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Impact of Breach of Psychological Contract on Workplace Deviant Behavior Moderating Role of Procedural Justice Among Employees of Pakistan

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Abstract
Psychological contract breach may provoke negative attitudes among employees that cause further harmful behaviors. With the help of Social Exchange Theory (SET) the study was conducted to explore the moderating effect of procedural justice between the relationship of psychological contract breach and workplace deviant behaviour. The study was quantitative and cross-sectional survey designed to collect data. Data for the research gathered using a structured questionnaire. The stratified sampling method used to select the sample and final sample comprised of 306 employees working in public sector banks of Gujrat district, Pakistan. Descriptive, correlation, reliability and hierarchal regressions used for testing the hypothesized model for this study. Data were analysed by using IBM SPSS (20.0). A positive relationship found between psychological contract breach and workplace deviant behaviour. Moreover, results showed that procedural justice significantly moderated the relationship of psychological contract breach and workplace deviant behavior. Study limitations and future research directions are discussed.

Keywords: Breach of psychological contract, Workplace Deviant Behaviour, Procedural Justice, Pakistan, Banks

Introduction
In today’s rapid and competitive business world, organizations appreciate the directors, senior executives, and managers for improving organizational effectiveness. Organizational effectiveness is only possible when there is strong bonding between employer and employees and ensuring that employees
are not involved in negative behaviour (Nurmaya, 2012). Employees with negative behaviour can affect the organizational objectives of achieving the effectiveness and moreover, it can be risky for the wellbeing of shareholders (Pulich & Tourigny, 2004; McCardle, 2007; Nurmaya, 2012). Workplace deviant behaviour is the most common behaviour in many of the organizations having different forms including theft, absenteeism, aggression, dishonesty, blaming, other colleagues, favouritism etc (Peterson, 2002). Workplace deviant behaviour is a kind of behaviour in which employees deliberately violates the norms of the organization (Griffin & Lopez, 2005). Current reports concluded that organizations of both developed and developing countries had to face the loss of billions of dollars annually just because of workplace deviant behaviour (Bowling & Gruys, 2010). This shows the severity of this issue in different organizations.

Psychological contract breach is one of the factors that encourages and increases deviant behaviour. There are different workplace relationships that effect by behaviour during job but supervisor and supervisee relationship is the relationship discussed frequently in past studies. (Putney, et al., 1992, Kadushin, 1974). A psychological contract breach is defined as an employee's perception that his or her organization has failed to fulfill one or more obligations associated with perceived mutual promises (Gakovic & Tetrick, 2003). The current study has been done to find out the root cause of these workplace deviant behaviors, so management can get higher job satisfaction, lower turnover, less stress, higher productivity, and lower absenteeism if they minimise deviant behaviour from the organization.

The current study will fill the gap of a study conducted by (Ishaq & Shamsher, 2016) recommended for future research that it should examine the relationship of breach of psychological contract and workplace deviant behaviour with the moderating role of procedural justice to see its impact on the relationship of dependent and independent relationship.

Literature Review

Breach of Psychological Contract and Workplace Deviant Behaviour

The psychological contract is simply a reciprocal relationship in which one person gives his services and receives some benefits in the result of his services (Sebastian & George, 2015). Psychological contract turns to breach of psychological contract when employees realise that their boss has not fulfilled promises he made in response of duties and services provided by them (Robinson & Morrison, 1997). When employer fails to fulfil promises then employees resultantly perform negative and harmful activities, workplace deviant behaviour is one of them. Workplace deviant means an intentional behaviour of an employee which aim is to harm the other employees and organization (Omar, Haim et al., 2011). Employees' behaviours have two dimensions. One is the organizational deviance in which employee show that behaviour towards the organization which aim is to damage the reputation and well-being of the organization. Another type is interpersonal deviance in which employees target the organizational constituent. (Robinson & Bennett, 1995) introduced typology of workplace deviant behaviour explaining the forms of workplace deviance. There are four types of deviance including property, production, political, and personal deviance divided into two categories named Organizational and Interpersonal deviance. Property and production deal with Organizational deviance whereas political and personal linked with interpersonal deviance.

A study conducted in Pakistan and found that when employees of any organization perceive that organization has not fulfilled the psychological contract, automatically employees' loyalty and
commitment towards the organization become low and employees show deviant behaviour (Hussain, 2014). Negative reciprocity has a relationship with workplace negative behaviour (humiliating behaviour with peers) that also affect organizational citizenship behaviour badly (Taylor, Bedeian & Kluemper, 2012). When employees see that their boss has cheated them and did not fulfill the promises they try to take revenge against the boss who has not fulfilled the obligations and violated the agreed psychological contract (Bordia, Restubog & Tang, 2008).

