (2016), the psychological contract forms before a person begins a new employment. It then progresses through many stages of development. This process lasts roughly a year after beginning a job and covers how employees assess whether specified obligations are being fulfilled or violated. Conway and Coyle-Shapiro (2016) indicated that engagement is a difficult term. An employee may be mentally, intellectually, or physically involved. Overall, workers are more personally engaged when they are involved in multiple areas. When promises are kept or hopes are realized, people believe their psychological contracts have been fulfilled. Armstrong (2018) believes that an employee's psychological contract must be adjusted in order for the employee-company relationship to remain positive. If a worker believes their boss has broken the agreement, they may quit. In this way, fulfilling company promises, responsibilities, and pledges increases employee engagement.

Employee involvement indicates how mentally engaged and dedicated a worker is to their company and job (Saad et al., 2021). According to Koveshnikov et al. (2020), engaged workers have a high level of self-belief, positivity, resolve, and confidence in their ability to manage their jobs. As a result, line managers are instructed to check in with their employees to determine how they perceive their psychological contract. Employee engagement is a critical source of competitive advantage, particularly in knowledge-intensive industries. Employee engagement is more likely to result in new goods and services, new ideas, and growth, all of which benefit the economy (Chughtai and Buckley, 2013). Gallup (2015) found that employees are willing to go the extra mile because they have a strong emotional link to their company. Engaging employees leads to important business results like increased efficiency, higher profits, happy customers, good organizational responsibility, and top performance. The banking business is

changing quickly and there is more competition than ever (Rasool et al., 2021). These changes in the world have altered how employers and employees interact with one another. The psychological contract used to be built on relational ideals such as trust, loyalty, and mutual respect (Swanepoel & Saurombe, 2022). But in today's unstable and changing work environment, transactional values are more important (Braganza et al., 2021). Key causes for this trend include the widespread adoption of new technology and increased rivalry in the business (Rasool et al., 2021). For banks to keep up their high levels of performance, they require people that are motivated, focused, and on board with their strategic objectives. But workers are becoming more and more motivated by self-fulfillment rather than merely money. Maslow's hierarchy of needs suggests that self-actualization is the most essential thing for humans to accomplish (Barnes, 2021). In answer to new markets, tougher competition, and improvements in technology, banks need highly skilled workers at all levels of the business (Braganza et al., 2021).

## 1.2 Statement of the problem

This phenomenon can be related to the banking industry, where employees are expected to work hard to ensure efficiency. It will be a serious problem for what the contract entails for the employees, as the psychological contract considers both the employers of labor and the employees to be on the safe side of doing their business. The globalization and advancement of business operations worldwide necessitates understanding the essence of psychological balance between the employer and the employee in order to enable all concerned parties to be in a balanced state. Despite the paucity of publications on the topic, there is still a lack of information on the use of psychological contracts at a few Nigerian financial institutions in Rivers State. In light of this, this research aims to investigate the connection between psychological contracts and employee engagement at a few chosen financial companies in Rivers State, Nigeria.

## Aim and Objectives of the Study

The aim of this study is to examine the relationship between psychological contract and employee engagement of selected banking firms in Rivers State, Nigeria. Specifically the objectives are:

- i. To examine the relationship between Job security and cognitive engagement of Banking firms in Rivers State.
- ii. To investigate the correlation between career development and Cognitive Engagement.

## Research Questions

- i. How is the relationship between Job security and Cognitive engagement of banking firms in Rivers State?
- ii. What is the relationship between Career Development and Cognitive engagement in banking firms in Rivers State.

