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Research Article

Impact of Psychological Contract Violation on Organizational Citizenship Behavior, Intention to Quit and Commitment

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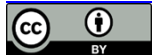
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ABSTRACT

Psychological contract is the foundation of employee– employer relationship. The purpose of the article is to analyze the linkage of psychological contracts violation and with organizational citizenship behavior, intention to quit and organizational commitment. To test hypotheses a survey method through Cross-sectional primary data was collected from 349 banking employees from Pakistan. Non-probability convenience sampling was used to select the sample size. Our finding statistically confirms that there is positive association among all variables and predictor have significant impact on criterion variables. Implication of the study also discussed below.

KEYWORDS

Psychological Contract Violation, Organizational Citizenship Behavior, Intention to Quit, Organizational Commitment.

1 | INTRODUCTION

Human Resource Management has witnessed a phenomenal growth and today, it is playing a key role in enhancing organizational competitiveness. It is playing multiple roles for complete growth and development of organization. The development of psychological contract has become important function of human resource management in any organization because it may help the employees and employers get rid of a complicated employment relationship (Sonnenberg et al., 2011). Relationship among employer and sub ordinate is based on trust, cooperation and expectation. Managers should clearly explain to their employees what is expected from them so that they put their full potential to achieve the organizational goals. Workforce in any organization is tied to psychological contract and this contract play very important role in performing the duties. Psychological contract is also called emotional contract. When employees perceived that promises made to them or not fulfilled it would lead to psychological contract breach. When false promises are made and expectations of workforce are not fulfilled. The psychological contract violation (PCV) is based on behavioral and attitudinal. Both employer and employees know their responsibilities, obligation, duties and rights. Both parties i.e. employer and employee work together on basis of some commitments, and returns. Managers expect employees to achieve targets on time and in return employees expect their managers to fulfill the promises made to them in form of incentives, bonuses, flexible working hours, promotions, extra salaries, raise in salary etc (Armstrong, 2006). Promised made to employees if not fulfilled it would lead towards intention to quit, low commitment and low organizational citizenship behavior (OCB). Resistance from employees is possible which would leads towards low level of performance. On the other hand, if organizations keep their workforce satisfied the employees would go beyond the expectations and put efforts to obtain goals of the organizations. Satisfaction from work, loyalty and commitment is important for getting high performance workforce. Thereafter, the empirical findings are presented. The paper ends with an analysis of the research findings, a discussion section and suggestions for further research.

1.1 | Problem Statement

Job outcomes and deviant behavior of employees such as intention to quit, job dissatisfaction and low level of commitment or problems for organizations. Organizations cannot afford high level of intention to quit. It involves direct and indirect cost in form of recruitment and selection, training and development. Psychological contract violation/breach has significant impact on job dissatisfaction, intention to quit and commitment (Zhao et al., 2007). This study has tried to investigate the influence of psychological contract violation(PCV) on intention to quit, job satisfaction and commitment through lens of signaling theory.

1.2 | Objectives of the Study

- To identify the relation between PCV and organizational citizenship behavior.
- To determine the relationship between PCV and intention to quit
- To determine the relation between PCV and commitment

