ABSTRACT

This study in fact is conducted to study the effect of distributive injustice on employee workplace deviant behavior i.e., organizational deviance and the mediating role of psychological contract breach. The relationship in this research is studied by taking a sample of 128 employees of different public and private sector and multinational organizations which are experiencing a critical change due to economic factors. We used regression analysis in our study. Results indicate a distributive injustice as a strong antecedent to psychological contract breach and also psychological contract breach mediates the relationship between distributive injustice and organizational deviance. Also previous researches on psychological contract breach have been done in individualist societies but this research has focused on a collectivist society. Present research would help authenticate the other few researches in the similar societies.

KEY WORDS: Distributive injustice, Psychological contract breach, Deviant behavior

1. INTRODUCTION

The relationship between distributive injustice among injustices, psychological contract breach and organizational deviance among interpersonal and organizational deviances can be understood through the social exchange theory. Social exchange theory is a mix of economics, sociology and psychology. The theory was actually developed to understand the human behavior in exchange relationship, initially aimed at monetary exchanges (Hormans, 1958) but later on non-monetary exchanges were also studied. Each party acts accordingly for satisfying the mutual expectations and thus creating mutual obligations with the passage of time. If either of the parties does not reciprocate the actions the other would likely to behave in a way so as to moderate the imbalance. Through Social exchange theory which considers the exchanges between two parties, if employee perceives an imbalance in rewards, in return he/she is likely to experience the psychological contract breach (Cropanzano & Mitchell, 2005). To create a balance between his expectations and experiences an employee acts accordingly i.e., negatively and his behavior would ultimately be in such a way so as to harm the organization. The greater the gap between an employee’s experiences in rewards the more the deviant reactions are shown by an employee and in strengthened form. Relational contract tend to produce stronger detrimental behaviors than transactional contracts. Terms of relational contract gives rise to stronger violation–outcome relationships, transactional contract terms produce weaker relationships (Raja et al., 2011).

2. LITERATURE REVIEW

Little empirical research has been done yet on the antecedents of psychological contract (Zottoli, 2003) but much is available on its effects. Studies have also shown that when an individual perceives distributive injustice he is likely to show strong behaviors (Brockner & Wiesenfeld, 1996). Distributive justice focuses on a wide variety of its results job security (Oldham, Kulik, Ambrose, Stepina, & Brand, 1986), layoffs (Brockner, Greenberg, & Brockner, 1986) and pay (Mowday, 1984). Moreover organizational study on distributive justice (and Injustice) takes into account the employees attitudes and behaviors.

As far as breach is concerned there has been extensive study and its effects on outcomes like job outcomes (Conway et al., 2011), job attitudes (Matthijs Bal et al., 2008) and deviance (Chiu and Peng, 2008). To summarize, the effects of psychological contract breach targeted employee behaviors and job outcomes (Turnley and Feldman, 1999). Hill et al. (2009) studied the development of psychological contract from a different perspective that is buyer and supplier. A number of antecedents have been identified and studied of psychological contract breach. Conway and Briner (2005) proposed a number of antecedents that are categorized as first order
2.1 Organizational justice

There are three main proposed types of organizational justice that are, procedural justice, interactional justice and distributive justice.

2.2 Procedural Justice

Procedural justice refers to the objectivity and fairness of the processes and procedures that lead to outcomes. When individuals believe and feel that processes and procedures are ethical, consistent, and candid and every thing is done by fair means then the perceptions of procedural justice is enhanced and is more likely and widely accepted by the employees (Leventhal, 1980).

2.3 Interactional Justice

Interactional justice means how an individual is treated after the decisions are made, what explanations are given for the decisions made and how he is communicated and with what sensitivity he is treated (Bies & Moag, 1986). (Colquitt, 2001), in construct validation suggest that interactional justice should be divided into two dimensions: interpersonal justice and informational justice. Interpersonal justice means the perceptions of respect and ethics in one’s treatment while informational justice refers to the sufficiency and transparency of the explanations given taking into account the specificity and timeliness, also Interpersonal justice is more relational in its nature that is the degree to which people are dealt respectfully, morally and ethically by the superiors and authorities and others that are involved in the execution of policies and procedures. The main focus of informational justice is on explanations given to people, the information the exposes the reasons of the processes and procedures that are used in a particular way and the reasons of the distribution of particular outcomes in a certain way.

