

THE COMBINED EFFECT OF PSYCHOLOGICAL CAPITAL AND PSYCHOLOGICAL CONTRACT BREACH ON EMPLOYEES' OUTCOME

ZIA UL ISLAM

Riphah International University, Islamabad, Pakistan

ABSTRACT

The study is designed to investigate the impact of psychological contract breach on different employee's outcome, namely, organizational citizenship behavior, effective commitment and Job Satisfaction with the moderation effect of Psychological Capital. Out of 190 self-administered questionnaires distributed among the faculty members of private sector universities located in the Khyber Pakhtunkhwa province of Pakistan, 128 questionnaires were considered for analysis. The results show that there is a negative relationship between Psychological Contract Breach and all employees' outcomes under study. Psychological Capital is positively related to all employees' outcome. Psychological Capital moderates only the relationship between psychological contract breach (PCB) and organizational citizenship behavior, and doesn't moderate the relationship between PCB-Affective Commitment and PCB- Job Satisfaction.

INTRODUCTION

In today's organizations, Psychological Contract Breach (PCB) has emerged as a big problem, as it makes employees feel that organization is non-supportive to them. (Zagenczyk, Gibney, Kiewitzn & Restubog, 2009). Psychological Contract is, "individual beliefs shaped by the organization regarding terms of an exchange agreement between individuals and their organizations" (Rousseau, 1995, p.9). Breach of contract occurs, when one side has the capability to obey the contract, but doesn't (Rousseau, 1995). Morrison and Robinson (1997) defined psychological contract breach as the employee's belief of the organizational failure to fulfill its obligations (Lange, Bal, Heijden, Jong, & Schaufeli, 2011). When psychological contract is implemented, it leads towards improved performance and Organizational Commitment (Zhao, Wayne, Glibkowski & Bravo, 2007), because psychological contract creates emotions and attitudes that shapes and controls behavior (Wangithi & Muceke, 2012). On the contrary, PCB has angrgative impact on the employee's attitude and behavioral outcomes, including OCB (Restubog, Bordia & Tang, 2007; Bal, Chiaburu & Jansen, 2010) and correlates with deviant work place behaviors (Kickul, 2001).

This study is based on Affective Event Theory (AET) (Weiss & Cropanzano, 1996) as a guideline for understanding PCB. According to AET, organizational events stimulate affective responses in individuals working in organizations that accounts for different workplace attitudes and behaviors. PCB is also a

significant workplace event that triggers affective reactions of employees as proposed by (Zhao et al., 2007). Parzefall and Coyle-Shapiro (2010) are of the view that a single event may not be sufficient; rather, the accumulation of frequent small events may develop the perceptions of breach among employees. Bal, Chiaburu and Diaz (2011) linked AET with social exchange theory (Blau, 1964) by pleading that employees and organizations have mutual obligations to each other, and when the employees perceive that their organization has not rewarded their contribution, they will react emotionally. Social exchange between employee and employer may influence the perception of contract breach and its impact on employee's behaviors (Bal et al., 2010). When employees perceive that the social exchange relation is interrupted, they will exhibit unwanted behaviors (Chao, Cheung & Wu, 2011).

There is a plethora of research on the concept of psychological contract fulfillment or breach (Brown & Roloff, 2011). For example, Chambel and Alcover (2011) identified relationship of PC with satisfaction and civic virtue behaviors. Jamil and Raja (2013) found a positive link between PCB's perception and burnout. Bashir and Nasir (2013) studied the relationship between PCB and union commitments among the employees of the hospitality sector of Pakistan. Raja, Johns and Ntalianis (2004) related different personality characteristics with the relational and transactional perception of PC with psychological breach. Gerber, Grote, Geiser, and Raeder (2012) tested the moderating role of the career type on the relationship between PCB and work attitude. Bal,

Lange, Zacher and Heijden (2013) conducted a study to show the life-span perspective of PC and related it with continuous and normative commitment. Psychological Contract Violation was found negatively linked with affective Organizational Commitment by Bao, Olson, Parayitam and Zhao (2011). They also found this relationship moderated by the job and person related variables such as job involvement, Job Satisfaction, hope, job demand and locus of control. Bal et.al (2010) tested social exchange as a moderator of PCB outcomes relationships. Chao et al. (2011) tested attribution style and power distance moderating the relationship between PCB and Counterproductive workplace behaviors (CWB).