A positive relationship between psychological contract and deviant workplace behaviour has been proved many times in early studies. Both kinds of psychological contract breach including relational and transactional lead to counterproductive work behaviour (Jensen, Opland, & Ryan, 2010).

A couple of researchers (Glomb & Liao, 2003; Mitchell & Ambrose, 2007; Alias, 2013) have employed Social Exchange Theory to explain the term workplace deviant behaviour. (Emerson, 1987) suggested that social exchange involves the relationship of two parties in working environment those are an employee and organization. If unfair and unethical treatment is exhibited by the organization the other party will involve in negative behaviours that harm organization (Colquitt et al., 2006).

**H1:** Positive relationship between breach of psychological contract and workplace deviant behaviour

**Procedural Justice as Moderator**

Procedural justice is stated in which employees' belief that an organization has fully followed the standard procedures for the allocation of resources for all employees equally (Moorman, 1991). Employees exhibit positive behaviour towards organization when they observe that top management is making decisions without biases and treating each employee equally (Bottoms & Tankebe, 2012). According to procedural justice theory (Greenberg, 1987), fair judgments of employees are not only based on the outcomes received by employees but there should also the fairness in the procedures that are used by an employer to determine those outcomes. Fairness in procedures and decision-making regarding employees increases the employees' positive behaviour within the organization (De Cremer & Knippenberg, 2002). When employees observe organizational unfairness, they become dissatisfied and start neglecting and violating the organizational norms (Folger & Greenberg, 1985).

Empirical evidence is provided stating procedural justice impact on workplace deviance. When employees face unfairness in the context of a process used by the organization they exhibit more negative behaviour, break organizational norms and show workplace deviant behaviour (Aquino et al., 1999). When there is procedural justice in the organization it minimizes the negativity, issues from organizations (Lind & Tyler, 1988). Higher the level of justice in the eye of employees from the organization end will satisfy the employee at a high level and will reduce workplace deviant behaviour (Fatt et al., 2010). Procedural justice has a negative association with workplace deviant behaviour (Faheem & Mahmud., 2015). Fairness in procedures and processes shows a positive, strong relationship with an employer that enhances within-group relationships (Lind & Tyler, 1988; Tyler & Lind, 1992).

Recent studies have concluded that different types of justice including procedural, distributive and interactional are essential factors that affect the output of both personal and organizational (Elanain, 2010a; Wang et al., 2010). A study conducted on the relationship between organizational injustice and deviant behaviour and concluded that employees' observation and belief regarding procedural, distributive, and interactional justice highly contribute to the behaviour of employees. Employees will
exhibit their behaviour according to justice if there are not proper standards for justice then it will lead to deviant behaviour (Kickul, 2001).

**H₂: Procedural justice significantly moderating the relationship of psychological contract breach and workplace deviant behaviour**

**Research Methodology**

Public banks are the target population for this study, including 1500 employees of public banks of Pakistan. If population size is 1500 required sample for study would be 306 (Krejcie & Morgan, 1970). To maximize the rate of respondent researcher distributed 350 questionnaires among respondents using a stratified sampling method, 310 out of them found complete questionnaire and useful for data analysis representing a response rate of 88%.

Workplace deviant behaviour was the dependent variable of this study. 10-items scale for this variable was adapted from (Bennett & Robinson, 2000) asked about employees negative and harmful activities towards the organization. Breach of psychological contract test as an independent variable in this study. 6-items scale adapted from (Rousseau, 1989; Robinson, 1996) asked about whether boss has not fulfilled some of the promises he had made. Procedural Justice 6 items scale adapted from (Neihoff & Moorman, 1993) asking about employee views about procedural justice from the employer at a workplace. In this study, the researcher used 5 points Likert scale ranging from 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Disagree. According to (Dundas, 2004), Likert Scale options between Strongly Disagree to Strongly Agree allows researchers to make a fine distinction between their attitudes. For data analysis researcher used statistical software SPSS version 22.0, Statistical version 7.0 and excel. Descriptive statistics were used to simplify and characterise the data. Further analysis included factor analysis, reliability & validity tests, correlation and regression to test the hypothesis.
Results

Descriptive Analysis

Demographic information includes Gender, Age, Education, and Marital Status. Details can be seen in Table 1.

Table 1. Demographic Information (n=306)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Mean</th>
<th>Min</th>
<th>Max</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>186</td>
<td></td>
<td>1</td>
<td>2</td>
<td>1.146</td>
</tr>
<tr>
<td>female</td>
<td>120</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-30</td>
<td>121</td>
<td></td>
<td>1</td>
<td>4</td>
<td>10.629</td>
</tr>
<tr>
<td>31-40</td>
<td>117</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41-50</td>
<td>51</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>51 and above</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelors</td>
<td>140</td>
<td></td>
<td>1</td>
<td>3</td>
<td>1.203</td>
</tr>
<tr>
<td>Master</td>
<td>141</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above Master</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>189</td>
<td></td>
<td>1</td>
<td>2</td>
<td>.305</td>
</tr>
<tr>
<td>Unmarried</td>
<td>117</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 shows the descriptive analysis of demographics variables. Above table shows that for this study the ratio of male respondents was high (186) as compared to female (120) standard deviation is 1.14. More respondents’ ages were between 20-30 (121) and standard deviation of age is 10.62. Master degree holder respondents ratio was high (141) having a standard deviation of 1.20 and 189 respondents were married with a standard deviation of .305.

