Let's get cynical about this! Recursive relationships between psychological contract breach and counterproductive work behaviour
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Abstract

Although counterproductive work behavior toward the organization (CWB-O) or supervisors (CWB-S) is commonly treated as a reaction to psychological contract breach (PCB), we propose that the PCB-CWB relationship is recursive and that CWB may increase the likelihood to perceive PCB through its effects on self-esteem and organizational cynicism. By estimating a 2-level time-lagged mediation model on daily data from 103 US employees (904 observations), we found evidence for this hypothesized relationship. These findings demonstrate that PCB and CWB happen with reference to past perceptions of PCB and/or CWB and future anticipations of PCB and/or CWB. We discuss suggestions for future research and novel practical implications on the role of time and cynicism in preventing further escalation.

Keywords: psychological contract; counterproductive work behavior; cynicism; recursive; time
Let’s Get Cynical About This! Recursive Relationships Between Psychological Contract Breach and Counterproductive Work Behavior

Practitioner Points

• When employees perceive their organization has breached its obligations, employees are likely to retaliate by engage in acts of CWB-O and CWB-S.

• Employees are likely to suffer from reduced self-esteem when they have engaged in CWB-O following a breach in their psychological contract.

• When employees suffer from reduced self-esteem following CWB-O, they are likely to become more cynical about their organization.

• When employees become more cynical about their organization, they are more likely to perceive future psychological contract breaches.

• Based on the reciprocal nature of our findings, this study highlights the need to update existing psychological contract and counterproductive work behavior theories, as well as indicates the need for swift interventions in the aftermath of psychological contract breach and enactment of CWB.
Let’s Get Cynical About This! Recursive Relationships Between Psychological Contract Breach and Counterproductive Work Behavior

The psychological contract (PC) is defined as a continuous employee-employer exchange of reciprocal obligations (Rousseau, 2001). Employees who perceive that their employer does not meet its obligations—termed PC breach (PCB)—may develop a strong emotional reaction—termed violation feelings (Robinson & Morrison, 2000), which in turn triggers negative attitudinal/behavioral reactions (for a meta-analysis see Zhao, Wayne, Glibkowski, & Bravo, 2007). One such detrimental behavioral outcome is counterproductive work behaviour, defined as behavior that intentionally violates organizational norms, is contrary to the legitimate interests, and threatens the well-being of the organization (CWB-O), its members (CWB-I), or supervisors (CWB-S) (Fox & Spector, 1999). Although substantial empirical progress was made in understanding the PCB-CWB relationship, most empirical work overlooked the dynamic nature of the theoretical tenets underlying PC Theory. In doing so, we 1) fail to account for how time can define the way employees perceive PCB and adjust their CWB accordingly (Kozlowski, 2009; Rousseau, Tomprou, & Hansen, under review), and 2) have generated the false, yet widely held, assumption that CWB holds the same relationship with PCB at any point in time (for an elaborate critique see Hansen & Griep, 2016).

In this paper, we therefore extend the unilateral vision on the PCB-CWB relationship by integrating PC and Self-Consistency Theory (Korman, 1970) when arguing that organizational cynicism—defined as an overall negative attitude resulting from a critical appraisal of the motives, actions, and values of one's organization (Dean, Brandes, & Dharwadkar, 1998)—is the key mechanism that links current enactment of CWB to future perceptions of PCB.

1 Because one’s colleagues cannot be held responsible for upholding the PC between an employee and his/her employer, CWB-I is an unlikely outcome in the aftermath of PCB (Griep, Vantilborgh, Baillien, & Pepermans, 2016). Hence, I only focused on CWB-O and CWB-S throughout the remainder of this paper.
**Reciprocal Relationship Between PCB and CWB: The Role of Organizational Cynicism**

Drawing upon Social Exchange Theory (Blau, 1964) and the norm of reciprocity (Gouldner, 1960), empirical and meta-analytical evidence indicates that the positive PCB-CWB relationship is mediated by violation feelings (Griep et al., 2016; Zhao et al., 2007). We start by aiming to replicate this finding.

*Hypothesis 1*: Violation feelings mediate the positive relationship between PCB and (a) CWB-O and (b) CWB-S over time.