An exhaustive list of publications on this particular concept of PCB and its correlates is available along with multiple intervening and interacting variables. Some of it has been discussed above. This study is a unique attempt to introduce Psychological Capital as a moderator between PCB and positive employee's outcomes, thus adding to the available body of knowledge on this particular topic.

Teaching in the Private sector universities of Pakistan has become a lucrative profession since the last decade. One of the reasons for this sector's attractiveness is that HEC has announced very attractive packages to university teachers (Shahzad, Bashir & Ramay, 2008). But a growing number of private sector universities put them in a stiff competition and under constant pressure to deliver maximum in terms of education and research publications. Moreover, in the quest for competent faculty, private sector universities mostly rely on visiting faculty, thus, leaving little room for full time faculty members. The faculty often experiences broken promises by the universities because of the vibrant nature of this sector resulting in negative outcomes such as lower commitment. The objective of this study is to know whether faculty of private sector universities in Pakistan experience PCB, and if yes, what impact does it have on their Job Satisfaction, Affective Commitment and OCB. This study will guide the management of universities to keep their promises, because if psychological contract is breached, it will lead to lower performance and attendance (Rousseau, 1995) on the part of the teachers.

REVIEW OF LITERATURE

Psychological Contract Breach and Employees Outcomes

Psychological Contract Breach is the perception of one party in an exchange relationship who feels that the promises made by the other party have not been met. Rousseau (1995) defined Psychological Contract as an

exchange relationship between the employees and the organization related to an agreement developed by the organization. When employees perceive that there is a mismatch between their expectations and what the company has actually delivered, they experience PCB (Restubog, Bordia, Krebs & Tang, 2005). PCB is mostly viewed as an under fulfillment of the psychological contract, but some researcher also emphasized on the over fulfillment of the Psychological Contract as well (Turnley, Bolino, Lester & Bloodgood, 2003; Lambert, Edwards & Cable, 2003).

There is a difference between PCB and Psychological Contract Violation (PCV). According to Henderson and O'Leary Kelly (2012), PCB is an individual cognition about the organizational failure to fulfill its one or more obligations, while the intensity of emotional reactions to Psychological Contract Breach is known as PCV. So it is inferred from this differentiation that PCV is the outcome of PCB. Zhao et al. (2007) used PCV as a mediator between PCB and different outcomes. Psychological Contract breach is a unique concept, and not the same as unmet expectations, as proved by Zhao et al., 2007. He also found that breach predicts outcomes more strongly than unmet expectations.

A number of researchers have established negative relationship between PCB and employee's attitudes and behaviors. Psychological Contract Theory states that employees show negative responses to the failure of the organization to fulfill its obligations (Paille & Dufour, 2013). Cantisano, Dominguez and Depolo (2008) conducted a study in which they identified and tested certain individuals and organizational level outcomes of PCB. They proved negative impact of PCB on Job Satisfaction, Organizational Commitment; performance, trust and OCB, and a positive impact on turnover intentions and neglect in role duties. Similarly Zhao et al. (2007) found reduced employees' commitment, satisfaction, OCB and performance. Social Exchange Theory is the best framework for understanding employee's responses resulting from breach of psychological contract (Turnley et al., 2003). Some researchers have used AET to describe the process of PCB and its influence on work related outcomes (Weiss & Cropanzano, 1996; Zhao et al., 2007).

Based on the above literature, researchers have related PCB with both positive and negative outcomes, but in this study PCB will be discussed in relation with three positive aspects of employee's outcomes, that are OCB, Effective commitment and Job Satisfaction.

