THE INFLUENCE OF PSYCHOLOGICAL CONTRACT BREACH ON EMPLOYEES’ DEVIANT WORKPLACE BEHAVIOR; THE MEDIATING ROLE OF JOB SATISFACTION

Marjan Fayyazi
Faculty of Management, University of Tehran, Tehran, Iran
Mfayyazi@ut.ac.ir

Farshad Aslani
Faculty of Management, University of Tehran, Tehran, Iran
Aslanifarshad@yahoo.com

Abstract
The purpose of this study is to investigate the impact of psychological contract breach (PCB) on deviant workplace behavior (DWB). In addition, we explored the mediating role of job satisfaction in the relationship between PCB and DWB. We conducted our study in a sample of 265 employees working in an Iranian industrial company. We used regression analysis to test the research hypotheses. The findings supported our hypotheses. Based on the results, perception of PCB results in employees’ engagement in DWB. Moreover, it was found that Job satisfaction partially mediates the PCB-DWB relationship. Since limited studies on this subject has been conducted in Middle East, we contributed to the literature of PCB and DWB by exploring the relationship in a Middle Eastern country.

Keywords: Psychological contract, Psychological contract breach, Deviant workplace behavior, Job satisfaction, Workplace deviance, Middle East

INTRODUCTION
Deviant workplace behavior (DWB) is defined as voluntary behavior that violates significant organizational norms and threatens the well-being of an organization and its members (Robinson & Bennett, 1995). DWB has been studied under different titles such as counter productive work behavior (Wiltshire, Bourdage & Lee, 2014; Dalal, 2005; Jensen, Opland &
Ryan, 2010), employee misconduct (Kidder, 2005), Organizational misconduct (Andreoli & Lefkowitz, 2009), and workplace deviance (Sims, 2010). However, all titles are somehow defined as intentional acts done by organization members that are against the norms of the company and may harm the organizations or other employees. DWB imposes numerous costs on organizations such as decreased performance (Hussain, 2014), lower levels of productivity, lost work time, higher intention to quit and stress problems for other workers (Appelbaum & Matousek 2007).

There are different classifications for DWB in the literature. Bennett and Robinson (2000) introduced two sets of DWB including interpersonal and organizational. Organizational deviance is targeted towards organization such as damaging organizations property, while interpersonal deviance harms the other employees such as making fun of others. DWBs are also classified based on their harmfulness to the organization or individuals. DWBs range from workplace homicide, to spending an extra five minutes on break (Bennett & Robinson, 2000) (Kidder, 2005). However Spector et al (2006) identified five distinct forms of DWB which are abuse of others, production deviance, withdrawal, theft and sabotage. They also found that each of these forms of DWB have different motives. in this study we don’t study the organizational and interpersonal DWB separately and we study them as one variable (Spector et al, 2006).

Several studies have tried to identify personal and organizational factors that influence employees’ DWB. The personal factors triggering DWB are such as believing in materialism (Deckop, Giacalone, & Jurkiewicz, 2014), personality traits (Spector & Zhou, 2013; Michel & Bowling, 2013), locus of control (Wei & Si, 2013), and ethical ideology (Henle, Giacalone, & Jurkiewicz, 2005). Organizational factors are such as abusive supervision (Wei & Si, 2013; Ahmad & Omar, 2013), commitment (Gill, Meyer, Lee, Shin, & Yoon, 2011), organizational power (Sims, 2010), organizational constraints (Spector & Zhou, 2013), interpersonal conflict (Spector and Zhou, 2013), and perception of organizational politics (Wiltshire, Bourdage, & Lee, 2014).

One of the situational factors that triggers DWB is the breach of psychological contract. Psychological contract (PC) is a mutual obligation that defines employer-employee relationship. Based on PC individuals believe that their employer is obliged to deliver what they have perceived as a promise (Robinson & Rousseau, 1994). While psychological contract fulfillment results in positive work behaviors such as OCB (Jensen, Opland, & Ryan, 2010; Sayers, Sears, Kelly, & Harbke, 2011), the perception of psychological contract breach (PCB) induces negative workplace behaviors such as DWB (Hussain, 2014). However, some studies have pointed out that employees with high levels of job satisfaction are less likely to engage in DWB (Nasir & Bashir, 2012). Since Job satisfaction is also influenced by PCB, it can be inferred that hat
employees perceiving PCB first get dissatisfied with their and consequently they exhibit deviant behavior.