However, by only focusing on this unilateral vision on the PCB-CWB relationship, we are not doing justice to Social Exchange Theory (Blau, 1964) and the norm of reciprocity (Gouldner, 1960) as these frameworks include retrospections of the past and anticipations of the future to determine the nature of the mutual exchange relationship (Rousseau et al., under review). We propose that engaging in CWB may increase the likelihood of perceiving PCB in the future, because employees become more cynical, meaning that they believe the organization lacks integrity, experience negative affect towards the organization, and have a tendency to display behaviors consistent with these beliefs (Dean et al., 1998). This proposition can be supported by Self-Consistency Theory (Korman, 1970) and studies highlighting the self-preserving nature of organizational cynicism (e.g., Kanter & Mirvis, 1989), as becoming cynical in the aftermath of CWB serves as a self-protective way of dealing with the inconsistency between the enactment of CWB (i.e., intention to harm others; Fox & Spector, 1999) and one’s innate need to view oneself in a positive way (Korman, 1970). Specifically, we argue that people who engage in CWB may experience a drop in self-esteem, in line with Spector and Fox’s (2002) proposition that CWB may elicit guilt. Because employees desire to maintain a positive self-image, they may in turn develop a cynical attitude towards the organization. This would allow them to strengthen their belief that negative acts (i.e. CWB) were justified as a reaction to organizational mistreatment (i.e., PCB), and thus maintain a
positive self-image (Olson & Zanna, 1993). In turn, cynicism may increase the likelihood of perceiving new breaches, because cynical employees believe that their organization lacks integrity and feel negative affect towards their organization (Dean et al., 1998). This lack of integrity means that the organization is viewed as less trustworthy, and may result in vigilant monitoring for new breaches (Robinson & Morrison, 1997), while negative affect may be used as a heuristic to evaluate new information (see Affect Infusion Model; Forgas, 1995), thus increasing the likelihood of interpreting unmet obligations as breaches (Vantilborgh et al., 2016). Hence, we hypothesize:

Hypothesis 2: Self-esteem and organizational cynicism mediate the positive relationship between (a) CWB-O and (b) CWB-S and PCB over time.

In contrast, one could also argue that cynical employees have a lower likelihood of perceiving new psychological contract breaches, because cynicism is associated with apathy and resignation (Naus, van Iterson, & Roe, 2007). As a result, cynical employees may stop monitoring their psychological contract for breaches, as they become disinvested in the exchange relationship. We therefore propose the following alternative hypothesis, which we pit against Hypothesis 2.

Hypothesis 3: Self-esteem and organizational cynicism mediate the negative relationship between (a) CWB-O and (b) CWB-S and PCB over time.

Method

Procedure

We conducted this study among US employees, working in the 1) finance, 2) retail, and 3) service department of a manufacturing company. We contacted respondents via email and asked them to complete a general demographic survey prior to completing short daily survey for ten consecutive working days. We chose this design because 1) several scholars have demonstrated the short-term volatile nature of our concepts under study (e.g., Dalal et
al., 2009; Griep et al., 2016; Johnson & O’Leary-Kelly, 2003), 2) recall errors are far less likely to occur with shorter time intervals (e.g., Mitchell and James, 2001), and 3) a 2-week record-keeping period represents a stable and generalizable estimate of life (Wheeler & Reis, 1991). We sent daily surveys at 4PM and gave respondents until midnight to complete the survey. We coded responses as missing data when respondents failed to complete the survey. We rewarded respondents with a $1 Amazon gift certificate for each completed survey.

**Participants**

We contacted 176 respondents, of whom 135 completed the general survey (response rate=76.70%) and 103 completed daily surveys (response rate=58.52%). The unit of analysis is “daily surveys” rather than “respondents”, resulting in an effective sample size of 904 observations. Respondents were, on average, 48.63 years old (SD=11.25), 40.80% were female, 72.20% obtained a higher educational degree, 25.80% had managerial responsibilities, and the average tenure was 11.46 years (SD=8.65). None of the demographics or the variables under study explained dropout between the general survey and the daily surveys, or during the daily surveys.

**Measures**

Consistent with similar PC diary studies (e.g., Griep et al., 2016), we used short scales to ensure a reasonable length. We counterbalanced scales to rule out potential order effects and we reworded all items to include “during the past day”.

*PCB* was measured using 5-items by Robinson and Morrison (2000). An example item is: “I did not receive everything promised to me in return for my contributions”. Respondents rated these items on a 5-point Likert scale ranging from (1) “totally disagree” to (5) “totally agree”. The level-specific within-person omega reliability was satisfactory (ω = .91).
Violation feelings were measured using 4-items by Robinson and Morrison (2000). An example item is: “I felt betrayed by my organization”. Respondents rated these items on a 7-point Likert scale ranging from (1) “totally disagree” to (7) “totally agree” ($\omega = .82$).