Organ (1988) defines OCB as, "individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization". OCB is not the formal requirement of

one's job, such that the employees are not bound to display such behaviors (Zhao et al., 2007). The two common form of OCB are Organizational Citizenship Behavior-Individual (OCB-I) and Organizational Citizenship Behavior-Organization (OCB-O). OCB-I benefits other employees in the organization, while OCB-O benefits the organization. Most of the times, OCB is affected whenever psychological contract is met or unmet. Consistent with the Social Exchange theory, they found that OCB-O is more strongly related to PC fulfillment than OCB-I (Turnley et al., 2003). Organ (1988) identified five dimension of OCB, namely altruism, civic virtue, conscientiousness, courtesy and sportsmanship (Mohammad, Habib & Alias, 2011). In this study we will measure all these dimensions of OCB.

An empirical study concluded a negative relationship between PCB and both OCB-I and OCB-O (Restubog, Hornsey, Bordia & Esposito, 2008). An empirical study conducted by Chen, Tsui and Zhong (2008) emphasized on both the PCB of employees by employers and PCB of employer by employees. They found that PCB of employees is negatively related to Organizational Commitment, OCB and work performance. In the same study, Chen et al. (2008) examined and proved a weaker relationship between PCB of more traditional employees and negative outcomes, as compared to less traditional employees. Restubog et al. (2008) found that PCB negatively influences employee's trust in the organization that causes employee to dis-identify from the organization, subsequently refraining employees to involve in OCB. Aligned with Social Exchange theory, when organization breaches the contract by showing unhelpful behaviors, employees reciprocate it by abandoning to show OCB (Hornsey, 2008). Another study found a positive relationship between PC fulfillment and OCB. This study, conducted by Chen and Kao (2011), revealed that when students in a police academy perceive PC fulfillment, they showed service oriented OCB.

Affective Commitment is one of the construct of Organizational Commitment. Organizational Commitment is a bond between an individual and its organization (Camilleri & Heijden, 2007). Meyer and Allen (1991) identified three components of Organizational Commitment; that are Affective Commitment, continuance commitment and normative commitment. This study will include only Affective Commitment, because this component of commitment is strongly related to emotional attachments (Snyder & Cistulli, 2011; Parzefall & Kuppelwieser, 2012). Affective Commitment is defined as, "employee's emotional attachment to, identification with, and involvement in the organization" (Meyer & Allen,

1991). It is an emotional bond between employees and their organization (Rhoades, Eisenberger & Armeli, 2001). According to Meyer and Allen (1991), Affective Commitment is employee's emotional attachment to the organization; antecedents to which are Work Experiences, Personal Characteristics and Organizational Structure. They found that work experience is the main thing that leads to good feelings and personal competence. Affective Commitment is a psychological state, solely experienced by individuals and built on the cognition of a rewarding relationship (Lovblad, Hyder & Lonnstedt, 2012). It is a psychological bond that glues an employee with its organization (Ngo, Loi, Foley, Zheng & Zhang, 2013).

When employees realize that their organization has breached their psychological contract, it lowers their trust in the organization, and leads to a lower commitment towards the organization as employees reciprocate in the exchange process (Guerrero, Bentein & Lapalme, 2013). There is a negative link between the PCB and Organizational Commitment (Zhao et al., 2007). Synder and Cistulli (2011) also found a negative relationship between Psychological Contract Violation and Affective Commitment. Raja et al. (2004) found that PCB negatively affects the Affective Commitment of employees.

According to Knights and Kennedy (2005), "Job Satisfaction is an attitudinal variable that reflects how people feel about their jobs". It is an individual's positive or negative evaluation of his/her job or job situation (Weiss & Cropanzano, 1996). Job Satisfaction produces happy employees. (Haroon, Fakhar & Rehman, 2012)

Job Satisfaction is widely debated and researched constructively (Falkenburg & Schyns, 2007). There are many attitudes of employees towards their jobs, but Job Satisfaction is the most important employee's attitude (Saari & Judge, 2004). According to Weiss and Cropanzano (1996), events that are emotionally charged have an impact on Job Satisfaction. As PCB is also an emotional event, therefore, it is inferred that it also effect Job Satisfaction. PCB is negatively related to Job Satisfaction (Zhao et al. 2007). Raja et al. (2004) found a negative relationship between PCB and Job Satisfaction. Another empirical study showed that PCB of younger employees in comparison with old aged employees is strongly related to Job Satisfaction (Bal, Lange, Jansen & Velde, 2013). Lambert et al. (2003) found that when employees receive more inducements than promised, they show more satisfaction. On the basis of above discussion, it is hypothesized that:

Hypothesis 1. There is a negative relationship between PCB and OCB.

