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Breach of psychological contract, perception of politics and organizational cynicism: Evidence from Pakistan

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Research on organizational cynicism is gaining increased attention, still limited literature addresses the issue among public sector organizations in developing countries. By specifically focusing on public sector personnel in Pakistan, the present study attempts to analyze the impact of breach of psychological contract and perception of politics on organizational cynicism. Data was collected from 149 employees employed in public sector institutions of Pakistan. Findings shows that breach of psychological contract determines organizational cynicism, while public sector employees in Pakistan do not consider perception of politics to be associated with organizational cynicism.

Key words: Public sector, commitment, negative attitudes, politics.

INTRODUCTION

For decades, positive employee attitudes like organizational commitment and job satisfaction have received a considerable attention by researchers, however, recent years have seen their increased interest towards a negative workplace attitude organizational cynicism which is described as an employee's feeling that organizations lack integrity (Dean et al., 1998), reliability, truthfulness and equality (Davis and Gardner, 2004). Various factors are associated with organizational cynicism, e.g. lack of respect, lack of opportunity (Reichers et al., 1997) organizational injustice (Berman, 1997), increased job requirements and decreased resources (Richardson et al., 2006). Apart from these antecedents, majority of studies consider breach of psychological contract and organizational politics as the primary source of organizational cynicism.

Each employee works in the organization with a certain set of expectations commonly referred to as psychological contract (Rousseau and Tijoriwala, 1998) and when these expectations are not met, the result is a feeling of breach of psychological contract (Gakovic and Tetrick, 2004) leaving employee to feel frustrated, less dedicated

(Raja et al., 2004) and ultimately resulting to organization cynicism (Cantisano et al., 2007). Similarly, politics is a part of any organization and employees use organizational politics to gain different advantages in the organizations. It defined as a set of behaviours aimed at maximizing self-interest at the cost of others (Cropanzano et al., 1997; Gandz and Murray, 1980), while others consider it as a form of behaviour associated with the use of influence and power (Cavanagh and Moberg, 1981). It usually reflects "employees' views about the level of power and influence used by other organizational members to gain advantages" (Vigoda-Gadot et al., 2003). Higher perception of politics can develop cynical attitudes among employees which decreases their trust in the organization (Davis and Gardner, 2004).

Organizational cynicism is an under-researched area, especially in public sector organizational context of a developing country like Pakistan. Public sector organizations in Pakistan are generally considered inefficient and corrupt but their causes remain unexplored. Thus the study is aimed to assist public sector organizations in Pakistan to understand the phenomena of cynicism, its main causes and consequence. It will also benefit organizations in the sense that they would realize the importance of keeping their workforce satisfied and

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motivated in order to save them from turning into cynical employees.

LITERATURE REVIEW

Psychological contract is described as a belief of mutual obligations between employee and employer (Rousseau and Tijoriwala, 1998). Each employee joins an organization with certain expectations that in exchange of services, the organization will provide equitable rewards and opportunities (Turnley and Feldman, 2000). Employees perceive a breach of contract when their organization do not perform according to employee's expectations (Robinson and Morisson, 2000) and it has many serious consequences that differ from person to person (Kickul and Lester, 2001) depending largely on cultural profiles (Thomas et al., 2003). Perception of contract breach results in workplace deviance (Kickul, 2001). It develops negative feelings and attitudes towards the organization, and employees believe that it lacks integrity (Johnson and O'Leary-Kelly, 2003; Thompson and Hart, 2006; Dean et al., 1998). The main targets of this attitude are senior management, business policies and the overall organization (Pate, 2006). The result of psychological contract breach go beyond general negative feelings and include behaviours that affect the organization's success like overlooking job responsibilities, reduced participation in activities beneficial for the organization and efforts to quit the job (Turnley and Feldman, 2000). From employee's viewpoint, breach creates an imbalance in employment relationship resulting in decreased dedication (Lester et al., 2002), decreased contribution (Robinson, 1996) and poor organizational performance (Pate, 2006).

