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**PERCEIVED ORGANIZATIONAL POLITICS AND
PSYCHOLOGICAL CONTRACT BREACH AND VIOLATION IN
PHARMACEUTICAL EMPLOYEES**

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Abstract

In organizations the political strategies are used in widespread. Our objective was to assess the relationship among perceived organizational politics and psychological contract breach and violation. And check the predicting effect among them. Moreover, correlation design was used in the present study. The sample was comprised of 150 employees (N=150) including all males, with age range of 23-49 years. The Perception of Organizational Politics Scale (POPS; Kacmar & Carlson, 1997), Psychological Contract Breach Scale and Psychological Contract Violation Scale (Robinson & Morrison, 2000) were used to assess the study variables. The data was analyzed using SPSS Version 21.00. Furthermore, the current study highlighted that a positive relationship was present between perceived organizational politics and psychological contract breach. Moreover, both psychological contract breach and violation were positively predicted by perceived organizational politics. In addition, there was a positive relationship between perceived organizational politics and psychological contract breach. Moreover, both psychological contract breach and violation were positively predicted by perceived organizational politics. The study has important implications in the field of organizational psychology and can be apply in improving organizational performance and organizational strategies.

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Keywords: Perceived Organizational Politics, Psychological Contract Breach, Psychological Contract Violation.



1. Introduction

Politics in organizations is simply an actuality for life. Politics is a particular value of the organizational dynamic which impacts all aspects of business or organizational life. In organizations politics are clinched at that much level that it has become a necessary requirement to gain control, support ideas and to make better image of a person. Organizational politics refers to the proceedings by individuals that are heading towards aim of enhancing their own self interests without considering the welfare of others or t organizations (Kacmar & Baron, 1999). Due to the charming benefits of this bug, people find it difficult to refrain from it. Politics is inevitable wherever there are groups of people and where there are groups of people competing for the same situate of scarce resources (Valle & Witt, 2001).

Levinson et al. (1962) expanded the idea of the psychological contract, that it includes all the unwritten expectations among employee and employer. The psychological contract is an employee's belief regarding the requisites of mutual agreement between that main person and other party. Psychological contract is a form of social exchange between employers and employees. Breach of this psychological contract has different upshot. Negative attitudes incorporate reduced job satisfaction, reduced trust in the organization, increased intention to leave, reduced commitment and more cynical attitudes towards the organization.

2. Problem Statement

Contract breach negatively influences in-role performance and extra-role behaviors. Violation is related to an affective and sentimental condition, that sometimes take place due to a belief that the employer was unable to maintain the psychological contract. An employee will, in some case make sense of breach subconsciously; such sentiments of violation might be inspired without an employee's aware familiarity with the first judgments (Robinson & Morrison, 2000). It was found that psychological contract violation usually take place during rapid, impulsive changes in any organization (Chiang et al., 2012). The relationship between the employee and the employer will be a determining factor in the sense making process that may or may lead to feelings of violation, when a breach is perceived (Dulac et al., 2008).

3. Research Questions

1. What is the effect of perceived organizational politics on psychological contract breach and violation.

4. Purpose of the Study

The current study aimed to study the connection between perceived organizational politics and psychological contract breach and violation. Moreover, whether perceived organizational politics predict psychological contract breach and violation or not.

5. Research Methods

Correlation design was used in the present study. The sample was comprised of 150 employees (N=150) including all males from private pharmaceutical organizations. The age range of students was 23 to 49 years. Purposive sampling technique was used to collect the data.

5.1. Measures

A self-constructed demographic information sheet was used to obtain demographic information which includes participant's age, gender, education, number of children, monthly income, marital status and family system of participant, number of dependants, working hours, current job experience and overall job experience.

To measure perceptions of organizational politics, perception of organizational politics scale (POPS) was used. It consists of 15- items with 3 subscales i.e. general political behavior, go along to get ahead, pay and promotion policies. The response scale was a 5 point Likert-type scale i.e.1=strongly disagree to 5=strongly agree (Kacmar & Carlson, 1997).

