



Exploring Linkages between Psychological Contract Breach and Employees Counterproductive Work Behavior in Power & Electricity Sector of Pakistan

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ABSTRACT- Psychological Contract Breach (PCB) and Counterproductive Work Behavior (CWB) are two important facets of modern organizations. Researchers have proposed that CWB is prompted as a consequence of PCB. Keeping this in mind, the current study has explored the linkages between PCB and CWB in the Power & Electricity Sector of Pakistan. This study has adopted a cross sectional survey research design by collecting data from 330 employees via self-reported questionnaire. Data was analysed by descriptive and inferential statistics. Findings revealed that PCB was found a significant predictor of CWB, whereas PCB was found positively associated with the CWB. The current study has both theoretical and practical implications for researchers and practitioners. It has been concluded that negative cognitions and perceptions in the shape of PCB regarding organization lead to development of negative work behaviors among employees in the power sector of Pakistan. Therefore, the top management should provide a conducive working environment so that employees do not develop negative cognitions.

Keywords: Psychological Contract Breach, Counterproductive Work Behavior, Power & Electricity

I. INTRODUCTION

Psychological Contract Breach (PCB) is the employees' negative cognitions and perceptions of reciprocal obligations in exchange relationships within an organization (Guo, 2017). In fact, the relationship between the HR of an organization and the organization itself is based on the principle's reciprocity. By close analysis of the PCB, it is clear that it is rooted in this exchange relationship. Here the fulfilment of psychological contract is linked with certain workplace behaviours of employees. However, if any breach occurs in this psychological contract, then it may lead to negative consequences like cognitive dissonance and Counterproductive Work Behavior (Li & Chen, 2018).

The prevalence of PCB in any organization can badly disturb its internal and external environments. It not only affects the positive workplace behaviours but also triggers negative and counterproductive workplace behaviours. Whenever and wherever employees are suffering from PCB often perform very negatively and try to knowingly harm the overall interests of the organization (Griep, Vantilborgh, & Jones, 2020). Therefore, the negative consequences of PCB are not just limited to CWB rather it has devastating effects on the other aspects of organization, including lack of ownership (Ghani et al., 2020), lack of trust (Vogelgesang, Crossley, Simons, & Avolio, 2020), low performance (Costa & Neves, 2017) and job turnover intentions (Salin & Notelaers, 2017). It means that PCB has a variety of adverse impacts on the organizations.

Keeping in view the important role of PCB and its effects on the overall organisational outputs, this construct has been studied by different researchers in the western developed countries as well as in the Asian countries. The review of existing literature shows that researchers (e.g., Griep et al., 2020; Protsiuk, 2019) have examined PCB and its effects in the European countries, whereas Jensen, Opland, and Ryan (2016) in United States of America, and Li and Chen (2018) in Chinese organizations. However, the review reveals limited research studies (e.g., Ahmed, Kiyani, & Hashmi, 2013; Ihsan, Jaafar, Ayupp, & Usman, 2020) to look into the relationships between PCB and CWB in South Asia and specially in Pakistan. Moreover, these studies were conducted either on hospital employees or on university teachers. Hence, to the best of the knowledge of current researchers contend that such study has not been conducted on the employees of electricity and power sector of Pakistan. Keeping in mind this contextual research gap, the current study has been undertaken. The selection of the context of power sector of Pakistan is because this sector consists of ten

distribution companies called DISCOs. These companies spread almost all over the country. These DISCOs are: Islamabad Electric Supply Company (IESCO), Faisalabad Electric Supply Company (FESCO), Lahore Electric Supply Company (LESCO), Gujranwala Electric Supply Company (GEPCO), Multan Electric Supply Company (MEPCO), Sukkar Electric Supply Company (SEPCO), Hyderabad Electric Supply Company (HESCO), Quetta Electric Supply Company (QESCO), Peshawar Electric Supply Company (PESCO) and Tribal Electric Supply Company (TESCO). Therefore, data was collected from the selected employees of these companies to determine their level of PCB and CWB and to know the effects of PCB on the CBW among employees of these companies.

II. RESEARCH FRAMEWORK AND HYPOTHESIS

A Research Framework represents the main idea, the variable and the logical connection between the variables of a research study (Lithner, 2008). To logically connect the study variables and their relationship with some established theories, the current researchers believe that the relationships can easily be explained in the light of the Social Exchange Theory (Birtch, Chiang, & Van Esch, 2016), Equity Theory (Kickul & Lester, 2010) and Contribution-inducement Model (Lambert, 2011). The researchers believe that these theories can be integrated in the research framework of the current study as shown in *Figure 1*. From this research framework, the following hypothesis is put to empirical testing:

H₁ = Feeling of psychological contract breach among employees of Electricity and Power sector of Pakistan will lead to the development of counterproductive work behavior.