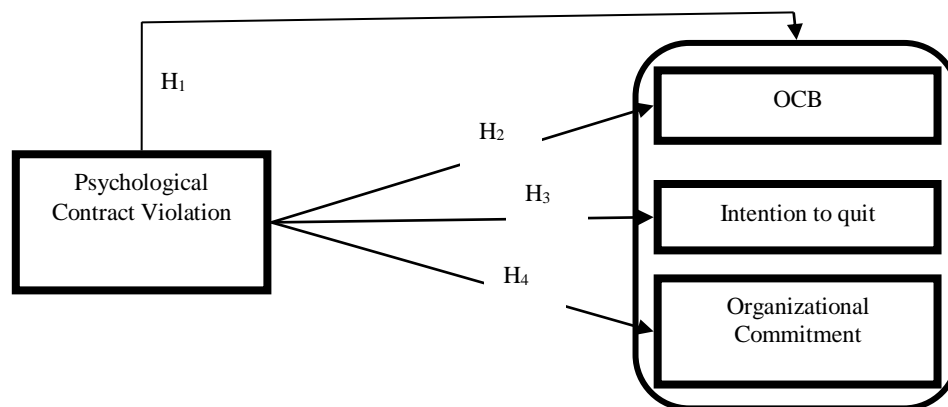


Figure1 Theoretical Framework

1.3 | Rationale of the Study and Significance

The reason for conducting this study is in developing economies when leaders and managers are unable to fulfill the promise made by them to get the work done from employees raised a big question on the creditability of the managers. On the other hand employees perceived it negatively and they first show some resistance if constantly there is same behavior adopted by management this would lead to psychological breach of contract and employees would seriously starts thinking to switch the jobs and intention to quit. Public sector employees in spite of having such problems do not leave the job. What are the reasons why they stick with their organizations gives rise to research questions given below. This study is helpful for research scholars, policy makers; public and sector employees can also take benefits from findings of this study.

RQ1: Does Psychological contract violation affect employees' OCB?

RQ2: Is Psychological contract violation leads to intention to quit?

RQ3: Is PCV is responsible for low level of commitment?

2 | THEORETICAL BACKGROUND

2.1 | Psychological Contract Violation (PCV)

When an organization does not fulfill the employees' expectations it could have negative reactions. PCV is an emotional agreement between employers and employees. Employees immediately start searching new jobs by putting aside their loyalty, commitment, and performance. Breach of contract increases depression, stress and anxiety. Workers joined a job with expectations that employer has some obligations and responsibilities and vice versa. This expectation makes an environment of reciprocity. This psychological contract is unwritten, informal and developing constantly with the interaction between two parties. Human resources management practices play important role in developing PCV. This process starts from recruitment till promotion, bonuses and incentives. Money is the most dominant concern in all this process. Duran et al. (2021) reports that there is PCV negatively impacts employer-employee relationship. Such violations make employees susceptible to job-related stress and anxiety. Azeem et al. (2020) finds that PCV increases negative emotions among the employees and increase their turnover intentions. Finally, Saleem et al. (2021) studied PCV in the context of hospitality industry in Pakistan. They study reported PCV to be a boundary condition of the linear relationship between person-organization fit and person-job fit.

2.2 | Organizational Citizenship Behavior (OCB)

Idea of OCB was given by Organ (1997). It shows caring behavior of employees. Satisfied and motivated workforce goes beyond the obligations. When employees are self motivated experienced, highly qualified and willing to put more efforts than expected is called OCB. OCB is not identified in job description it solely depends on workers choice. If worker is helpful, caring and want to put extra efforts. Managers' behavior, organizational factors, task attributes and individual personality traits are the antecedent of OCB. In the recent literature on OCB, Widarko&Anwarodin(2022) investigated the performance impact of work motivation, organizational culture, and OCB on civil servants in Indonesia. The study concluded the work motivation and OCB have a direct relationship with work performance. Similarly, Sumarsi& Rizal (2022) found that competence and quality of work life has a direct relationship with OCB.

2.3 | Intention to Quit

Intention to quit, lay off, termination turnover intention are the constructs used interchangeably. Basically there are two types of intention to quit one is voluntary and other is involuntary. First one consist of resignation, retirement, switching job second one is lay off, termination, discharge etc. intention to quit has involved direct and indirect cost and cannot be good for organizations. Wang & Hall (2021) investigated the relationship between emotions, coping strategies, and intentions to quite among teachers; the study reported that increase in anxiety levels leads to job dissociation and stronger intentions to quit the teaching. Employees' voice can help in situations of conflict and leads to decrease in employees' intentions of quitting their jobs (Van Gramberg et al., 2020).

2.4 | Organizational Commitment

It is a feeling that bound the employees to be loyal and stay with an organization for long time. It is an emotional and psychological bond between worker and employer. Commitment is divided into affective, normative and continuance commitment. Role of manager is crucial and has positive and negative effects on commitment of an employee. Committed employees are considered as stable and productive. Employees when get independence to work comes up with new and creative ideas which add values to the organizations. Loan (2020) highlights that several studies confirm the relationship between organizational commitment and job performance and went further to confirm the mediating effect of job satisfaction in organizational commitment-job performance relationship. Ridwan et al. (2020) suggested that both OCB and organizational commitment have a positive impact on employees' job performance. Lastly, Ahad et al. (2021) in their study of Malaysian vocational teachers highlighted that work attitude and emotional intelligence is a direct contributor to organization commitment.