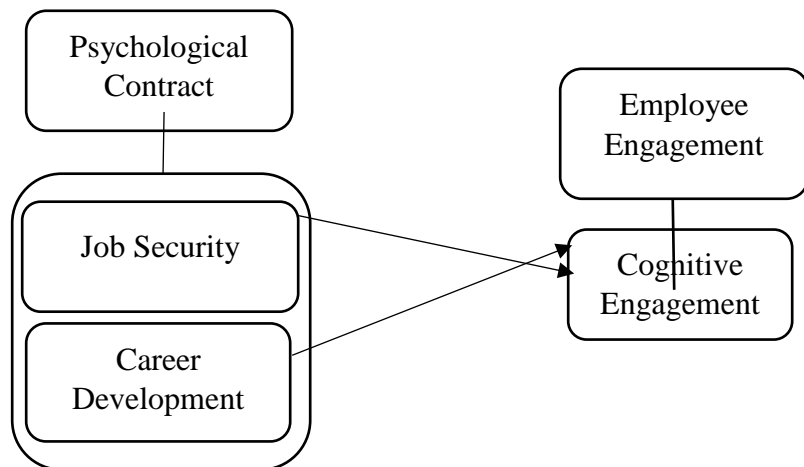
## Research Hypotheses

**H<sub>01</sub>** There is no relationship between Job security and Cognitive engagement of banking firms in Rivers State.

**H<sub>02</sub>** There is no relationship between Career development and Cognitive engagement banking firms in Rivers State.

## 2 Literature Review

Conceptual Framework for psychological contract and employee engagement of banking firms in Rivers State.



Conceptualized by the researcher 2025

Psychological Contract

According to Newaz et al. (2020), a psychological contract is two-sided and involves reciprocity from both parties. By doing so, the employee feels more connected to the firm, while the manager feels more connected to the employees. According to Estreder et al. (2020), the basis of a psychological contract is the obligation shared by both the employer and the employee in this connection. According to Sachdeva (2020), the individual is required to work and remain loyal with the firm, whilst the business is expected to provide employment and better working circumstances. The presence of a psychological contract will rely on how people feel about their employment and the organization, according to Sachdeva (2020). Employees who believe their efforts are not acknowledged will have an influence on the organization's civic conduct. According to Shen, Schaubroeck, Zhao, and Wu (2019), Yunus and Isa 55's perceived unfairness would likely result in a high workforce turnover rate on June 1, 2022. According to Sachdeva (2020), employee performance will increase after they think the so-called "contract" has been respected. Employee/employer expectations are unstated assumptions, therefore disappointments on the side of management and workers may be unavoidable (Armstrong, 2020). Singh (2014) proposes that a psychological contract generates emotions and attitudes that shape and influence behavior. These disappointments may be mitigated if management acknowledges that managing expectations is one of their key roles, which includes stating what they believe employees should perform, the abilities they should possess, and the ideals they should adhere to. Individuals who are unsure about their expectations may not recognize why they are unhappy if their implicit expectations are not satisfied. However, they will be aware that something is amiss. Although Kruse (2019) observes that the psychological contract is inherently subjective, it is mostly evaluated from the perspective of the employee. Each party's vision differs according to their own ideas and values, and they are destined to choose a certain course of action based on their interpretation and understanding. Employers must understand what employees expect from their employment, and vice versa. This is where mutuality and reciprocity between the two parties emerge. The psychological contract is evaluated and assessed from both the employer's and employee's points of view. While it is reasonable to choose someone to represent the employee's point of view, selecting someone to represent the employer's point of view is more contentious (Alcover, Rico, Turnley & Bolino, 2017). Agents manage employee expectations, even if the organization as a whole is the true equivalent in the psychological contract (Coyle-Shapiro & Kessler, 2021). Middle managers are the only ones that deal with employees on a daily basis. They feel they are in a position to interfere in day-to-day operations and satisfy employee expectations.