The psychological contract breach scale was used to assess perception of psychological contract breach (PCB). It is a 5 item scale which is rated on a 5- point Likert scale i.e.1= strongly disagree to 5=strongly agree (Robinson & Morrison, 2000).

Psychological contract violation was used to assess experience of violation in psychological contract. It is a 5 item scale which is rated on a 5- point Likert scale i.e. 1= strongly disagree to 5=strongly agree (Robinson & Morrison, 2000).

5.2. Statistical analysis

For data analysis, Statistical Package for Social Sciences (SPSS) version 21.00 was used. Cronbach's alpha reliability, Pearson moment correlation and Hierarchal regression analysis were used in the current study. As per data distribution assumption, the variables were being verified by considering all the data to be homoscedastic i.e. variance of error term has been constant.

6. Findings

The results of this study indicated that there was a positive relationship between perceived organizational politics and psychological contract breach. Moreover, both psychological contract breach and violation were positively predicted by perceived organizational politics.

Table 01. Correlations among Demographic and Study Variables (N=150)

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Age	-													
	.11	-												
		.01	-											
2. Education level			.12	-										
			.01	-.10	-									
				-.17*	-.14	-								
3. Family system				.03	-.00	-.06	.06	.05	.01	-.01	-.04	-.00	.03	.01
					-.71**	-.23**	-.31**	.21**	-.14	.03	-.41**	-.45**	.21**	-.02
4. Marital status						.22**	.53**	.33**	-.08	.64**	.64**	-.23**	-.24**	.03
5. No. Of children							.21**	.01	-.01	.16	.18*	-.12	-.02	.09
6. Monthly income								.01	.11	.39**	.41**	-.15	-.02	.06
7. No. Of dependants									-.18*	.29**	.25**	-.53**	-.40**	.13
8. Name of organization										-.10	-.06	-.21*	-.05	.04
9. Working hours											.92**	-.29**	-.24**	.00
10. Current job experience												-.25**	-.24**	.02
11. Overall job experience													.27**	.29*
12. Perceived organizational politics														*
13. Psychological contract breach														-
14. Psychological contract violation														.16*

Note. *p<.05. **p<.01.

Table 01. showed a significant positive relationship between perceived organizational politics and psychological contract breach and violation.

Table 02. Hierarchical Regression Showing Effect of Perceived Organizational Politics on Psychological Contract Breach and Violation (N=150).

Predictors	Psychological Contract Breach		Psychological Contract Violation	
	ΔR^2	B	ΔR^2	β
Step 1	.11		.03	
Control variables				
Age		-.14		-.21*
Overall job experience		-.06		.00
Current job experience		-.03		-.12
Monthly Income		.02		.10
Working hours		-.11**		-.07
No. of children		-.18		-.00
No. of dependents		-.18*		-.12
Step 2	.05		.21	
Perceived organizational politics		.26***		.38***
Total R²	.16		.24	

* $p < .05$. ** $p < .01$. *** $p < .001$.

Table 2 showed that overall model explained 16% variance with $F(8, 141) = 3.47, p < .01$ for psychological contract breach. The result explained that perceived organizational politics positively predict psychological contract breach. Moreover, results revealed 24% explained variance with $F(8, 141) = 3.07, p < .01$ for psychological contract violation. The result showed that perceived organizational politics positively predict psychological contract violation. Hence, all hypotheses are approved.