CWB-O and CWB-S were measured with 6-items each (Dalal et al., 2009). An example item of CWB-O and CWB-S is: “I purposefully spent time on tasks unrelated to work” and “I purposefully tried to harm my superior(s)”. Respondents rated these items on a 7-point Likert scale ranging from (1) “minimally or not at all” to (7) “to a very great extent” ($\omega = .86$ and $\omega = .88$, respectively).

Self esteem was measured with 10-items (Rosenberg, 1965). An example item is: “I am satisfied with myself”. Respondents rated these items on a 7-point Likert scale ranging from (1) “totally disagree” to (7) “totally agree” ($\omega = .74$).

Organizational cynicism was measured with 13-items (Dean et al., 1998). An example item is: “When my organization said it was going to do something, I wondered if it would really happen”. Respondents rated these items on a 7-point Likert scale ranging from (1) “strongly disagree” to (7) “strongly agree” ($\omega = .91$).

A time-lagged variable was created to control for the cross-correlation of a variable with itself between two subsequent measurement moments, to control for stability within a concept, and to test our temporal hypotheses.

Analysis

Because our data had a nested structure, we estimated ICC values for PCB, violation feelings, CWB-O, CWB-S, self-esteem, and cynicism. ICC values (.18, .21, .34, .35, .38, and .26, respectively) indicated that the largest proportion of variance could be attributed to within-person differences. Hence, we estimated a 2-level time-lagged mediation model (i.e., mediation model in which independent, mediator, and dependent variables are all separate by a time lag of one day) that partitions within- and between-subject variance in Mplus version
7.1. It is important to note that by controlling for the cross-correlations, our results indicate change in each variable. The hypothesized mediation was tested via product-of-coefficients and its significance was scrutinized via 95% Monte Carlo Confidence Intervals (95%CI).

**Results**

**Multilevel Confirmatory Factor Analysis (MCFA)**

We assessed model fit and compared competing MCFA models using loglikelihood ratio tests (Table 1). Alternative model A ($\Delta \chi^2(5)=745.67$, $p<.001$), B ($\Delta \chi^2(5)=61.10$, $p<.001$), C ($\Delta \chi^2(9)=829.92$, $p<.001$), D ($\Delta \chi^2(9)=2154.40$, $p<.001$), E ($\Delta \chi^2(11)=4511.06$, $p<.001$), and F ($\Delta \chi^2(15)=6056.72$, $p<.001$) fit significantly worse to the data than the theoretical 6-factor model [RMSEA=.07, CFI=.93, TLI=.91, SRMR within=.09].

**Descriptive Results**

Table 2 provides an overview of the means, standard deviations, between- and within-person correlations.

**Hypothesis Testing**

A 2-level time-lagged partial mediation model, that also included a time-lagged direct effect of PCB to CWB-O/CWB-S and a time-lagged direct effect of violation feelings to self-esteem, fits the data best (BIC=9547.30; RMSEA=.07, CFI=.96, TLI=.90, SRMR within=.04; Figure 1) compared to four different 2-level time-lagged partial and a full mediation models (range BIC=9559.46-9570.68). Before presenting the results of this model, we would like test two alternative models to account for the possibility that 1) organizational cynicism precedes acts of CWB (as demonstrated by Johnson & O’Leary-Kelly, 2003) instead of follows acts of CWB, and 2) the long average organizational tenure of our sample ($M=11.46$ years) exerted an influence on the proposed theoretical model. Both alternative models fit the data worse and
fit statistics did not reach their suggested cut-offs (model 1: RMSEA=.16, CFI=.46, TLI=.31, SRMR_{within}=.28; model 2: RMSEA=.42, CFI=.42, TLI=.38, SRMR_{within}=.25); implying that these alternative models do not fit the data.

Our results indicated a positive time-lagged relationship between PCB and violation feelings, and CWB-O/CWB-S, as well as a time-lagged indirect effect of PCB on CWB-O (95%CI=[.01;.08]) and CWB-S (95%CI=[.01;.06]) via violation feelings; supporting H1a and 1b. Moreover, our results indicated a negative time-lagged relationship between violation feelings and self-esteem, a negative time-lagged relationship between CWB-S and self-esteem, a negative time-lagged relationship between self-esteem and cynicism, a positive time-lagged relationship between cynicism and PCB, as well as a time-lagged indirect effect (95%CI=[.01;.03]) of CWB-S on PCB via self-esteem and cynicism; supporting H2a, while not supporting H2b.