2.4 Distributive justice:

Distributive justice considers the fairness in the allocation salaries/benefits, bonuses, and promotions. The allocation of rewards fulfilling the perceived inputs incurred by an employee in terms of performance is called as fairness (Homans, 1961) and the perceptions of the distributive justice is also affected by social comparisons termed as referents by (Adams, 1965) and Kulik & Ambrose, (1992). Different researchers and authors have divided them into two types as Leung et al. (1996) termed performance-based distributive justice (performance – reward relationship) and comparative distributive justice (social comparisons with rewards).

In equity rule as explained by Adams (1965) rewards distribution is betrothed to the performance of employees and is considered to be the fair treatment with employees as they are getting in return to what they incur in terms of effort, responsibility, hard work etc. (Adams, 1965; Homans, 1961). If an employee perceives personal contributions to be low he might feel guilty, but if they are perceived to be high negative emotions are generated which may in severe case compel an employee to act defiantly in order to restore or to create a balance between his perception and outcomes he receive (Van Yperen et al. 2000). (Morrison & Robinson, 1997); (Rousseau, 1997) has treated psychological contract breach a form of distributive injustice in which promises and outcomes are fulfilled. From organizational perspective, distributive justice (or injustice) focused on perceptions of equity (Adams, 1965).

2.5 Psychological contract breach:

Psychological contract is unwritten mutually understood obligations between employee and an employer. A psychological contract can be defined as expectations regarding the reciprocal (give and take) obligations in an exchange relationship typically employment relationship. In an employment relationship perspective it is the reciprocity of the actions which may take two directions from employee to employer and from employer to
employee but normally we would talk from the employee’s perspective (Rousseau, 1989) [33]. The idiosyncratic and perceptual nature of psychological contracts should make them highly personal in nature. Rousseau (1989) [33] argued that psychological contracts are beliefs held by an individual that may or may not be shared with others. The literature distinguishes between two types of psychological contract along the dimensions of time and nature of perceived expectations. While transactional contract is composed of specific, short-term, monetisable obligations that entail limited involvement of the parties, a relational contract entails broad, open-ended, long-term obligations and has socio-emotional elements in it such as loyalty and support (Rousseau & McLean Parks, 1993) [34]. Previous empirical evidence states the contract breach is related to attitudinal outcomes and behavioral outcomes like employee workplace deviant behavior (Zhao et al., 2007) [35].

2.6 Employee Work Place Deviance

A lot of the previous research has focused on the effects of psychological contract on the variables like employee turnover, withdrawal behaviors, employee absenteeism and job neglect. Employee deviant behavior can be defined as an employee’s cognitive behaviors that break the standard rules, regulations and norms in order to spoil and harm the interests of organization and other employee. Employee voluntary negative job behaviors have broader impact than that of withdrawal behavior (Robinson & Bennett, 1995) [38]. Employee deviant behavior can contribute a lot in the increased costs of productivity and efficiency. Hence psychological contract breach has importance in understanding the deviant behaviors that are disastrous and cause serious damage to organization. According to the target of behavior, deviant behavior is divided into two types, interpersonal deviance and organizational deviance (Bennett & Robinson, 2000) [37]. The factors affecting interpersonal deviance are factors related to individual and factors that affect the organizational deviance are organizational or contextual in nature (Berry, Ones, and Sackett, 2007) [38]. Contextual factors are deeply held by the employees than the factors related to an individual; therefore the chances of organizational deviant behavior by an employee are greater.