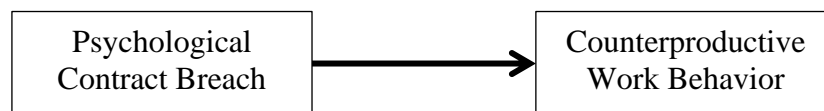


Figure 01: Research Framework of Study

Research Methodology

Research methodology of the current study consists of research design, population & sampling, data collection and data analysis.

Research Design

This study has adopted a cross sectional research design, since this kind of design is more relevant, cost, and time effective (Cooper & Schindler, 2010).

Population and Sample

Population of the study is the junior and mid-level managers of the Electricity and Power distribution sector of Pakistan. The total population, working at managerial, of this study as per the official statistics is N=3368 (FMoE, 2021). The junior and mid-level managers serve as line managers of respective power Supply Company. Therefore, this segment of the population is deemed the most appropriate for the study of Psychological Contract Breach. The reason being they are directly influenced from the policies and decisions passed by the top level managers and they themselves directly lead the employees responsible for execution (López-Cotarelo, 2011). Therefore, out of total 3368 management cadre employees, there were 2357 employees holding the positions of junior and mid-level managers. In order to get a sample, simple random sampling technique has been used. By applying the Krejcie and Morgan (1970) table with a 95% Confidence Level a sample of n=330 is drawn.

Data Collection

Data was collected through a self-reported questionnaire. The questionnaire was designed by taking nine items of the Psychological Contract Breach Scale developed by Robinson and Wolfe Morrison (2000) and ten items of Counterproductive Work Behavior Scale developed by Spector, Bauer, and Fox (2010). The questionnaire was personally administered among the targeted employees.

Data Analysis

Data was analysed by descriptive and inferential statistics. Descriptive statistics include, frequency tables, mean, and percentages, whereas the inferential statistics include Cronbach's Alpha, Exploratory Factor Analysis, and Linear Multiple Regression Analysis. Data was analysed by using Statistical Package for Social Science (SPSS).

III. RESULTS OF STUDY

Reliability and Validity

Reliability and validity statistics of the study variables are provided in table 1. The data in the table reveal that both the study variables have Cronbach's Alpha Coefficients above the 0.7 cut-off point, therefore giving a proof that both variables possessed sufficient internal consistency. Moreover, the table (Table 1) shows that the both the variables had factor loadings above the 0.7 which is quite high that cut-off point 0.05. Similarly, their Kaiser-Meyer-Olkin (KMO) values were also quite above than the cut-off point and are significant at $p=0.00$ level. All these values demonstrate that both variables had sufficient construct validity.

Table 1: Reliability and Validity Analysis (n=330)

Variables	Cronbach's Alpha	Factors Loading Range	KMO Values
Psychological Contract Breach	0.76	0.65 to 0.83	0.76
Counterproductive Work Behavior	0.79	0.67 to 0.87	0.74

Sociodemographic Profile of Employees

Researchers (e.g., Uche, George, & Abiola, 2017) strongly suggest the analysis of socio-demographic profile of participants as they have tremendous effects on the main variable of study. Table 2 provides these statistics. It is clear that majority (80%) of the employees are males. The reason being majority of the workforce of power sector of Pakistan is technical (engineers) and male populated. Experience wise, majority of the employees (55%) have working experience of 01 to 10 years. It was because; in the current study most of the junior and middle level employees were selected. Moreover, such employees perform most of the technical tasks. So far as education is concerned, the Table 2 shows that majority of employees (64%) had done graduation. It is because most of the engineers after obtaining their Bachelor's Degree in engineering join the Electricity and Power sector of Pakistan. Finally, the location of the employees shows that majority of employees were from the Punjab province (49%), whereas rest of employees were from Khyber Pakhtunkhwa (20%), Sindh (18%) and Baluchistan (13%). The reason behind more employees from the Punjab province is that Punjab province is population wise bigger province of Pakistan, therefore, it have more employees.

Table 2: Socio-demographic Profile of Employees (n=330)

Socio-demographic Variables	Number (Percentages)
Gender	
Male	264 (80%)
Female	66 (20%)
Work Experience	80 (24%)
01 to 05 years	104 (31%)
06 to 10 years	95 (29%)

11 to 15 years 16 and above	51 (16%)
Education Graduation Masters	213 (64%) 117 (36%)
Province Khyber Pakhtunkhwa Punjab Sindh Baluchistan	67 (20%) 162 (49%) 58 (18%) 43 (13%)

Testing of Hypothesis

Hypothesis of current study was tested by running Linear Multiple Regression Analysis with the help of SPSS. For this purpose, data was entered into the regression model in two successive steps. In the first step, the socio-demographic variables were entered into the model, and in the second step, the independent variable of Psychological Contract Breach was entered into the regression model. Results of regression are given in tables 3 and 4. Table 03 shows that the socio-demographic variables had explained small change in Counterproductive Work Behavior, i.e., 15% (ΔR^2) significant at $p=0.007$ ΔF 5.94 value. On the other side, the independent variable of Psychological Contract Breach had explained big change in Counterproductive Work Behavior, i.e., 45% (ΔR^2) significant at $p=0.000$ ΔF 6.55 value.