7. Conclusion

It was hypothesized that perceived organizational politics is likely to have a positive relationship with psychological contract breach. Results also showed positive relationship between perceived organizational politics and psychological contract breach. Literature also denoted to perceived organizational politics is positively related to psychological contract breach. It can be reasoned due to that perceived organizational tend to generate many negative outcomes on the part of employee (Vigoda, 2000). The result is consistent with the work of Kiewitz, Restubog, Zagenczyk and Hochwarter (2009) that when high level of organizational politics is perceived by employees then there will be more psychological contract breach and more they will blame organization for such circumstances. Moreover, organizational

politics also worsen the negative effects of psychological contract breach (Kiewitz, Restubog, Zagenczyk and Hochwarter, 2009). And also highlighted by Yilmaz (2014), when employees perceive much level of politics in their organization it will paralyze their organizational climate by affecting the relationship between employees and managers thus, leading towards psychological contract breach. Hence, results of current study are consistent with the previous literature. The present study purpose was to check this assumption in our culture as there is very little research on Pakistani culture regarding the topic of perceived organizational politics and psychological contract and violation. Moreover, the sample used in this research project is not used in previous researches and it is a new combination of variables and sample. In short, when there is high perceived organizational politics then there will be breach in the psychological contract and employees will likely to blame their organization for the breach. Also, psychological contract breach negative effects are aggravated when employees judge that their surroundings in organization are distinguished by politics.

Also, it was expected that perceived organizational politics is likely to have a positive relationship with psychological contract violation. Results also indicated positive relationship between them. Former studies are also consistent with the findings of this research that perceived organizational politics is positively linked to violation of psychological contract. Moreover, psychological contract breach and psychological contract violation are positively linked to each other (Paille & Dufour, 2013). It can also be reasoned that politics often interferes with normal organizational processes like decision making, promotion, and rewards and damages productivity and performance on individual and organizational levels. These varying perceptions can have considerable consequences on individuals' attitudes and emotional states for example, job satisfaction, organizational commitment, and mainly psychological contract breach and violation. Therefore, the present research findings are consistent with previous researches. Moreover, according to our culture it can be reasoned that people are emotional and often develop expectations towards others. Employees have expectations from employer and vice versa. So, perceived organizational politics in an organization can affect that emotional component which can result in violation of psychological contract. Hence, perceived organizational politics in an organization is positively correlated with violation of psychological contract.

Moreover, it was expected that perceived organizational politics is likely to be a positive predictor of psychological contract breach. The results suggested that perceived organizational politics would be a positive predictor of psychological contract breach. Prior researches also suggested that perceived organizational politics is positively correlated with psychological contract breach (Randall, Cropanzano, Bormann & Birjulin, 1999; Kiewitz, Restubog, Zagenczyk & Hochwarter, 2009). The reason is that perception of politics includes manipulation, gaining special treatments or getting goals by unacceptable ways but an employee look forward to equality, integrity and sincerity. Hence, when there is high level of politics in an organization then it will directly affect the nature of psychological contract, and that contract would be breached.

Last of all, it was hypothesized that perceived organizational politics is likely to be a predictor of psychological contract violation (Paille & Dufour, 2013; Berger, 2009; Robinson & Morrison, 2000). Perceived organizational politics is positively associated with psychological contract violation. Moreover, it strongly predicts psychological contract violation that explains the perception of organizational politics leads to the violation of psychological contract frequently. Also it can be reasoned to the fact that, people develop expectations toward each other, whether willingly or unwillingly. And when these expectations go unmet, there would be a breach of the psychological contract. When an emotional bonding is involved then the breach would also lead to violation that is high in severity than breach of a psychological contract (Robinson & Morrison, 2000). Previous literature shows that organizational politics was more in public sector (Vigoda, 2000). Furthermore, public organizations are known to be higher in organizational politics, the goals are unclear and chances of being caught are less. Contrary to this, the purpose of this research was to find out relationship among perceived organizational politics, psychological contract breach and violation in private sector employees. As politics is an inevitable phenomenon and has spread all over the globe.

Hence, hypotheses of this study have been approved and are consistent with previous literature. In a nutshell, perceived organizational politics is positively correlated to psychological contract breach and violation. Moreover, perceived organizational politics would predict both psychological contract breach and violation.

7.1. Limitations

The study limitations are the data was collected only from private companies which could not be generalized to government companies and the data was collected from the pharmaceutical companies of a specific city. So, it is suggested to include companies of other cities as well for external validity. Moreover, the present study did not observe gender differences.

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