Reviewing the literature it is evident that Studies addressing the relationship between PCB and DWB are mostly conducted in Europe or North America and limited researches in Middle East have focused on this subject (Hussain, 2014). However, many authors have questioned the generalization of western-based findings to other countries and cultures ((Hui, lee, & Rousseau, 2004; Fu & Deshpande, 2012). Therefore, we try to contribute to the literature of the subject by examining the relationships between the variables in this Middle Eastern country.

In this study, we aim to examine the influence of PCB perception on employees' engagement in DWB. In addition, we assume that PCB leads to lower levels of job satisfaction, which in turn results in DWB. Thus, we also investigate the mediating role of job satisfaction in PCB – DWB relationship.

LITERATURE REVIEW
Psychological Contract
Psychological contract is an individual's belief regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party (Rousseau, 1989). The exchanged promises and considerations are the basis of psychological contract. Promises such as pay, promotion, growth and advancements are what employees expect to fulfill in return of hard work, accepting training or transfer (Robinson & Rousseau, 1994).

Psychological contracts rage from transactional to relational. Transactional contracts are mostly short term and regard limited obligations for employer and employee. On the contrary, relational contracts concern a long-term relationship based on mutual trust between employer and employee. The transactional contracts are contingent on the performance, while in relational contracts employee believes to be a party to the organization (Rousseau, 2000).

When an employee believes that the organization has failed to fulfill the obligations in terms of psychological contract, it is called psychological contract breach (Morrison & Robinson, 1997). However, perception of PCB is not necessarily because the organization has failed to fulfill its obligations. Perception of PCB stems from factors such as renege, incongruence and vigilance. Renege happens when the organization fails to fulfill its promises which itself can be the result of employee’s poor performance. Incongruence is the result of different perception of the contract between employee and organization. Finally, perception of PCB through vigilance depends on how carefully employees monitor the execution of the agreement and try to detect the diversions (Robinson & Morrison, 2000).
PC binds employer and employee and if both fulfill the obligations, the relationship is beneficial for both. On the contrary, if the promises are broken, it has negative consequences (Robinson & Rousseau, 1994). Therefore, PC is an important predictor of employees’ attitudes and behaviors. PC fulfillment is associated with positive behaviors such as OCB (Sayers et al., 2011), decreased affective commitment and mental health (Parzefall & Hakanen, 2010). In contrast PCB is associated with negative outcomes such as DWB (Bordia, Restubog, & Tang, 2008), decreased organizational identification (Zagenczyk, et al., 2013), lower organizational commitment (Bal, Lange, Jansen, & Velde, 2008), and high turnover intention (Suazo, 2009).

PCB and DWB

Hussain (2014) in his study in Pakistan found that when employees believe the organization has failed to fulfill the psychological contract, they lose their commitment towards the organization and exhibit deviant behavior (Hussain, 2014). Engagement of employees in DWB in response to PCB can be explained through the social exchange theory. Based on social exchange theory, employer and employee form a reciprocal relationship by which they agree to fulfill their own obligations. However, when one party believes that the other party has failed to fulfill their obligations, they reciprocate by neglecting their own part to restore the balance (Blau, 1964). Therefore, by engagement in DWB, employees aim to seek revenge against the employer who has violated the agreed psychological contract (Bordia, Restubog, & Tang, 2008). The positive relationship between PCB and workplace deviance has been addressed by different studies. Jensen et al. (2010) found that the breach of both kinds of relational and transactional psychological contracts is associated with some types counterproductive work behavior (Jensen, Opland, & Ryan, 2010). In a study in Tunisia it was demonstrated that the transactional and relational psychological contract breach mediate the relationship between organizational injustice and DWB (Zribi & Souaï, 2013). Therefore, we hypothesize as:

H1. PCB is positively related to DWB

PCB and Job Satisfaction

Job satisfaction is “a positive feeling about a job resulting from an evaluation of its characteristics” (Robbins & Judge, 2013). Employees who perceive that the organization has neglected to fulfill its obligations lose their interest towards their job (Bal, Lange, Jansen, & Velde, 2008). Previous studies have investigated the impact of PCB on employees’ job satisfaction. Teklab et al. (2013) found that perceiving PCB leads to decreased job satisfaction among newcomers (Tekleab, Orvis, & Taylor, 2013). In another study, it was represented that PCB, as mediating variable in the relationship between mentoring breach and job satisfaction,
has a negative relationship with job satisfaction (Haggard, 2012). Suazo (2009) in his research demonstrated that there is a negative relationship between PCB and job satisfaction. Kikul and lester (2001) investigated the impact of PCB on employees’ job attitudes and found that PCB is negatively associated with job satisfaction (Kickul & Lester, 2001). Thus, we offer our hypothesis as:

**H2. PCB is negatively related to job satisfaction.**

**Job Satisfaction and DWB**

Individuals’ behavior is influenced by their attitudes. Job satisfaction as a job attitude has remarkable impact on employees’ behavior. Employees with positive job attitudes are expected to demonstrate constructive organizational behaviors (Foote & Tang, 2008) and in contrast, negative job attitudes are linked with negative behaviors such as turnover intention (Bonenberger, Aikins, Akweongo, & Wyss, 2014; Mulki, Jaramillo, & Locander, 2008) or workplace deviance.