Reliability Test

Reliability for Breach of psychological contract, Procedural Justice, and Workplace Deviant Behaviour are presented in Table 2.

Table 2. Reliability Statistics (n=306)

<table>
<thead>
<tr>
<th>Sr.#</th>
<th>Variable</th>
<th>No. of Items</th>
<th>Cronbach’s Alpha (≥0.7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Breach of psychological contract (BPC)</td>
<td>6</td>
<td>.880</td>
</tr>
<tr>
<td>2.</td>
<td>Procedural Justice</td>
<td>6</td>
<td>.893</td>
</tr>
<tr>
<td>3.</td>
<td>Workplace Deviant Behaviour (WDB)</td>
<td>10</td>
<td>.957</td>
</tr>
<tr>
<td></td>
<td>Whole-Scale</td>
<td>22</td>
<td>.915</td>
</tr>
</tbody>
</table>
Above table exhibits the Reliability (Cronbach’s Alpha) that has been tested to make sure all scales and their items are reliable. For this purpose, SPSS was used. The value of BPC that is .880, PJ is .893, and WDB at .957. The total value of Cronbach’s Alpha for the whole scale is .915. According to (Nunnally & Bernstein, 1994; Sekaran, 2003) if the value of alpha is equal or more than 0.7 that is a threshold value, its mean items have enough reliability and it can proceed for further research.

**Correlation**

Correlation among all factors has been performed using SPSS, correlation of all factors given below in Table 3

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SDs</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BPC</td>
<td>20.26</td>
<td>7.23</td>
<td>1</td>
<td>-.303*</td>
<td>.646**</td>
</tr>
<tr>
<td>2. PJ</td>
<td>24.67</td>
<td>5.27</td>
<td>-</td>
<td>1</td>
<td>-.449**</td>
</tr>
<tr>
<td>3. WDB</td>
<td>35.92</td>
<td>9.98</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

*Correlation is significant at p < 0.05 and **Correlation is significant at p < 0.01

BPC= Breach of the psychological contract, PJ= Procedural Justice, WDB= Workplace Deviant Behaviour

Table 3 Shows the means, SDs, and correlations of the variables used in this research. The correlation shows a relatively significant positive relationship between the Breach of psychological contract and workplace deviant behaviour (.646,p<0.01). Similarly, procedural justice has a significant negative relationship with breach of psychological contract (-.303,p<0.05) and a negative relationship with workplace deviant behaviour (-.449,p<0.01).
Regression and Moderation Analysis

Table 4 representing Hierarchical regression and moderation Analysis for breach of psychological contract, procedural justice, and workplace deviant behaviour was performed to check the effect of variables on each other

Table 4: Regression and Moderation

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>2.011</td>
<td>1.074</td>
<td>.463</td>
<td>.087</td>
</tr>
<tr>
<td>Age</td>
<td>.245</td>
<td>.491</td>
<td>.114</td>
<td>.401</td>
</tr>
<tr>
<td>Education</td>
<td>-0.531**</td>
<td>-1.709**</td>
<td>-1.575**</td>
<td>-1.186*</td>
</tr>
<tr>
<td>Marital Status</td>
<td>1.480</td>
<td>.670</td>
<td>.126</td>
<td>.116</td>
</tr>
<tr>
<td>Independent Variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breach of</td>
<td></td>
<td>1.649**</td>
<td>.931*</td>
<td>.290*</td>
</tr>
<tr>
<td>psychological contract (BPC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice</td>
<td></td>
<td>-1.627*</td>
<td>-2.380*</td>
<td></td>
</tr>
<tr>
<td>(PJ)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BPC X PJ (Interaction)</td>
<td></td>
<td></td>
<td></td>
<td>2.173*</td>
</tr>
<tr>
<td>R Square</td>
<td>.015</td>
<td>.425</td>
<td>.574</td>
<td>.621</td>
</tr>
<tr>
<td>F Value</td>
<td>1.055</td>
<td>44.252*</td>
<td>49.280*</td>
<td>60.651*</td>
</tr>
</tbody>
</table>