Hypothesis 2. There is a negative relationship between PCB and Affective Commitment of employees.

Hypothesis 3. There is a negative relationship between the PCB and Job Satisfaction.

Psychological Capital and Employees' Outcomes

In recent years, Psychological Capital is the focus of positive organizational behavior (POB), which endures to improve the positive aspects of employees (Abbas & Raja, 2011). It is the derivative of POB (Avey, Luthans & Jensen, 2009). A comprehensive definition of Psychological Capital is, "An individual's positive psychological state of development and is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success)" (Luthans, Avolio, Avey, & Norman, 2007: p. 3). Psychological Capital shows the level of hope, resilience, confidence and optimism of any employee (Sridevi & Srinivasan, 2012). Chen and Lim (2012) refer it as a psychological well-being. Psychological Capital is a core construct with four facets of hope, optimism, resilience and self-efficacy, which were measured and validated both individually and collectively (Luthans et al. 2007). They found that the four facets of Psychological Capital, all collectively give better outcomes than individual facets. Based on this result, inclusion criteria of this study with respect to Psychological Capital is to take Hope, Optimism, Resilience and Self-efficacy, combined as core components of Psychological Capital. Based on prior work, Luthans, Norman, Avolio and Avey, (2008) suggested that Psychological Capital is not a definite personality trait and can be changed with experience and training. There was a change in the Psychological Capital level of respondents over time in a study carried out by Peterson, Luthans, Avolio, Walumbwa, and Zhang (2011). Psychological Capital has a significant contribution resulting in a number of workplace outcomes (Luthans et al., 2008).

Many studies support that Psychological Capital has a positive relationship with OCB. A Meta analytical study by Avey, Reichard, Luthans and Mhatre (2011) revealed that employees high on Psychological Capital show positive behaviors such as OCB and is negatively related to deviance. However, one study shows no significant relationship between Psychological Capital as a core construct and OCB across private and public

sector organization (Shahnawaz & Jafri, 2009). Norman, Avey, Nimnicht, and Pigeon (2010) found a positive link between Psychological Capital and OCB directed towards organization, and a negative association between Psychological Capital and deviance. Almost the same results were found by Avey, Wernsing, and Luthans (2008). A positive relationship between Psychological Capital and OCB both directed to individuals and organization was found in the study by Avey, Luthans, and Youssef (2010).

Many researchers proved a positive relationship between Psychological Capital and employees' commitment. For example Avey et al. (2011) found a significant relationship between Psychological Capital and Employees' commitment – a positive attitude. Etebarian Tavakoli, & Abzari, (2012) found interesting results on Psychological Capital-Organizational Commitment relationship. They found that Psychological Capital was significantly related only to emotional or Affective Commitment and no other forms of commitment. Luthans et al. (2011) conducted and found a positive relationship between Psychological Capital and Organizational Commitment, controlling some variables such as conscientiousness, extraversion and self-evaluation. One study by Shahnawaz and Jafri (2009) opposes that favorable relationship between Psychological Capital as a whole, of its components and commitment.

Luthans et al. (2008) found a positive relationship between Psychological Capital and satisfaction of employees working in services firms and a high-tech manufacturing companies. The similarity between leaders and subordinates' Psychological Capital level leads to perceived Job Satisfaction (Larson, Norman, Hughes, & Avey, 2013). Luthans et al. (2007) identified a positive relationship between Psychological Capital with all its components (Self-efficacy, Hope, Optimism and Resilience) and Job Satisfaction. They also found that each component individually was not as much a good predictor of Job Satisfaction compared to all components as a whole. In a Meta analytical study conducted by Avey et al. (2011), they established a relationship between Psychological Capital and desirable and undesirable behaviors, and found that employees with high Psychological Capital are more satisfied with their jobs. If there is a similarity between leaders and followers' level of Psychological Capital, Employees' Engagement with the organization will be more, which subsequently leads to employees' Job Satisfaction (Larson et al., 2013). On the basis of above discussion, it is hypothesized that:

Hypothesis 4. There is a positive relationship between Psychological Capital and OCB.