"Perceptions of politics usually reflect employees' views about the level of power and influence used by other organizational members to gain advantages and secure their interests in conflicting situations" (Vigoda-Gadot et al., 2003). Conflict is a strong predictor of perception of politics (Eisenhardt and Bourgeois, 1988). Through perception of politics, individual considers the conditions or actions in the organization's environment as political (Cook et al., 1999) which depends on the observer's analysis (Byrne, 2005) that is likely to control his or her own actions (Witt et al., 2005). Some consider these actions to be more negative as compared to others (Davis and Gardner, 2004; Salima"ki and Ja"mse'n, 2010). Perception of politics is related to negatives outcomes like stress, dissatisfaction and intentions to quit (Poon, 2003; Miller et al., 2008). Perception of politics negatively affects organizational effectiveness (Gandz, 1980; Byrne, 2005). Perception of politics compels employees to develop cynical attitudes which decrease their trust in the organization (Davis and Gardner, 2004).

Organizational cynicism is an unnoticed attitude by the researchers (Dean et al., 1998). It remains a complex. Reserachers like Reichers et al. (1997) identified lack of

communication, lack of respect, lack of opportunity, unawareness and rude temperaments as the main causes of organizational cynicism. The attitude develops when individuals feel that people lie whenever they get a chance, show care for others more than they actually do and pretend to be moral but their actions say the opposite (Grzeskowiak and Al-Khatib, 2009). While Berman (1997) believes that unfulfilled goals which inhibits the formation of healthy relationships is a major cause of cynicism, Bernerth et al. (2007) claim that justice (related to processes and relations) is a sign of cynicism. Richardsen et al. (2006) suggest that increased job requirements and decreased resources are a source of cynical attitudes. Cynicism gives rise to a number of negative emotions in the individuals towards their respective organizations. The most common are the feelings of dislike, anger, pain and hatred (Dean et al., 1998). Cynicism not only develops from personal experiences but awareness of other's experiences, e.g. unethical behaviour of the organization with a colleague also makes the person cynical (Johnson and O'Leary-Kelly, 2003).

Research hypothesis

H₁: Breach of psychological contract is positively and significantly associated with organizational cynicism.

H₂: Perception of politics is positively and significantly associated with organizational cynicism.

RESEARCH METHODOLOGY

Instrument

The data was collected using a questionnaire consisting of 3 sections. The first section contains demographical information (age, gender, qualification and experience). The second relates to breach of psychological contract (7 items) adopted from Robinson and Morrison (2000). The alpha reliability score for this section was 0.77. Sample items included "almost all the promises made to me by my employer during recruitment have been kept so far" and "so far my employer has done an excellent job of fulfilling its promises to me". The third section is about perception of politics (4 items) adopted from Ferris and Kacmar (1992) sample items and it included "there is a lot of self-serving behaviour going on" and "people do what's best for them, not what's best for the organization". The alpha reliability for this variable was 0.88. The last section is related to organizational cynicism adopted from Kanter and Mirvis (1989) with an alpha reliability of 0.79. The sample items included "I believe my organization says one thing and does another" and "my organization's policies, goals and practices seem to have little in common". The respondents were required to fill the questionnaires on a five point Likert scale with 1 showing strongly disagree and 5 strongly agree.

Population and sample

Population for the study included employees working at lower level jobs in public sector organizations of Pakistan. A convenient sampling technique was used to collect data from a representative

Table 1. Sample characteristics.

Description	Range	Frequency	Percentage
Gender	Male	92	61.7
	Female	57	38.3
Qualification	Undergraduate	2	1.3
	Graduate	70	47
	Postgraduate	77	53.7
Age	20-30	106	71.1
	30-40	36	24.2
	40-50	6	4
	50 and above	1	0.7
Experience	Less than 1 year	23	15.4
	1-3 years	44	29.5
	3-6 years	44	29.5
	More than 6 years	38	25.5

Table 2. Correlation analysis.