Studies have confirmed that satisfied workers are less likely to engage in destructive behaviors. Kulas et al (2007) indicated that employees with low job satisfaction are more likely to commit theft in the organization (Kulas, McInnerney, DeMuth, & Jadwinski, 2007). In study in the public sector of Pakistan, it was found that job satisfaction had a significant negative relationship with deviant behavior (Nasir & Bashir, 2012). Judge et al (2006) demonstrated that job satisfaction has a negative impact on workplace deviance (Judge, Scott, & Ilies, 2006).

Engagement in DWB is also influenced by individuals’ personal characteristics. However, job satisfaction mediates the relationship between employees’ characteristics and DWB in a way that workers with job dissatisfaction have a better chance to show DWB (Mount, Ilies, & Johnson, 2006). Therefore, we posit our hypothesis as:

**H3. Job satisfaction is negatively related to DWB.**

Moreover, based on the relationships between PCB, job satisfaction, and DWB in the literature, we assume that perception of PCB leads to decreased job satisfaction, which in turn leads to workplace deviance. Therefore, we presume that job satisfaction has key role in connecting PCB perception with deviant behavior. Hence, we hypothesize as:

**H4. Job satisfaction mediates the relationship between PCB and DWB.**
METHODOLOGY

Participants
The sample in this research comprised 265 employees working in an Iranian industrial company. The respondents were selected through a random sampling method. Of the 300 questionnaires distributed, 265 valid questionnaires were returned and used for analysis. Due to the sensitive nature of study on DWB, all questionnaires were anonymous and the confidentiality of the data and results were promised to respondents by the research team. The majority of respondents (91.2%) were males and 8.8% were female. 62.9% of participants aged between 26 to 35, 18.2% aged between 36-45, 17.4 % were 25 and below and 1.5% were over 45. Of the respondents, 77.7% were single and 22.3% were married.

Instrument
We measured the variables of the research by using standard questionnaires. The participants expressed their opinion on a 5 point Likert scale. For PCB and Job satisfaction 5 indicated “totally agree” and 1 indicated “totally disagree” and for DWB 5 indicated “very often” and 1 indicated “never”.

PCB: We used the questionnaire developed by Robinson and Morrison (2000) to assess PCB. A sample item of the measure was “Almost all the promises made by my employer during recruitment have been kept so far”. The Cronbach Alpha is 0.74.

Job satisfaction: Job satisfaction was measured using the questionnaires designed by Cellucci (1978) and later adapted by Fu et al (2011) to measure job satisfaction. An example of the questions was “I feel good about the amount of responsibility in my job”. The Cronbach Alpha is 0.81.
**DWB:** In order to assess DWB, we used the questionnaire developed by Bennett and Robinson (2000). The measure covered both interpersonal and organizational deviance. An example of interpersonal deviance questions was “I have acted rudely toward someone at work” and an example of organizational deviance was “I have come in late to work without permission”. The Cronbach Alpha is 0.87.

**ANALYSIS & FINDINGS**

The values of means, standard deviations, correlations and internal reliability of variables are presented in table 1. In order to test the hypotheses we used regression analysis and the results are reported in table 2. According to the results of first step, PCB has a significant positive relationship with DWB. Thus, H1 is supported. The results of second step indicate that there is significant negative relationship between PCB and job satisfaction. Hence, H2 is also supported.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>PCB</th>
<th>Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCB</td>
<td>1.36</td>
<td>11.49</td>
<td>0.74</td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>2.73</td>
<td>12.81</td>
<td>-0.51**</td>
<td>0.81</td>
</tr>
<tr>
<td>DWB</td>
<td>3.27</td>
<td>7.23</td>
<td>0.43**</td>
<td>-0.78**</td>
</tr>
</tbody>
</table>

Note: *P value < 0.05; **P value < 0.01

Diagonal represents the internal reliability (Threshold: 0.7), Below diagonal correlations are reported