### **Job Security**

According to Maslow's 1943 needs theory, as cited in Robbins & Judge (2017), each human being has five hierarchies of needs: the need for physical or physiological needs, the need for security, the need for social needs, the need for recognition, and the need for self-actualization, which serves as a catalyst for each person to develop into the best version of themselves. The desire for security, which includes the need to be protected from both physical and emotional harm, is one of the five needs described above and is critical. Job security is another way to describe it. Job security is critical for allowing individuals or workers to work without worrying about future employment, promotions, or work security and safety. According to Rabenu, Yaniv, and Elizur (2016), job security is workers' expectation that their employment will continue, which includes important factors such as long-term career options, general working conditions, and promotion opportunities. The Ministry of Religion is one of Aceh's ministries that prioritizes staff job security. Workplace safety and health are often related with job security. (Mondy, 2010) claims that safety protects workers from injury caused by mistakes in the performance of their duties. Furthermore, being healthy entails being free of both mental and physical illnesses. Senol (2019) adds to the previously revealed understanding of job security by stating that it is a guarantee that an employee will remain in his position without fear of losing it, as well as a guarantee that employees and their families will not lose their income and can continue to live respectable lives. People feel more safe when they operate in a trustworthy environment. Workers may be encouraged by establishing an atmosphere in which their intellect supports the development, growth, and realization of new concepts and ideas. The company's managers and executives are expected to have a significant impact on job security. Job security should be seen as a benefit that supports high communication standards and drives employees to help the organization achieve its goals, just as the desire to expand efforts to benefit the association should be acknowledged and rewarded. Workers who do not trust their coworkers will see the workplace as ambiguous, unpredictable, and risky (Yang, Jin, Fu, & Li, 2019; Sabbir et al., 2018). Workers' commitment to improvement, on the other hand, will be hampered if they get inadequate association support. As a result, trustworthiness has a significant impact on the perception of safety in the workplace (Basharat et al., 2019; Matti & Kristi, 2018). In addition to the history of encounters, knowledge about the trustee serves as the basis for cognitive trust. The same goes for individuals who had higher employment security, better needs-supplies, and more innovation.

### **Career Development**

According to McAfee and Cole, as stated in Noe (2021), development includes formal education, work experience, and relationships, as well as personality and ability evaluations that assist employees in doing their tasks effectively now and in the future. According to McAfee and Cole, as described in Noe (2019), career development includes formal education, job experience, professional relationships, and personality and ability assessments that improve workers' effectiveness in their current and future positions. Gibson et al. (2017) define a career as "a series of work-related experiences and activities that shape a person's attitudes and behaviors." According to Agrawala (2018), "an individual's career choice tends to be influenced by several factors, such as cultural and personal values, family background, and career expectations." That means that the individual must prepare for a higher

degree of work by following the path that the business has outlined for them. According to Ivancevich (2022), career development is an organized, continuing effort by an organization to strengthen and extend its human resources so that they can meet the needs of both its employees and the firm. professional development programs match individual professional goals with organizational objectives, as shown by career orientation, which includes a self-concept of skills, abilities, motivations, needs, attitudes, and values that are precisely customized to fulfill corporate demands. According to Dessler (2019), career development programs provide firms with feedback on how well their workers are doing by providing employee development plans and allowing them to attend training linked to the company's intended business, therefore assisting them in learning new abilities. These competencies include the knowledge, abilities, and behavior that workers need to do their tasks effectively. A calm and careful manner for someone to learn about the qualities that come with their employment and the measures they need to do to be pleased with their career throughout their life.

### **Employee Engagement**

Employee engagement is a profound tie that workers have with their employment, colleagues, and the firm as a whole. It encompasses a variety of positive emotions, including enthusiasm, passion, pride, and loyalty, that drive individuals to go above and beyond their basic professional responsibilities (Aquino & Galvez, 2024). This emotional connection is a crucial component of overall employee engagement and has a significant impact on the firm's culture, performance, and success (Singha, 2024). Employee engagement is what motivates individuals to work hard, be dedicated, and succeed in their employment (Putra & Kudri, 2024). Companies that foster an emotional engagement culture develop a workforce that is resilient, innovative, and prepared for long-term success (Ajayi & Udeh, 2024). Employees that are emotionally invested in their occupations are more likely to go above and beyond, assist the firm achieve its goals, be happy in their positions, and remain with the company longer (Kisi, 2024). As a result, increasing emotional engagement is critical for creating a positive working environment that promotes both individual and organizational success (Singha & Singha, 2024). Employee engagement is the emotional and intellectual commitment that employees have to their employer (Baumruk 20004, Richman 2006, and Shaw 2005). It refers to the degree of autonomy that employees have in their job (Frank et al., 2019). Employee engagement, according to Truss et al. (2018), is the "passion towards work." Employee engagement is synonymous with corporate commitment and civic behavior (Robinson et al., 2018). Employee engagement, according to research consulting firms, is an employee's innate incentive to contribute to the growth of the business that is neither sought nor clearly stated in the employment contract. Some have gone so far as to claim that employee engagement is an employee's ability to take ownership of the business and work toward its goals. According to industry experts, being engaged at work involves "going the extra mile" (Roffey Park Institute, 2008).