Hypothesis 5. There is a positive relationship between Psychological Capital and Affective Commitment

Hypothesis 6. There is a positive relationship between Psychological Capital and Job Satisfaction.

The Moderating Role of Psychological Capital

As mentioned earlier, Psychological Capital has not been used as a moderator between PCB and positive employee's outcome so far, but in the preceding section, an attempt is made to build up this relationship based on past relevant studies and logic. As discussed earlier, (See Introduction) PCB is an affective event that results in negative outcomes, and this notion is aligned with Affective Event Theory (Weiss & Cropanzano, 1996). The accumulation of frequent small events rather than one single event may develop the perception of breach among employees (Parzefall & Coyle-Shapiro, 2011). In the above discussion on Psychological Capital, it is clear that Psychological Capital is not a fixed trait, but is subject to change over time. So it is inferred, that the change in the level of Psychological Capital will change the magnitude of accumulated events that caused PCB. So employees high on Optimism (a component of Psychological Capital) will show lesser counter reactions, because such employees perceive negative events as temporary, situation-specific and external (Seligman, 1998) as cited by Sridivi and Srinivasan (2012). PCB is a negative and adverse situation. Resiliency is the psychological capability of a person to come back to his or her original state from adverse and negative situations (Luthans, 2002). So, it is inferred that resiliency, when combined with PCB will lessen negative employee's outcomes. Hope, as a component of Psychological Capital enables employees to choose alternative ways of achieving goals; so whenever employees experience a breach, employees high on hope may think of alternative ways as opposed to counter behaviors to combat with negative situations. Riolli, Savicki, and Richards (2012) found in a study that Psychological Capital enrich students with mental power to tackle negative situations. They concluded that Psychological Capital reduces the impact of stress on negative outcomes. Based on this, it is analogized that Psychological Capital reduces the strength of relationship between PCB (because stress is also negative phenomenon as PCB) and employees outcomes.

Based on the above discussion, following hypotheses are developed:

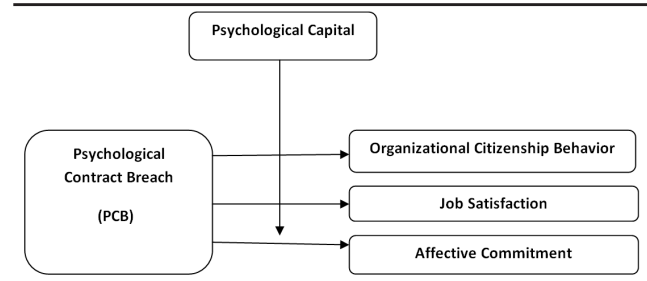
Hypothesis 7. Psychological Capital will

moderate the relationship between PCB and OCB.

Hypothesis 8. Psychological Capital will moderate the relationship between PCB and Affective Commitment.

Hypothesis 9. Psychological Capital will moderate the relationship between PCB and Job Satisfaction.

FIGURE 1
Conceptual Model



METHODOLOGY

Population and Sample

Based on convenient sampling, a total of 190 self-administered questionnaires were distributed among the teaching faculty of private sector universities of KPK. The collection of data from private sector universities' teachers is based on the rationale, that in Pakistan, these universities are more functional in research activities and give better output. Moreover, data collection from this sector is relatively easy and convenient. Out of 190 questionnaires, 145 were received, of which only 128 were considered for analysis with a response rate of 67%. While administering the questionnaires, the respondents were assured that their names will be kept secret and the data will be used only for this project.

