**PSYCHOLOGICAL CONTRACT VIOLATION – CUSTOMER PERSPECTIVE**

**1.Introduction**

A customer-seller relationship comprises two key components: psychological and legal. A psychological contract can be defined as ‘an individual’s belief in mutual obligations between the person and another party’1. Psychological contracts are based on perceived promises and arise when one party is obligated to perform certain behaviour 2. From a customer’s perspective, psychological contracts comprise the customer’s perceptual beliefs about the seller’s contractual obligations. So customer’s individual perception of psychological contract violation (PCV) may occur if they think they are not getting what has been promised by a contractual agreement3. So, PCV damage the bond between customer and seller and has a negative impact on customer satisfaction and loyalty 4.

**2.Research Background**

While PCV has been studied mainly in the context of employee–organization relationships, Pavlou and Gefen (2005) examine PCV in customer–seller relationships 5. Every customer–seller interaction can be characterized by the psychological contract that features the customer's perceptual beliefs about the seller's contractual obligations, which may not be included in the formal legal terms of the exchange 3,5.

**3. PCV – Customer Perspective**

Psychological contracts are based on perceived promises and arise when one party is obligated to perform certain behaviour 2. From a customer’s perspective, psychological contracts comprise the customer’s perceptual beliefs about the seller’s contractual obligations. So customer’s individual perception of psychological contract violation (PCV) may occur, if they think they are not getting what has been promised by a contractual agreement 3,5.

According to psychological contract theory, violations are inevitable in contractual relationships. A violation occurs when one party in a relationship perceives another to have failed to fulfil promised obligations 2. Thus, in a customer – seller scenario PCV occurs when customer thinks that seller’s failure has violated the psychological contract. 6 Customers may perceive PCV even when the actual contract rules may have not been violated. PCV can also be caused by misunderstandings regarding the contractual obligations 5.

The psychological contract theory suggests that PCV causes negative outcomes 2.

**4. Conclusion**

**References**

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