### **Cognitive Engagement**

According to Abarantyne et al. (2019), cognitive engagement is a factor that takes into account an employee's understanding of their role, purpose, and contributions to the business. When workers have clear objectives and opportunities for advancement, they are more invested in their work and more likely to succeed (Saurombe et al., 2017). Workers that are invested in their job are able to effectively interact with one another and have a clear understanding of their responsibilities (Abarantyne et al., 2019; Naidoo et al., 2019). It is the manager's responsibility to consistently remind workers of their objectives and responsibilities. Employees must take a more active role in both domains if they are to feel personally invested (Dash, 2021). In order to maintain employee engagement, the firm must meet or exceed all expectations (Dash, 2021). Companies break the psychological contract when they don't live up to their employees' expectations (Gulzar et al., 2021). Employees' perceptions and conduct toward the company could take a turn for the worst if the psychological contract is broken, leading to less trust, disrespect, and maybe even bad feelings (Abbas and Al Hasnawia, 2020). Since all formal transactions rest on psychological contracts, it is crucial to be familiar with them when managing encounters at work (Swanepoel and Saurombe, 2022). Line managers must take psychological contracts into consideration when making personnel decisions such as recruiting, training, retention, and promotion. The social contact between an employer and an employee relies heavily on trust (Gulzar et al., 2021).

### **Theoretical Review**

#### **Self Determination Theory (SDT)**

The idea of work engagement Researchers Deci and Ryan initially spoke about SDT in 1985. They looked at what motivates employees. It is elucidated that a natural correlation exists among employee engagement, human behaviors, and self-determination theory. The degree to which an employee can regulate their own conduct and objectives affects their level of involvement. It has been shown that the level of involvement significantly impacts the output rate. The level of motivation and emotional state influence involvement. It has been noted that workers often retract their own identity, active involvement, and the development of novel thoughts and emotions, signifying their gradual advancement towards disengagement. Leaders advocate for the proactive use of SDT to foster a constructive and growth-oriented mindset inside the business (Mowbray, Wilkinson, & Tse, 2020).

#### **Two Factor Theory**

There was a clear link between employee motivation and satisfaction, which in turn affected employee engagement. Numerous motivational theories significantly impact employee engagement; however, Herzberg's two-factor theory is particularly prominent as a primary influencer of engagement. The idea posits that two main work variables affect job happiness, whilst others contribute to job discontent. Famously recognized as hygiene and motivational aspects. Herzberg has made it plain what makes people happy at work and what makes them unhappy at work. In general, motivation elements make people happy, whereas hygiene aspects make



them unhappy. Motivation elements include things like success, feeling appreciated for success, the kind of job itself, the amount of responsibility taken on, and the amount of development or progress that is fair. Some important hygiene variables include the kinds of corporate policies and management, the sort of supervision, the kinds of relationships with coworkers, the working circumstances, the pay, the status, the security, and the personal life. Motivational aspects contribute to elevated work satisfaction and increased engagement, whilst detrimental hygiene variables result in job discontent and diminished engagement.

### **Social Exchange Theory (SET)**

Homans (1958), Blau (1964), and Emerson (1976) were pioneering scholars in Social Exchange Theory (SET), contributing to a widely acknowledged and continually expanding framework that encapsulates relational behaviors (Chadwick-Jones, 2021). Blau (1964) characterized social trade as “favors that engender diffuse future obligations, rather than precisely delineated ones, with the nature of the return being non-negotiable and subject to the discretion of the giver.” The fundamental principle of social exchange theory is the norm of reciprocity among partners that lack a contractual framework delineating the nature, timing, and extent of repayment obligations. It is a voluntary reciprocal duty action mediated by confidence and thankfulness that motivates the person making the gratuitous return (Gould-Williams & Davies, 2020). Blau saw social exchange as the rewarding activity associated with the emotions of others. Implied was a “two-sided, mutually contingent, and mutually rewarding process involving ‘transactions’ or simply ‘exchange’” (Emerson, 1976). “Social exchange theory has been one of the most influential conceptual paradigms for understanding workplace behavior” (Cropanzano & Mitchell, 2018) and was exemplified when “workers seek a mutually beneficial and just relationship with their organization” (Chin & Hung, 2013). Social trade is based on the premise that people perform favors for each other with the expectation that they would get something in return later (Aryee, Budhwar, & Chen, 2022). It may not be possible to clearly define the specifics of the return, as social interaction is based on a more flexible expectation. The purpose for the transaction is also very important, and the people involved must see it as generous rather than self-interested (Karagonlar et al., 2016). The use of SET in the workplace is predicated on the belief that SET embodies attractive initiatives of the organization aimed at its workforce. Emerson pointed out that the names used in social exchange theory have changed over time to include “reward, reinforcement, cost, value, utility, resource, comparison level, transaction, profit, outcome, etc.” and that they are not all in one place.