Demographic Characteristics

The respondents had a mean age of 31 (s.d.=5.63) and 79.7% were male. Mean experience of the employees with their current university was 4.4 (s.d.= 3.6). Most of the respondents (78%) were lecturers, and the rest were Assistant Professors. The qualification of the respondents ranged from Masters to Ph.D; 66% respondents were Masters.

Measures

All the study variables were measured on a 5 point Likert scale from Strongly Disagree=1 to Strongly Agree=5.

Psychological Contract Breach was measured using 5-item scale developed by Robinson and Morrison (2000). One sample item is, "My employer has broken many of its

promises to me, even though, I have upheld my side of the deal". The Cronbach's alpha of the scale was 0.72.

Organizational Citizenship Behavior was measured using 20-items scaled developed by Podsakoff and Mac Kenzie (1989). One sample item is, "I help orient new people even though it is not required". The Cronbach's alpha of the scale was 0.88.

Job Satisfaction was measured using 6-items version by Agho, Price and Mueller (1992). One sample item is, "I find real enjoyment in my work". To improve the Cronbach's alpha, the scale was reduced to 5-items after which the Cronbach's alpha of the scale was 0.74.

Affective Commitment was measured using 8-items scales developed by Meyer and Allen (1997). One simple item is, "I enjoy discussing my organization with people outside of it". The Cronbach's alpha of the scale was 0.83.

Psychological Capital was measured using a 24 items scale developed by Luthans, Youssef and Avolio (2007). One sample item of the scale is, "I always look on the bright side of things regarding my job". The Cronbach's alpha of the scale was 0.90.

Control Variables

One way ANOVA was performed to control for variations in dependent variable(s). The results revealed that there

were differences in OCB ($F=3.952, p<.001$), AC ($F=3.108, p<.001$) and JS ($F=4.534, p<.05$) across age. Thus, age was controlled in the regression analysis. Similarly, there were significant differences in OCB ($F=2.186, p<.05$) and JS ($F=2.084, p<.05$) across experience. Hence experience was also controlled in regression analysis. Significant differences were found in AC ($F=5.035, p<.05$) across educational levels, so, education was also controlled in regression analysis.

RESULTS

Table 1 shows the descriptive statistics and correlation among variables. All correlations are significant at $p<.001$. The mean value for PCB was 2.66 (s.d. =0.76). The bivariate associations presented in the correlation matrix provide provisional support for H1, H2, H3, H4, H5 and H6. There was negative correlation between PCB and OCB ($r=-0.48, p<.001$), PCB and AC ($r=-0.54, p<.001$) and PCB and JS ($r=-0.61, p<.001$) which provisionally support first three hypothesis. The correlation between Psychological Capital and employees' outcomes was also significant and positive. The correlation between Psychological Capital and OCB ($r=.78, p<.001$), Psychological Capital and AC ($r=.56, p<.001$) and Psychological Capital and JS ($r=.61, p<.001$); all these correlations provisionally support H4, H5 and H6 respectively.

TABLE 1
Means, Standard Deviations, Correlations and Reliabilities

Variable	Mean	SD	1	2	3	4	5
1. PCB	2.66	0.76	-0.72				
2. OCB	3.85	0.53	-.48***	-0.88			
3. AC	3.56	0.72	-.54***	0.59***	-0.83		
4 .JS	3.64	0.7	-.61***	0.62***	0.69***	-0.74	
5. Psychological Capital	4.37	0.61	-.48***	0.78***	0.56***	0.61***	-0.9

$n=128$; alpha reliabilities are given in parenthesis. For male '0' and female '1'; education ranges from 1 to 3, designation from 1 to 4. For ***.correlations, $p<.001$.

Regression Analyses

Regression analyses were performed to formally test the entire hypothesis. In all regression analysis, control variables were entered in the first step. In the

second step, independent variable and IWE were entered to check its individual impact on dependent variables. In the third step, interaction term (PCB x Psychological Capital) was entered to predict its combined effect on dependent variables.