2.5 | Hypotheses Development

H₁: There is significant association between predictor and criterion variables.

H₂: There is positive significant relation between PCV and OCB.

H₃: There is positive significant relation between PCV and intention to quit.

H₄: There is positive significant relation between PCV and OC.

3 | RESEARCH METHODS

3.1 | Research Design Population & Sampling

This existing study is quantitative and approach adopted in this study to collect the data was survey approach. Questionnaire was adopted from past studies to collect the data. Banking sector from Beijing China was the population of the study. Convenience sampling was used to select the sample size.

3.2 | Scales

The questionnaire of psychological contract violation was adopted from (Robinson and Morrison, 2000;1995). It has five items to measure PCV. Intention to quit questionnaire was adopted from Bluedorn (1982) with four items. The instrument of OCB was taken from Podsakoff et al., (2000;2009) with 24 items, five items for Conscientiousness, sportsmanship, courtesy, altruism and 4 items for civic virtue. The organizational commitment items adopted from Meyer, Allen and Smith (1993) with eighteen items 6 items for each construct. There are three facets of organizational commitment normative, affective and continuance commitment.

3.3 | Data Collection and Analysis Techniques

Permission from respondents and their respective authorities was taken prior to data collection. Informed consent from each respondent was also taken and it was made assured that they can withdraw from the survey any time and their data would be kept confidential and there would be no harm to reputation of an individual as well as organizations. Respondents were given three to four days so that they may answer all the items on the questionnaire booklet. Total 349 completed questionnaires were received and analyzed in this study. SPSS was used for analysis of the data. A different statistical test such as frequency, percentage was used to get information about demographic characteristics of the data. In order to test hypotheses inferential statistics was used utilizing correlation analysis and regression analysis.

4 | RESULTS

Personal information of the respondents was investigated during survey. Table 1 has presented findings of the demographic information. It is evident from the table 1 majority of the respondents were male 2019 (62.75%) followed by female participants 130 (37.24%). Further analysis of results revealed the age of the respondents most of the respondents belong to age group of 36-40 years 173 (49.57%) followed by those having age more than 40 and above 128 (36.67%). Only 23 respondents belong to age group of 31-35 years and 25 belong to 26-30 years

respectively. Designation of the respondents was also inquired. Most of the cash officer participated in the survey 151 (43.26%), followed by officers grade 3 98 (28.08%), lowest number of participants belong to managerial level only 7 (2.005%). Regarding length of service 252 (72.20%) have experience of more than 20 years followed by those 59 (16.90%) having experience of 16-20 years while only 11 (3.15%) respondents have experience of 6-10 years who participated in the study. majority of the respondents held undergraduate degree 314 (89.97%) only 35 participants held master degree.

Table 1
Personal Information of the Informants

Variables	Characters	N	%
Gender	Male	219	62.75
	Female	130	37.24
Age	26-30	25	7.16
	31-35	23	6.59
	36-40	173	49.57
	40above	128	36.67
Designation	Cash Officer	151	43.26
	OG3	98	28.08
	Assistant Manager	93	26.64
	Managers	7	2.005
Experience	1-5	14	4.01
	6-10	11	3.15
	11-15	13	3.72
	16-20	59	16.90
	20above	252	72.20
Education	undergraduate	314	89.97
	Master	35	10.02

Table 2
Mean Standard Deviations and Normality Test

Variables	Reliability	Mean Stat	S.D Statistic	Skewness		Kurtosis	
	α			Stat	S.E	Stat	S.E
PCV	0.87	4.28	0.86	-0.28	0.13	-1.67	0.26
ITQ	0.86	4.37	0.91	-0.40	0.13	-1.25	0.26
OCB	0.77	3.44	0.24	-0.36	0.13	-0.62	0.26
OC	0.79	3.63	0.33	-0.20	0.13	-1.11	0.26

Mean and standard deviation shows that intention to quit scored highest score $M=4.37$, $S.D=0.91$ followed by psychological contract violation $M=4.28$, $S.D=0.86$, lowest mean score is recorded for OC and OCB $M=3.63$ and $M=3.44$ respectively. Regarding reliability of the scale's threshold given by Field (2013) is >0.70 , from the table 2 it is evident that all values of cronbach alpha met the threshold. In addition, cut off level for normality of the data also given by Field (2013) and Gaur and Gaur (2009). Skewness must be $< \pm 3$ and Kurtosis $< \pm 3$. From the table 2 it is evident that all values met the cut off level for normality as well. Hence it is assumed that scales are reliable and data is normally distributed.