### **Empirical Review**

Suleman et al. (2019) investigated the impact of psychological contract fulfillment on employee job satisfaction and organizational performance in firms listed on the Ghana Stock Exchange. The research used standardized questionnaires sent to senior workers, revealing strong positive correlations between psychological contract fulfillment and both job satisfaction and organizational success. Additionally, a favorable correlation between work satisfaction and organizational performance was identified. The research emphasizes the essential function of honoring psychological contracts in improving employee happiness and, therefore, organizational performance.

Sheehan et al. (2019) examined the impact of nurses' views of psychological contract fulfillment on their intention to exit the nursing profession, with employee engagement serving as a mediating variable. Through a cross-sectional approach, data were gathered from 1,039 Australian nurses via an anonymous online survey. Structural equation modeling demonstrated that the fulfillment of promises about engaging work content and a supportive social environment had a negative correlation with intentions to leave the profession, mediated by engagement. Nevertheless, assurances related to professional advancement, monetary incentives, and work-life equilibrium had no substantial correlation with turnover intentions. The results highlight the need of regulating nurses' attitudes of the fulfillment of certain job-related commitments to improve retention.

Wang et al. (2017) investigated the impact of psychological contracts on workers' turnover intentions, using organizational commitment as a mediating variable. The study used structural equation modeling to analyze data collected from workers at high-tech companies located in Xi'an City, China. The findings demonstrate that both transactional and relational psychological contracts have a substantial influence on turnover intentions. Organizational commitment completely mediated the connection between transactional psychological contracts and turnover intentions, but it only slightly mediated the connection between relational psychological contracts. The research emphasizes the need of cultivating organizational commitment to alleviate turnover intentions arising from views of psychological contracts.

Singh et al. (2024). This quantitative research examines the impact of psychological contract fulfillment on employee engagement, with work satisfaction serving as a mediating variable. The study was carried out inside private higher education institutions in India, a sector facing escalating expectations for staff dedication and institutional efficacy. A systematic questionnaire was used to gather data from 573 professor and administrative staff members. The research used structural equation modeling to establish a robust positive correlation between psychological contract fulfillment and work satisfaction, which subsequently correlates with employee engagement. The mediation study validated that work satisfaction serves as a crucial intermediate, indicating that the realization of psychological expectations—such as professional advancement, equitable treatment, and acknowledgment—initially boosts satisfaction prior to fostering increased involvement. The research offers pragmatic insights for school administrators, underscoring the significance of honest communication, equitable incentive systems, and career planning in fortifying psychological contracts. It also emphasizes that tactics for engaging employees should be based on the organization's constant and trustworthy execution of its unspoken commitments.

### **Webometric Analysis of the Empirical Review**

Authors	Year	Location	Focus	Methodology	Findings
Suleman et al.	2019	Ghana	Impact of psychological contract fulfillment on job satisfaction and organizational performance	Structured questionnaires administered to top employees in firms listed on the Ghana Stock Exchange	Psychological contract fulfillment positively influences job satisfaction and organizational performance; job satisfaction also positively correlates with organizational performance.
Sheehan et al.	2019	Australia	Relationship between psychological contract fulfillment and turnover intentions among nurses, with employee engagement as a mediator	Cross-sectional design using an anonymous online survey of 1,039 nurses; analyzed using structural equation modeling	Fulfillment of promises related to job content and social atmosphere reduces turnover intentions via engagement; no significant effect found for promises on career development, financial rewards, or work–life balance.
Wang et al.	2017	China (Xi'an City)	Effect of psychological contracts on turnover intentions, mediated by organizational commitment	Survey of employees in high-tech enterprises; structural equation modeling	Transactional and relational contracts influence turnover intentions; organizational commitment fully mediates the transactional relationship and partially mediates the relational one.
Singh et al.	2024	India	Influence of psychological contract fulfillment on employee engagement, mediated by job satisfaction	Structured questionnaire from 573 faculty and administrative staff in private higher education; structural equation modeling	Psychological contract fulfillment enhances engagement through job satisfaction; key factors include career development, fair treatment, and recognition.