Table 3: Model Summary for Linear Multiple Regression (n=330)

Model	R Square	Adjusted Square	Change Statistics				
			R Square Change	F Change	df1	df2	Sig. F Change
01	0.15	0.13	0.15	7.360	01	489	.007
02	0.59	0.50	0.45	5.739	04	485	.000

Table 04 shows the standardized beta coefficient that explains how much change the sociodemographic and independent variable of Psychological Contract Breach had brought in the dependent variable of Counterproductive Work Behavior. It is clear from Table 04 that both sociodemographic and independent variable of Psychological Contract Breach had brought significant change in the dependent variable of Counterproductive Work Behavior. Moreover, the Independent variable is positively associated with the dependent variable, i.e., $\beta = 0.114^*$, $p=0.003$ level. In this way, the hypothesis "Feeling of Psychological Contract Breach among employees of Electricity and Power sector of Pakistan will leads to development of Counterproductive Work Behavior" has been accepted.

Table 4: Effects of Independent variable on Dependent Variable (n=330)

STEP 01	Counterproductive Work Behavior ^a	
	β ^b	t ^c
Gender	0.004*	1.080
Work Experience	0.114*	2.571
Education	0.150*	3.376
Province	0.109*	2.464
STEP 02		
Gender	0.004*	1.100
Work Experience	0.112*	2.545
Education	0.139*	3.127
Province	0.117*	2.652
Psychological Contract Breach	0.114*	2.557

Note: a= Dependent Variable; b= standardized beta coefficients; c= t-test values; * significant at $p<0.005$ level

IV. DISCUSSION

This study aimed at determining the linkages between Psychological Contract Breach and Counterproductive Work Behavior among the employees of Electricity and Power sector of Pakistan. Findings of this study show that there exists a positive link between the Psychological Contract Breach and Counterproductive Work Behavior. Findings of this study are in concurrence with the findings of previous studies like for example Griep et al (2020) conducted a study in Sweden among 3070 volunteer and 365 paid employees and found that the Psychological Contract Breach seriously caused Counterproductive Work Behavior. Similarly Ma, Liu, Lasseben, and Ma (2019) conducted a study among 225 employees working in a large Chinese state-owned air transportation company and found that Psychological Contract Breach was positively associated with Counterproductive Work Behavior and Turnover Intentions.

Findings obtained from this study and from the previous studies have revealed that Psychological Contract Breach is a serious issue faced by the modern organizations. It can cause serious consequences to the overall outputs of organizations by causing Counterproductive Work Behavior (Li & Chen, 2018) and other issues like for example, lack of ownership (Ghani et al., 2020), lack of trust (Vogelgesang et al., 2020), low performance (Costa & Neves, 2017) and job turnover intentions (Salin & Notelaers, 2017). Therefore, the modern organizations must take care of their employees by not letting them to develop negative cognitions and Psychological Contract Breach. This could be achieved by providing a conducive working environment to the employees.

V. LIMITATIONS AND RECOMMENDATIONS FOR FUTURE

This study has some limitations that are important to mention. First, this is a cross sectional study and carries all the limitations of cross sectional studies. To address this limitations, future researchers can work on longitudinally data to look into this relationship. Second, this study has examined the direct link between Psychological Contract Breach and Counterproductive Work Behavior. To address this limitation, the future researchers can examine the mediating and moderating linkages between Psychological Contract Breach and Counterproductive Work Behavior. Third, this study was conducted among the electric and power sector of Pakistan. To have more wide range acceptability for the results, future researchers can examine these variables among other sectors like health, and education, etc. Finally, this study has collected subjected and self-reported data; therefore, the future researchers should collect objective data, so that causal inference could be drawn from scientifically collected objective data.

VI. IMPLICATIONS AND CONCLUSION

Findings of this study will be important at individual, organizational and policy levels. At individual level, the employees can understand their negative emotions towards the electric and power sector of Pakistan. In this way they can engage themselves in positive attitudes. At organizational level, the administrators can understand that when and under what conditions there are possibilities and chances of Psychological Contract Breach, which might cause Counterproductive Work Behavior among the employees. Therefore, they can work on providing a conducive working environment to the employees. Finally, at policy level, the policy makers in the Energy and Power sector of Pakistan can understand the dynamic linkage between Psychological Contract Breach, and Counterproductive Work Behavior, so they can work on formulating good and employees' centered policies to avoid the development of unwanted situation. In this way the whole electric and power sector of Pakistan could be saved from the devastating effects of Psychological Contract Breach. This study, therefore, concludes that Psychological Contract Breach is a recognized workplace problem in the electric and power sector of Pakistan. To be on the safe side, there is a need of proactive steps in order to control such negative cognitions among the employees. It should be kept in mind that if the Government of Pakistan did not take any steps for controlling of negative cognitions among the employees working in electric and power sector of Pakistan, then it is expected that in near future this important sector of Pakistan will plunge into sever crisis, which might leads to the overall downfall of this important sector of Pakistan.

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