**Discussion**

The current study builds on, and extends, the research on harmful consequences of PCB in two important ways. First, we found empirical support for the reciprocal PCB-CWB relationship over time; supporting the notion that cynicism negatively influences PC evaluations. These findings underline the need to update traditional PC theory (i.e., behavioral reactions to PCB) to recognize behavior as an outcome and antecedent of PCB (i.e., feedback loops). Specifically, PC theory—especially when studying negative behavioral reactions—would benefit from accounting for dynamic aggression models (Anderson & Pearson, 1999) when investigating the mutually intensifying exchange of anti-social behaviors (CWB-O/CWB-S) and counteracts (future PCBs). We would like to note that these future PCBs following acts of CWB could either be the results of 1) an accumulation of PCBs over time (i.e., a snowball mechanism in which one PCB triggers more and new PCBs; Ng, Feldman, &
Lam, 2010; Vantilborgh et al., 2016) or 2) rumination over initial PCB events, without necessarily experiencing new PCBs (i.e., the same PCB may adversely impact employees for 2.13 weeks; Solinger, Hofmans, Bal, & Jansen, 2016). Second, although, CWB pioneers (Fox & Spector, 1999), hinted towards the option that CWB does not happen in isolation but in contrast influences other attitudes/behaviors, empirical scrutiny of CWB as a precursor of attitudes/behaviors remains scant in the CWB literature. Based on this study, scholars should recognize that CWB is both a behavioral reaction and antecedent, depending on how employees contextualize (i.e., increased cynicism) their acts of CWB.

**Limitations**

As a first limitation, there might be concerns with common method variance (Podsakoff, MacKenzie, & Podsakoff, 2012). However, in line with procedural/statistical recommendations by Podsakoff and colleagues (2012), we counterbalanced the order of all items and scales, ensured anonymity, and temporally separated the concepts under study. Second, there might be concerns with the use of self-reports. However, self-reports are the conventional method for collecting data on PCB, cynicism, and CWBs due to their highly subjective nature. Nonetheless, CWB-O/CWB-S might be particularly susceptible to social desirability. However, meta-analytical research (Berry, Carpenter, & Barratt, 2012) indicates that self-reports of CWB are more reliable and valid compared to observer-reports.

**Future Research Suggestions**

Future research could try to increase our knowledge about employees’ willingness to exchange specific contributions for organizational obligations or delivered inducements. By doing so, we would be able to make more accurate predictions about the influence of PCB of a specific organizational obligation on employee attitudes/behaviors. Therefore, we suggest that future research could 1) model PCs as a dynamic network in which different nodes (central or peripheral to the PC) represent mutual obligations, and the links between these
nodes capture reciprocity (strong or weak), and 2) investigate whether breaching central or highly linked nodes has a more profound impact on employee reactions than breaching peripheral or weakly linked nodes.

**Practical Implications**

The reciprocal nature of our results suggest the importance of intervening as soon as organizations notice that employees have perceived a PCB. Doing so will likely faster restore the exchange relationship (Rousseau et al., under review). Moreover, although managers traditionally believe that cynical employees form a “bunch of rotten apples”, the true problem is that management “spoiled the fruit” by breaching the PC. A heavy responsibility thus rests with managers to prevent cynicism from translating into PCB. In this respect, Hodsom and Roseigno (2004) suggested that managers need to adhere to principles of truth and fair dealing in interaction with their employees, as well as recognizing and justifying PCBs. By doing so, they create an atmosphere in which cynicism is unlikely to prosper.
References


Griep, Y., Vantilborgh, T., Baillien, E., & Pepermans, R. (2016). The mitigating role of leader-member exchange in reaction to psychological contract violation: A diary study