### 3 Methodology

The study adopted survey research design. Survey research design consist of the use of questionnaire and interview methods. This is to also enable the researcher systematically collect data from population of study. The population of this study consists of all 15 operational banking firms in Rivers State. The total number of questionnaires distributed was 550. This study made use of primary data. The sources of data was the administration of questionnaires to all 15 operational banking firms in Rivers State. The data analysis techniques used in this study is Spearman Rank Order Correlation Coefficient, which was used to test the stated hypotheses at 0.05 level of significance, in order to empirically evaluate the relationship between the independent and dependent variables of the study (including their component) the correlation was employed using the statistical package for social sciences (SPSS) version 23.0. The rationale for these techniques was due to the fact that the researcher seeks to examine the relationship between psychological contract and employee's engagement of operational banking firms in Rivers State.

#### Operational Banks in Rivers State, Nigeria with numbers of managers and supervisors used as population of the study.

1	Access Bank Plc	34
2	Ecobank Nigeria Plc	33
3	First Bank of Nigeria Plc	58
4	First City Monument Bank (FCMB)	34
5	Guaranty Trust Bank Plc	33
6	Jaiz Bank Plc	30
7	Keystone Bank Ltd.	39
8	Polaris Bank Plc	38
9	Stanbic IBTC Bank Ltd.	30
10	Sterling Bank Plc	39
11	Union Bank of Nigeria Plc	44
13	United Bank for Africa Plc	48
14	Wema Bank Plc	40
15	Zenith Bank Plc	50

	<b>Total</b>	<b>550</b>
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A sample size of 232 was gotten using the Taro Yamane formula. The computation are as follows:

$$n = \frac{N}{1+N(e)^2}$$

Where;

n = Sample size

N = Total Population of employees in banks firms

e = Significance level (0.05)

Therefore,

$$n = \frac{N}{1+N(e)^2} = \frac{550}{1+550(0.05)^2} = \frac{550}{2.375} = 232 \text{ Sample size}$$

## RESULTS AND DISCUSSIONS

### Testing of Hypotheses 1

Hypothesis 1: There is no discernible correlation between Psychological Contract and Work Engagement of selected deposit money banks in Rivers state.

Decision rule: Accept the null hypothesis if the P-value is higher than the alpha value. Reject the null hypothesis if the P-value is smaller than the alpha value.

Table 1: Statistical analysis of Hypothesis One

		Job Security	Cognitive Engagement
<b>Job Security</b>	Spearman rho	1	0.545**
	Sig. (2-tailed)		0.000
	N	232	232
<b>Cognitive Engagement</b>	Spearman rho	0.545**	1
	Sig. (2-tailed)	0.000	
	N	232	232

**Correlation is significant at the 0.05 level (2-tailed).**

### Discussion of findings

The study investigates the correlation between psychological contract and work engagement among employees of selected deposit money banks in Rivers State. The null hypothesis ( $H_0$ ) suggests no discernible correlation, while the alternative hypothesis ( $H_1$ ) suggests a significant correlation. The results show a moderate positive correlation between job security and cognitive engagement, suggesting that employees who perceive higher job security tend to have higher levels of mental and attentional focus on work tasks. The p-value (0.000) is less than the chosen significance level ( $\alpha = 0.05$ ), indicating that the null hypothesis is rejected. The study

concludes that psychological contract, particularly job security perception, plays a significant role in shaping employees' cognitive engagement. Employees who believe their job is secure are more likely to devote attention, effort, and thought to their tasks, which aligns with prior research highlighting the role of perceived employer obligations in fostering work engagement. The study suggests that deposit money banks can improve work engagement levels by strengthening job security policies and fulfilling implied psychological contracts with employees.