3. METHODOLOGY

3.1 Understanding relationship through social exchange theory

The perceived nature of psychological contract must not be forgotten as it is illusory and varies from individual to individual depending on their perceptions and background (Rousseau, 1989) [33]; (Suazo et al, 2009) [39]. Social exchange theory explains the phenomenon of psychological contract breach through the monetary imbalance that an employee perceives to be nonobjective. Employee expects the certain level of pay/benefits but he is believes he is not objectively rewarded. From the definition of psychological contract given by Rousseau (1989) [33] it can be inferred that if promises are not kept and rewarded by the employers in an employment relationship, resultantly there are opposite reactions shown that is the negative reciprocity would play its role in employment relationship by employees. Psychological contract fulfillment represents the existence of positive reciprocity and psychological contract breach represents the negative reciprocity depending on the expectations employer or the of employee, thus a balance prevails in the social system (Levinson, 1965) [40]. On the contrary positive reciprocity results in the strengthening of contract because perceived promises are rewarded with rewards and negative reciprocity would break the psychological contract because perceived obligations by employer are not fulfilled and the underlying myth can be understood by social exchange theory that employer is rewarded with the similar rewards as employees now behave deviantly (Uhl-Bien & Maslyn, 2003) [41]. Resultantly, the perceived broken promises lead the employee to feel biasness and an unbalance in treatment which may lead to dissatisfaction in relationship and causes cognitive dissonance (Rousseau, et al. 2004) [42]. This imbalance has in itself a propensity to remove imbalance either by removing of positive behaviors or by showing negative behaviors as a way to take revenge (Uhl-Bien & Maslyn, 2003) [41].

3.2 Theoretical Framework

3.3 Samples and Procedures

Ongoing period in Pakistan represents a severe downfall in the economy and the employees experiencing decreasing purchasing power, low relative salaries and fighting high inflation rates is our target sample of study of
distributive injustice and psychological contract breach. It is surely and highly drives the dissatisfied employees to become deviant. We have taken the samples from local and international environment context. In international context we have taken multi-nationals whose environment is highly representative of the head office of the host country. But in local context we have taken both government and private organizations. The technique of Convenience sampling has been used also highly aggressive employees are excluded from the sample because of the greater impact of other personality traits and factors. Questionnaires are distributed through self administered way. 200 questionnaires were distributed and 140 were received, from which 12 questionnaires were excluded, some of them were incomplete and some of them were misunderstood. Sample included both supervisors and employees. One supervisor is selected for every fifteen employees.

3.4 Measures
3.4.1 Distributive Justice
Colquitt (2001)\textsuperscript{[25]} measured the distributive justice with four items e.g., (1) - “The outcome of my work is appropriate for the work that I have completed” (2) - “The outcome of my work reflects what I have contributed to the organization”. The alpha reliability was calculated to be 0.81.

3.4.2 Psychological Contract Breach
Psychological contract breach can measure by different types of scales e.g., dimensional breach and global breach and others. Global breach measure of psychological contract breach is used in this study (Robinson and Morrison, 2000)\textsuperscript{[15]}. The change made to this measure is the inclusion of the words “to me” in the first item. The item, with the additional wording in parentheses, is as follows: “Almost all the promises made (to me) by my employer during recruitment have been kept so far”. The inclusion of these words is important as the psychological contract breach and its betrothed promises should be taken at micro or individual level. Without the addition of these two small words “to me”, the employee might perceive that they are being asked generally i.e., about organization wide promises, not about the promises that are particularly made to him. In the rest of the four items formulated by Robinson and Morrison, the words “to me” exists as referents, thus other items are left without any change. The idea of the addition of these two words in the first item has been taken from the dissertation of Michael Zottoli (2003)\textsuperscript{[41]}. The alpha reliability calculated by (Robinson and Morrison, 2000)\textsuperscript{[15]} was 0.91.

3.4.3 Organizational Deviance
Organizational deviance is measured by 12-items and interpersonal deviance by 7-items total 19-item were used. The alpha reliability calculated for the organizational deviant behavior is 0.81 and was measured by 7-point likert scale (Bennett and Robinson, 2000)\textsuperscript{[37]}. In organizational deviance three items are removed “1- Dragged out work in order to get over-time, 2-Falsified a receipt to get reimbursed for more money than they spent on business expenses, 3-Used an illegal drug or consumed alcohol on the job” are removed. The reason behind the rejection of 1\textsuperscript{st} and 2\textsuperscript{nd} items is that people do not accept them as ethical and legal to answer them. The 3\textsuperscript{rd} item has also been deleted because of its irrelevance to the Pakistani culture.

3.5 Hypothesis
Hypothesis No.1: Distributive injustice is positively related to organizational deviant behavior
Hypothesis No.2: Psychological contract breach mediated the relationship between distributive injustice and organizational deviance.