TABLE 2
Results of Regression Analysis for outcomes and Moderator

Predictors	OCB			AC			JS		
	β	R ²	ΔR^2	B	R ²	ΔR^2	β	R ²	ΔR^2
Step 1									
Control Variables		0.004			0.026			0.092	
Step 2									
Main effect									
PCB	-0.09*	0.643	0.639*	-.363***	0.48	0.45***	-0.428***	0.59	0.50***
Psychological Capital	.64***	0.643	.639***	.499***	0.48	0.45***	0.422***	0.59	0.50***
Step 3									
PCBxPsychological Capital	.127*	0.657	0.014*	0.138 ^{ns}	0.49	0.009	0.120 ^{ns}	0.597	0.007

*n=128; control variables are age, experience and education. ^{ns}p<.01, *p<.05, **p<.01, ***p<.001*

As shown in Table 2, a significant negative relationship was found between PCB and OCB ($\beta = -.09$, $p < .05$) which supported hypothesis 1. There was a significant negative relationship between PCB and AC ($\beta = -.363$, $p < .001$) which supported hypothesis 2. Similarly a significant negative relationship was proved between PCB and JS ($\beta = -.428$, $p < .001$). Hypothesis 4, 5 and 6 predicted that there is a positive relationship between Psychological Capital-OCB, Psychological Capital-AC and Psychological Capital-JS respectively, which were all supported through results of regression analysis. A significant positive relationship was found between Psychological Capital and OCB ($\beta = .64$, $p < .001$), Psychological Capital and AC ($\beta = .499$, $p < .001$) and Psychological Capital and JS ($\beta = .422$, $p < .001$). The moderated regression analysis was performed to check the combined effect of PCB and Psychological Capital on employees' outcomes. The result shows that Psychological Capital moderated the relationship between PCB and OCB ($\beta = .127$, $p < .05$), which supported hypothesis 7. No significant combined effect was found on Affective Commitment and Job Satisfaction as indicated by Table 2. The interaction term and AC ($\beta = .138$, $p > .10$) and interaction term and JS ($\beta = .120$, $p > .10$), all these results showed no significant combined effect of PCB and Psychological Capital on Affective Commitment and Job Satisfaction which rejected H8 and H9 respectively.

CONCLUSION & DISCUSSION

All hypotheses except two of this study were accepted. Hypothesis 1 predicted that there is a significantly negative relationship between PCB and OCB, which was supported by this study. This finding is aligned with previous studies of Restubog et al. (2007), Restubog, et al. (2008) and Chen et al. (2008). They also established and proved the same relationship. When employees perceive that their promises are not being met, they abandon exhibiting those activities that fall beyond the scope of their job. That's why PCB leads to reduce Organizational Citizenship Behaviors.

The finding of the study that PCB has a significant negative impact on Affective Commitment of employees also support the prior work of Guerrero et al. (2013), Zhao et al. (2007) and Raja et al. (2004). PCB is a negative attitude, while Affective Commitment is a positive attitude of employee, which means, both are contrary to each other. When employees experience PCB, their emotional attachment to organization reduces.

The third finding of the study also supports prior

work of Lambert et al. (2003), Raja et al. (2004) and Zhao et al. (2007). When there is PCB of employees, they show lower Job Satisfaction. Again, PCB results in harsh feelings, which negatively affect pleasant feelings one gets from his/her job.

The fourth finding was that those employees who were high in Psychological Capital, exhibited more Organizational Citizenship Behaviors. Although, OCBs are not compulsory for the employees, but those with high Psychological Capital hope for better reward in future, and they are optimistic that someday organization will reciprocate these behaviors. These findings are in accordance with previous research finding by Luthans et al. (2007), Luthan et al. (2008) and Larson et al., (2013).

The fifth findings also supported the hypothesis that Psychological Capital is positively related with Affective Commitment. This hypothesis is in line with previous studies of Luthan et al. (2011), Avey et al. (2011) and Etebarian et al. (2012). Affective Commitment is the emotional attachment of an employee with his or her organization. Emotional attachment in other words also means a long term commitment. So, employees high on Psychological Capital hope for a better future of self as well as the organization, and even if sometimes they become negatively charged with emotions, they still have the confidence and capability to cope with this situation or bounce back. So employees with greater Psychological Capital have long term commitment and emotional attachment with the organization.