### Testing of Hypotheses 2

Hypothesis 2: There is no discernible correlation between deviant behaviors and market shares of deposit money banks in Cross River state.

Decision rule: Accept the null hypothesis if the P-value is higher than the alpha value. Reject the null hypothesis if the P-value is smaller than the alpha value.

Table 2: Statistical analysis of Hypothesis Two

		Career Development	Cognitive Engagement
<b>Career Development</b>	Pearson Correlation	1	0.685**
	Sig. (2-tailed)		0.000
	N	232	232
<b>Cognitive Engagement</b>	Pearson Correlation	0.685**	1
	Sig. (2-tailed)	0.000	
	N	232	232

### Correlation is significant at the 0.05 level (2-tailed).

**Table 2** The study investigates the correlation between career development and work engagement among employees of selected deposit money banks in Rivers State. The null hypothesis ( $H_0$ ) suggests no discernible correlation, while the alternative hypothesis ( $H_1$ ) suggests a significant correlation. The Pearson correlation coefficient ( $r$ ) of 0.685 indicates a strong positive correlation between career development and cognitive engagement. This suggests that as employees perceive more career development opportunities within their banks, their cognitive engagement increases significantly. The strength of the correlation is considerably higher than in Hypothesis One (0.545), suggesting that career development exerts a stronger influence on cognitive engagement than job security. The findings suggest that employees who perceive their employers investing in their career growth are more likely to dedicate mental energy, focus, and creativity to their tasks. Career development enhances employees' sense of reciprocity in the psychological contract, leading to stronger emotional and cognitive investment in their work. The strength of the correlation highlights that career development is a more potent driver of cognitive engagement than job security. For deposit money banks, prioritizing structured career development initiatives, such as training programs, internal promotions, career counseling, and professional certifications, may substantially enhance employee engagement. This has direct performance implications, as highly engaged employees are associated with higher productivity, customer satisfaction, and organizational commitment.

### Result Conclusions

The study found that job security and career development significantly predict cognitive engagement among employees. Job security is positively correlated with cognitive engagement, suggesting that employees are more likely to invest mental effort and focus on their work. Career development, on the other hand, is strongly correlated with cognitive engagement, suggesting that opportunities for growth and advancement are more influential in fostering deep cognitive involvement. These findings emphasize the importance of a supportive work environment that offers stability and professional advancement pathways for employees to enhance cognitive engagement. Fulfilling employees' psychological and developmental needs leads to more engaged and productive behavior at work.

### 5 Conclusion

This study investigates the relationship between the psychological contract and employee engagement, focusing on job security and career development as key dimensions of the psychological contract. The findings show that job security and career development are significant predictors of employees' cognitive engagement. Employees who feel secure in their roles and believe their employment is stable are more likely to mentally immerse themselves in their work. Job continuity reduces psychological strain and distraction, allowing employees to focus on their job responsibilities. Organizations must invest in the psychological contract to foster a cognitively engaged workforce with focused attention, intellectual curiosity, and deep involvement in work. Failure to meet these expectations may lead to disengagement, reduced performance, and turnover, while fulfillment can enhance productivity, innovation, and long-term organizational commitment.

### Recommendations

Drawing from the insights of this study, here are some recommendations aimed at bolstering the impact of psychological contract and employee engagement of selected banking firms in Rivers State.



- i. Companies and organizations should focus on employee job security in other for the employee's cognitive engagement to be boasted.
- ii. Organization should ensure there is room for career development of their employees in other to increase their rate of cognitive engagement to the organization, this will in turn aid in productivity.
- iii. Organizations should ensure that the terms of the psychological contract are clearly communicated and understood by both employees and management. Open communication about organizational values, career paths, performance expectations, and job stability can help align mutual expectations and prevent perceived breaches.
- iv. Organizations should create structured career development programs that include training and up skilling opportunities, clearly defined career paths and promotion criteria, as well as coaching and mentoring programs to support professional growth.
- v. Organizations should foster a culture of job security, even if complete employment guarantees are not always feasible. This can be achieved by providing transparent information about the organization's stability and future plans, which helps employees feel informed and .

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