4. RESULTS

Table 1 presents the means, standard deviations, correlations and reliabilities of the all the variables involved. Table 2 contains the regression analysis regarding the impact of psychological contract breach on organizational deviant behavior and the effect of distributive injustice on organizational deviance through psychological contract breach. All the variables are significantly correlated with each other. The correlation of distributive injustice with psychological contract breach is .251(**), with organizational deviant behavior is .195(*) and psychological contract breach with organizational deviant behavior is .454(**). The alpha reliabilities are calculated to be 0.859 as compared to 0.81 calculated by Colquitt (2001)\textsuperscript{[25]}, 0.816 as compared with the 0.91 calculated by (Robinson and Morrison’s 2000)\textsuperscript{[37]} and 0.874 as compared to 0.81 calculated by (Bennett and Robinson’s 2000)\textsuperscript{[37]} of distributive injustice, psychological contract breach and organizational deviance behavior. There is also a little difference between the means of the three variables but the correlation is significant.
Table 1

<table>
<thead>
<tr>
<th></th>
<th>DI</th>
<th>PCB</th>
<th>ODB</th>
<th>Mean</th>
<th>STD</th>
</tr>
</thead>
<tbody>
<tr>
<td>DI</td>
<td>(.859)</td>
<td></td>
<td></td>
<td>2.4141</td>
<td>68479</td>
</tr>
<tr>
<td>PCB</td>
<td>.251(**)</td>
<td>(0.827)</td>
<td></td>
<td>2.6797</td>
<td>68428</td>
</tr>
<tr>
<td>ODB</td>
<td>.290(**)</td>
<td>.530(**)</td>
<td>(0.864)</td>
<td>2.3220</td>
<td>.71600</td>
</tr>
</tbody>
</table>

** p<0.01 (2-tailed).
* p<0.05 (2-tailed).
a Listwise N=128

Our first hypothesis states that DI is positively related to ODB, which has been proven from the results below (B=0.303, p < .01) explaining the variation by 7%. Second hypothesis states that psychological contract breach mediates the relationship between distributive injustice and organizational deviant behavior. Results are in accordance with the proposed hypothesis as R square and adjusted R square increased to .307 and .296. The significance level of distributive injustice and t-statistic has decreased. The values of betas have fallen from .303 to .176 and .554 to .510 for both DI and PCB (before mediation and after mediation) and the values of t-statistics as well. The decreasing strength of psychological contract breach on ODB (1-B = .554 to 2-B = .510) shows that PCB mediates the relationship partially. The collective variation explained in ODB is 29.6% (B1=.51, B2=.17, p < .05, P <.05)

Table 2

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>R square</th>
<th>Adj R square</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
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<td>1</td>
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<tr>
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<td>PCB</td>
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<tr>
<td>2</td>
<td>PCB</td>
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<td>6.339</td>
<td>.307</td>
<td>.296</td>
</tr>
<tr>
<td>2</td>
<td>DI</td>
<td>.176</td>
<td>2.183</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Dependent Variable: ODB
** p<0.01 (2-tailed).
* p< 0.05 (2-tailed).
a Listwise N=128

5. CONCLUSION & LIMITATION

The present study investigates the mediating role of PCB between DI and ODB. The demographic variables have not been taken as constant because they did not show any significant impact on perceptions of breach and organizational deviance behavior (p<.01). Previous studies took the demographic variables as constant like (Chiu and Peng 2008)[11], Berry et al (2007) [38] took age, Douglas & Martinko (2001) [43] took education, and Hershcovis et al (2007) [44] took gender as control variables. On the contrary in our study there was no significant effect identified of any demographic variable on mediator and dependent variable. The insignificant impact of age, gender and education can be explained by the reasons that this research has been conducted in Pakistan a collectivist society (Hofstede.G, 1983)[45], where the economy is experiencing a dramatic downfall, un employment is increasing, people’s purchasing power is also decreasing which are causing the common problems to the people. The commonality of problems like basic needs, purchasing power decrease, injustice (distributive) are the main causes of aggression and negative feelings that generates the negative reciprocity (Jang News) among the employees of the organizations which compels them to take revenge from their organization in which they are working and hence ignoring the impact of age gender and education.

The limitation of this study is that sample size is limited because of very little response from the respondents. The impact of personality factors and types must taken into account like hostile attribution style (Chiu and Peng, 2008)[11], Raja et. al., (2011)[3].

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