Variable	Mean	SD	BPC	POP	OC
BPC	2.61	0.60	1		
POP	3.22	1.02	0.229**	1	
OC	3.26	0.69	0.262**	0.168	1

** (p < 0.01), SD: Standard deviation, BPC: Breach of psychological contract, POP: Perception of politics OC: Organizational cynicism.

Table 3. Regression analysis.

Variable	Beta	t value	Significance
BPC	0.218	2.748	0.007
POP	0.089	1.117	0.266

n: 149, R²:0.140, Adjusted R²:0.123, F:7.897, Dependent variable: Org cynicism.

sample. A total of 200 questionnaires were distributed among respondents, however, 149 were received back making the response rate to be 74.5%. The data was collected in three months time (from April - June 2010).

Table 1 shows the demographical profile of the respondents. Majority of respondents were male (61.7%). This is due to the fact that in Pakistan the diversity in organizations with reference to gender is quite low since the prime responsibility for earning rests with male population and women are not encouraged to do jobs. Majority of respondents were holding a graduate or post graduate degree. The respondents as per details in table 1 were quite young and less than 30 years of age. As far experience is concerned most of the respondents were having less than 6 years experience. Thus these details indicate that the study represents opinion of young population working in public sector organizations of Pakistan.

Table 2 shows the correlation between the dependent variable (organizational cynicism) and the independent variables (breach of psychological contract and perception of politics). Correlation

analysis indicate a significant relationship between breach of psychological contract and organizational cynicism (0.262**; p < 0.01), while relationship between perception of politics and organizational cynicism is insignificant (0.168).

Table 3 represents the results of regression analysis to find out impact of BPC and POP on organizational cynicism. The results indicate that BPC is having a significant impact on organizational cynicism ($\beta=0.218$ **, **p<.005), while POP has got an insignificant impact on organizational cynicism ($\beta=0.089$ -not significant). These variables account for 14% variation in the dependent variable (R²= 0.14) while remaining 86% variation remains un-explained.

DISCUSSION

The significant relationship between breach of psychological contract and organizational cynicism is indicative of

the fact that public sector organizations have failed to meet the expectations of employees. Poor salary structure and career development that follows seniority cum fitness rule makes most of the employees frustrated with their jobs and can ultimately result in organizational cynicism. The discussion of authors with employees revealed that the top management treats the lower level employees as outcasts. They are not supposed to shake hand with them, which is a cultural norm to greet each other in Pakistan. The lower level employee can not sit on a chair in front of a senior manager. The lower level employees are forced to work in very hostile environment, that is, they work in offices in extreme hot conditions without any cooling arrangements. These factors can be considered the prime causes of having a perception among employees that organizations have failed to provide what they expected. This perception ultimately takes shape of a negative attitude commonly referred to as organisational cynicism.

Perception of politics is generally considered to be a source of organizational cynicism but our results suggest otherwise. Results indicate that the variables have an insignificant relationship and perception of politics does not induce cynicism among public sector employees in Pakistan. There are possibly two main reasons behind this finding. The first is that in Pakistan, politics has become such an important component of workplace culture that there is hardly any organization where politics does not exist and every employee in one way or the other is involved in workplace politics without which survival in organizations is difficult. Secondly, political workplace environment is viewed as an opportunity by employees who do not want to work hard. Political environment is a source of contentment for them because all they have to do is to keep their superiors happy. It is easy for them to achieve whatever they want through politics and not by hard work. For these reasons, the employees in public sector organizations of Pakistan are not concerned with the political organizational environment because as they consider workplace political activities as a positive point. Thus perception of politics does not determine organizational cynicism among public sector employees of Pakistan.

Thus, this study contributes understanding of cynicism construct in a different cultural setting. The results do not lead to theory development, yet they indicate that cynicism in different cultures needs a different treatment. Most of the studies consider perception of politics as a negative factor but in Pakistani context, employees mostly consider it as positive since it provides a channel to gain organizational benefits though politics rather than effort.

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