PCB: Psychological Contract Breach; DWB: Deviant Workplace Behavior

According to Baron and Kenny (1986), three conditions should be met to accept the mediating relationship. First, the independent variable should be significantly related to dependent variable. Second, independent variable should be significantly related to dependent variable and finally, when the mediator is entered, the significance of the relationship between independent and dependent variables should change. If it becomes insignificant, the relationship is full mediation and if the significance decreases then the relationship is partial mediation (Baron & Kenny, 1986). The first and second conditions are checked and met in steps 1 and 2. The results of step 3 indicate that the job satisfaction is significantly and negatively related to DWB. Moreover, by entering job satisfaction, the significance of the relationship between PCB and DWB diminishes. Therefore, H3 and H4 are supported. Based on the results, job satisfaction partially mediates the relationship between PCB and DWB.
Table 2. Regression results of the mediated model

<table>
<thead>
<tr>
<th>Step</th>
<th>Variable</th>
<th>β</th>
<th>R²</th>
<th>R² (Adj.)</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PCB → DWB</td>
<td>0.47 **</td>
<td>0.18</td>
<td>0.21</td>
<td>49.3**</td>
</tr>
<tr>
<td>2</td>
<td>PCB → Job satisfaction</td>
<td>-0.51 **</td>
<td>0.23</td>
<td>0.37</td>
<td>66.8**</td>
</tr>
<tr>
<td>3</td>
<td>PCB → DWB</td>
<td>0.22*</td>
<td>0.59</td>
<td>0.53</td>
<td>79.5**</td>
</tr>
<tr>
<td></td>
<td>Job satisfaction → DWB</td>
<td>-0.37 **</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: *P value < 0.05; **P value < 0.01
PCB: Psychological Contract Breach; DWB: Deviant Workplace Behavior

DISCUSSION

Psychological contract breach is considered to be an important trigger of workplace deviance. However, a small number of studies have investigated this relationship in Middle Eastern countries. There are plenty of cultural differences between Middle Eastern countries and other parts of the world. Therefore, there is a need to examine the western-based findings in the countries of this region. In this research, we contributed to the body of literature by exploring the relationship between PCB and DWB in the context of a Middle Eastern country, Iran. We hypothesized that PCB is positively related to DWB. Moreover, considering that job satisfaction is negatively associated with both PCB and DWB, we hypothesized that job satisfaction mediates the relationship between PCB and DWB.

Along with previous studies (Hussain, 2014; Jensen, Opland, & Ryan, 2010), we found that psychological contract breach triggers workplace deviance. When employees perceive that the employer has neglected to deliver what he had promised, they try to actively harm the organization in order to seek revenge and develop destructive behaviors such as DWB. We also found that PCB influences employees’ job attitudes. This in is congruent with studies of (Bal et al, 2008; Suazo, 2009; Kickul & Lester, 2001). When it is perceived that the organization has failed to fulfill their obligations toward their members, employees form negative attitudes toward their job and the organization and they experience dissatisfaction with their job. Job dissatisfaction is the key to other negative attitudinal and behavioral reactions such as lower commitment, decreased performance, turnover intention and DWB.

We also tried to contribute by exploring the mediating role of job satisfaction in PCB – DWB relationship. Our findings revealed that job satisfaction is a partial mediator in this relationship. This finding is interpreted as when employees perceive PCB, they lose their job satisfaction. Thus, the reason that employees exhibit DWB is not only to reciprocate the company’s negligence in fulfilling promises, but it is also a reaction triggered by job dissatisfaction. In other words, as far as employees are satisfied with their job, they are less
likely to engage in DWB, however when they lose their job satisfaction they react to PCB by developing destructive behavior.

The implications of this study for managers are that they should try to fulfill the promises in terms of psychological contract so that they prevent employees from negative attitudes and behaviors such as job dissatisfaction and workplace deviance. In addition, as it was pointed out the perception of PCB is not necessarily because of not fulfilling the promises in terms of PC but it can be the result different interpretation of PCB. Therefore, it is suggested that managers find out employees’ version of PC through individual or group meetings and try to resolve the discrepancies.

LIMITATIONS AND FURTHER RESEARCH
Alike every study this research had some limitations. Since the majority of our samples were males, results of studies in more gender-biased samples may be different. In addition, although the research team ensured the confidentiality of the results, some employees might have completed the questionnaires cautiously. Future studies should address the relationship between the breaches of different kinds of PC with DWB. Another direction for future study is comparing the influence of PCB on organizational or interpersonal DWB.

REFERENCES