Note: *p<.05; **p<.01; ***p<.001; n=306

The above Table 4 shows the regression and moderation analysis with the help of 4 models with different R square values. Model 1 control variables (Gender, Age, Education, Marital Status) effect on workplace deviant behaviour. Results show education is significant with a negative coefficient ($\beta= -0.531**; P<.01$) which means more the educated person will show less workplace deviance. R square of Model 1 is .015 which means that the control variable has a contribution of 15% in the outcome variable. Model 2 when Breach of psychological contract (I.V) is added along with control variables the relationship is significant ($\beta= 1.649**; P<.01$) the R square increased up to .425 that shows control variables and independent variables have a contribution of 42.5% in WDB (D.V). Model 3 procedural justice (Moderator) added the relationship without a moderator is ($\beta= -1.627; P<.05$) R Square increased Up to .574 which means by adding moderator the variables have the contribution of 57.4%. Model 4 when the interaction term (BPCX PJ) is added ($\beta= -2.173; P<.05$) R square increased .621 which shows that interaction/moderator has contribution of 62.1% in workplace deviant behaviour moreover the beta value of interaction term is in negative that depicts the negative relationship of procedural justice and workplace deviant behaviour.
Discussion

Results of the study showed that there is a positive relationship between the Breach of psychological contract and workplace deviant behaviour towards organizations. In past, studies also revealed that when the employer does not fulfill promises made with employees it leads to a breach of psychological contract and resultantly employees behave negatively in the organizations. A study conducted in Pakistan and found that when employees of any organization perceive that organization has not fulfilled the psychological contract, automatically employees’ loyalty and commitment towards organization become low and employees show deviant behaviour (Hussain, 2014). Results of a study taking sample of MBA graduates, 55% respondents revealed that psychological contract is violated within 2 years of a job (Robinson & Rousseau, 1994). A positive relationship between breach of psychological contract and workplace deviant behaviour is proven by correlation test and regression as well. Table III, IV (.646**, β= 1.649). Hierarchal regression analysis showed the R square value for breach of psychological contract and workplace deviant behaviour .425 which depict that 42.5% change in workplace deviant behaviour is because of breach of psychological contract. β values show that 1% increase in IV will increase 1.649 percent independent variable. Results showed that procedural justice weakens the relationship of breach of psychological contract breach and workplace deviant behaviour. According to table IV (β=-2.173*, R2=.621) R2 shows that procedural justice as moderator has 62.1% of contribution in minimising the relationship of breach of psychological contract breach and workplace deviant behaviour and β value shows that 1% increase in procedural justice will decrease -2.17 percent in the relationship of IV and DV. Moderator analysis and results are in line with past studies stated procedural justice within organization help employee to show less negative and harmful behaviors (Lind & Tyler, 1988).

Conclusion

The research concludes that the breach of psychological contract has a significant and positive relationship with workplace deviant behaviour. The employees deliberately neglect their duties and responsibilities towards the organization when they feel betrayed by their employer for not keeping his promises. Moreover, it grows the feeling of anger and dissatisfaction among the employees that further provoke employees to involve in unethical activities that are harmful for not only for employees but organizations as well. The current study suggested that this type of negative behaviour can be controlled if all employees are treated equally and employer fulfil their promises made with employees. Therefore, procedural justice variable has been used as moderator and results showed significant results that procedural justice helps to overcome this issue at workplace.

Current study contributed in existing literature by filling gap of psychological contract breach, procedural justice and workplace deviant behaviour in one model. This research is unique in context of banking sector of Pakistan as well. Present study is useful in many ways. It is beneficial for managers to understand the behaviour of employees and to satisfy them to prevent negative behaviour. Furthermore, this research would be helpful for policy makers to redesign the strategies that are in favour of employees to keep them loyal and to create a positive working environment.

Recommendations

Keeping in mind the issue and outcome of this research, few recommendations been proposed for organizations to cope with this issue.
➢ Top management must be committed about the promises, rules they have set for their employees
➢ Culture of bank must be supportive for every employee and there must be no biasness in facilitation of opportunities for any workers
➢ Code of conduct must be same for all employees no one should be considered superior
➢ Positive steps should be taken for counselling of employees to cope with deviant behaviour among employees

Limitations of the Study
The current study has a couple of limitations in it. First, as the data was collected from banks, employees had plenty of work they had to finish that is why they were not giving full concentration to the questionnaire which they had to answers. Secondly, they were feeling hesitation and due to the fear of managers they were giving impartial views. Thirdly, data collected only from public banks.

Future Research Directions
As per the above-mentioned limitations of this research, there are some directions for future researchers. Firstly, current research collected data personally and used only one way of gathering data. Future researchers can collect data via sending survey online. It would be time-consuming and more responses can be taken in a very short period. Secondly, this research done with moderating variable, future research is required to conduct a study with other variables as mediators like regular feedback, empowerment, and age groups. Thirdly, the banking sector of the public organization was the target population future research could be on education, health, manufacturing sectors. Fourth, this study is cross-sectional, the next research could be a longitudinal study to get detailed information and data.

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