Table 1

Results from Multilevel Confirmatory Factor Analyses

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$ (df)</th>
<th>RMSEA</th>
<th>CFI</th>
<th>TLI</th>
<th>SRMR$\text{within}$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theoretical model</td>
<td>4238.37 (845)</td>
<td>.07</td>
<td>.93</td>
<td>.91</td>
<td>.09</td>
</tr>
<tr>
<td>Alternative model A</td>
<td>4984.04 (850)</td>
<td>.07</td>
<td>.79</td>
<td>.77</td>
<td>.11</td>
</tr>
<tr>
<td>Alternative model B</td>
<td>4299.47 (850)</td>
<td>.07</td>
<td>.82</td>
<td>.81</td>
<td>.09</td>
</tr>
<tr>
<td>Alternative model C</td>
<td>5068.29 (854)</td>
<td>.07</td>
<td>.78</td>
<td>.77</td>
<td>.11</td>
</tr>
<tr>
<td>Alternative model D</td>
<td>6392.77 (854)</td>
<td>.08</td>
<td>.72</td>
<td>.70</td>
<td>.11</td>
</tr>
<tr>
<td>Alternative model E</td>
<td>8749.43 (857)</td>
<td>.10</td>
<td>.59</td>
<td>.57</td>
<td>.13</td>
</tr>
<tr>
<td>Alternative model F</td>
<td>10295.09 (860)</td>
<td>.11</td>
<td>.52</td>
<td>.49</td>
<td>.13</td>
</tr>
</tbody>
</table>

Notes. $N\text{within} = 904$. Multilevel CFA theoretical model: PCB, violation feelings, CWB-O, CWB-S, self-esteem, and organizational cynicism each load onto a separate latent factor; Alternative model A: PCB and violation feelings load onto one latent factor; CWB-O, CWB-S, self-esteem, and organizational cynicism each load onto a separate latent factor; Alternative model B: CWB-O and CWB-S load onto one latent factor; PCB, violation feelings, self-esteem, and organizational cynicism each load onto a separate latent factor; Alternative model C: PCB and violation feelings load onto one latent factor, CWB-O and CWB-S load onto one latent factor, self-esteem and organizational cynicism loads onto a latent factor; Alternative model D: PCB, violation feelings, and organizational cynicism load onto one latent factor; CWB-O, CWB-S, and self-esteem each load onto a separate latent factor; Alternative model E: CWB-O, CWB-S, self-esteem, and organizational cynicism load onto one latent factor; PCB and violation feelings each load onto a separate latent factor; Alternative model F: PCB, violation feelings, CWB-O, CWB-S, self-esteem, and organizational cynicism load onto a single latent factor.
Table 2

Means, Standard Deviations, Zero-order and Person-centered Correlations.

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>SD</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Psychological contract breach</td>
<td>2.24/2.21</td>
<td>1.54/1.67</td>
<td>-</td>
<td>.78***</td>
<td>.61***</td>
<td>.61***</td>
<td>-.34***</td>
<td>.88***</td>
</tr>
<tr>
<td>2. Violation feelings</td>
<td>1.78/1.75</td>
<td>1.06/1.16</td>
<td>.67***</td>
<td>-</td>
<td>.70***</td>
<td>.72***</td>
<td>-.38***</td>
<td>.76***</td>
</tr>
<tr>
<td>3. Frequency of CWB-O</td>
<td>1.75/1.75</td>
<td>1.03/1.23</td>
<td>.48***</td>
<td>.53***</td>
<td>-</td>
<td>.89***</td>
<td>-.43***</td>
<td>.65***</td>
</tr>
<tr>
<td>4. Frequency of CWB-S</td>
<td>1.52/1.51</td>
<td>.94/1.10</td>
<td>.47***</td>
<td>.52***</td>
<td>.87***</td>
<td>-</td>
<td>-.40***</td>
<td>.64***</td>
</tr>
<tr>
<td>5. Self-esteem</td>
<td>3.86/3.85</td>
<td>.43/.72</td>
<td>-.20***</td>
<td>-.22***</td>
<td>-.22***</td>
<td>-.20***</td>
<td>-</td>
<td>-.39***</td>
</tr>
<tr>
<td>6. Organizational cynicism</td>
<td>2.68/2.67</td>
<td>1.37/1.57</td>
<td>.76***</td>
<td>.63***</td>
<td>.48***</td>
<td>.46***</td>
<td>-.21***</td>
<td>-</td>
</tr>
</tbody>
</table>

Note. *: \( p < .05 \); **: \( p < .01 \); ***: \( p < .001 \). The first presented means and standard deviations are at the between-person level, while the latter are at the within-person level. Zero-order (between-person; \( N = 103 \)) correlations are presented above the diagonal, whereas person-centered (within-person; \( N = 904 \)) correlations are presented below the diagonal. Although some of these correlations, especially at the between-person level, may appear high, controlling for unreliability did not substantially affect the correlations. Furthermore, MCFA analyses revealed that even the highly correlated scales measured distinct constructs.
Figure 1: Standardized estimated paths in the 2-level time-lagged partial mediation model

Notes. *: p<.05. **: p<.01. ***: p<.001. Dotted lines indicate non-significant relationships. Double arrowed lines indicate correlations.