Table 3
Intercorrelations

Relationships	1	2	3	4
Psychological Contract Violation	1			
Intention To Quit	.84**	1		
Organizational Citizenship Behavior	.71**	.71**	1	
Organizational Commitment	.66**	.65**	.57**	1

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

Bivariate Pearson correlation is checked to test the relationship among predictors and criterion variables. The relationship between PCV and ITQ (0.84**, $p < 0.01$); PCV and OCB (0.71**, $p < 0.01$); PCV and OC (0.66**, $p < 0.01$); ITQ and OCB (0.71**, $p < 0.01$); ITQ and OC (0.65**, $p < 0.01$) OCB and OC (0.57**, $p < 0.01$) found positive and significant. Thus got support for H1.

Table 4

Direct Effects (Hypotheses testing)

DV	IV	R	R ²	F	β	p	Support
OCB	Constant	0.707	0.50	320.80	0.707	0.000	H ₂ Yes
	PCV						
ITQ	Constant	0.87	0.76	931.00	0.87	0.000	H ₃ Yes
	PCV						
OC	Constant	0.65	0.43	265.1	0.65	0.000	H ₄ Yes
	PCV						

Linear multiple regression is run to test hypotheses 2, 3 and 4. From the table 4 it is revealed that psychological contract violation has shown 50% variance upon organizational citizenship behavior goodness of fit $F = 320.80$, and unit of change $\beta = 0.70$, $p < 0.01$. it implies that one percent change in PCV could bring 70.7% change in OCB. Moreover, PCV explained 76% variance upon intention to quit $F = 931$, $\beta = 0.87$, $p < 0.01$ one unit change in PCV could possibly bring 87% change in intention to quit. Furthermore, PCV explained 43% variance on organizational commitment $F = 265.1$, $\beta = 0.65$, $p < 0.01$. 65% change is possible due to 1% change in PCV. Thus, got support for H 2, 3 and 4.

5 | DISCUSSION

The main purpose of this current study was to investigate the psychological contract violation impact on OCB, intention to quit and organizational commitment. Finding shows that the predictor variable and criterion variables are correlated through Bivariate Pearson correlation and PCV has significant impact on organizational citizenship behavior, intention to quit and commitment. These findings are in line with the findings of past studies of Alcover et al., (2012), also found the significant relationship between commitment, PCV and intention to quit. The psychological contract that denotes employees' implicit expectations of their employer is related to a range of work-related outcomes such as commitment, turnover intention and OCB (Lub et al., 2011). The present finding of the study is similar with the results of the studies conducted by Podsakoff et al., (2000) in past in western societies. The result is consistent with the several other researches on psychological contract and its relationship with OCB (Malhotra & Murnighan, 2002). The primary hypothesis confirmed that psychological contract was found to be a good forecaster of organizational citizenship behavior. Likewise, Adebayo & Ogunsina (2011) reported the positive and significant association thus results of this study got support from past studies and hence H1-4 are substantiated.

6 | CONCLUSION

It is concluded from the above discussion that violation of contract is emotional not a written one and continuous breach and violation of psychological contract might lead to intention to quit, lower OCB and commitment and all organizations cannot afford these negative outcomes at workplace. Our results finding supported research hypothesis and we concluded that, psychological contract has significant influence on organizational citizenship behavior, intention to quit and commitment.

7 | POLICY IMPLICATIONS

Managers, leaders, employers may formulate such strategies which leads to fulfill the promise made by them to their followers. Otherwise, they should be ready to face such consequences. In order to reduce the negative behaviors of the employee's employers may provide employees with fringe benefits, perks and other monetary and non-monetary benefits to increase commitment, and to reduce intention to quit. Employees would go beyond the expectation to perform well thus showing increase level of OCB.

8 | LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The first limitation is single source of data i.e. cross-sectional. Second limitation is sample size, third limitation is sampling technique. It is therefore recommended to use mix data supported by qualitative results as supplement, big sample size more than 500 or one thousand could be used in future. Findings of this study are only generalizable to banking sector one must be careful to generalize to other sectors.

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