The sixth finding was a positive relationship between Psychological Capital and Job Satisfaction. This result also provided support to previous research finding of Luthans et al. (2007), Luthan et al. (2008), Avey et al. (2011) and Larson et al., (2013). This finding implies that employee's high on Psychological Capital accepts and prefers challenging tasks, and are confident of their success as they are assured that if any mishap occurs, they can quickly return to their original psychological state. So, when they perform their job, they enjoy it and feel pleasure. For those employees, job becomes a means of satisfaction and inspiration.

The results also supported the seventh hypothesis of the study that Psychological Capital moderated the relationship between PCB and OCB. These finding shows that when Psychological Capital is high, it reduces the negative impact of PCB on organizational citizenship behaviors. When faced with negatively charged emotions, employees high on Psychological Capital will not abandon extra-role behaviors in the hope that the situation will eventually settle soon. They also look at the bright side of the picture, and ignore irresponsible behavior by the organization.

Contrary to hypothesis 8 and 9, the result showed

no moderating effect of Psychological Capital on PCB-Affective Commitment and PCB-Job Satisfaction. The most obvious reason for this finding is that when employees frequently experience breach, than after a certain level their psychological resources diminishes. Psychological Capital is not a fixed trait; rather, it keeps on changing. So, even those employees who are high on Psychological Capital, gradually lose their psychological resources, and if appropriate measures are not taken to reimburse them with these resources, they find no more pleasure and satisfaction in their job, and ultimately their emotional attachment with the organization reduces.

Implications for managers

This study has some implications for the managers, as employees' psychological contract is mostly developed through information received from the organization and interaction with its agents, so, managers should take measure which results in identifiable PC of employees. Managers should take initiative that can reveal what the employees perceive about the organization's obligations. During selection process, applicants should be tested on their Psychological Capital, and those applicants should be preferred who are high on Psychological Capital. As Psychological Capital can be developed, organizations should take measures such as training and counseling to increase the Psychological Capital of the employees.

Limitations and directions for future research

This study has several limitations. The results of the study cannot be generalized because of inconvenient sampling technique and small sample size. Future researchers should use a more rigorous sampling technique and a larger sample size. The data is not the true representative of the population, because it pertains only to Lecturers and Assistant Professors of the universities, and no response was obtained from Associate Professors and Professors. Future studies should ensure data collection from teachers of all levels in the universities. Common method bias is another limitation to this study as OCB is a behavior, and it has been self-reported in this study. Future studies should focus on supervisor reported and peer reported data as well. Most of the variables were measured on 5-Likert scale, and data on all variables was collected at the same point in time from the respondent which also led to common method bias. To overcome this limitation, future researchers should measure different variables on different Likert scale so as to break the thought flow of respondents while filling questionnaires. As this research pertains only to private sector universities' teachers, future research should replicate this research across public sector universities

as well and make a comparison between public sector and private sector universities' teachers.

REFERENCES

- Abbas, M., & Raja, U. 2011. Impact of Psychological Capital Innovative Performance and Job stress. *15th International Business Research Conference* (Ref No. 449). Melbourne, Australia: World Business Institute, Australia.
- Agho, A. O., Price, J. L., & Mueller, C. W. 1992. Discriminant validity of measures of job satisfaction, positive affectivity and negative affectivity. *Journal of Occupational and Organizational Psychology*, 65(3), 185-195.
- Avey J. B., Luthans, F. & Jensen, S. M. 2009. Psychological Capital: A Positive Resource for Combating Employee Stress and Turnover. *Human Resource Management*, 48(5), 677-693.
- Avey, J. B., Luthans, F., & Youssef, C. M. 2010. The additive value of positive Psychological Capital in predicting work attitudes and behaviors. *Journal of Management*, 36(2), 430-452.
- Avey, J. B., Reichard, R. J., Luthans, F., & Mhatre K. H. 2011. Meta-Analysis of the Impact of Positive Psychological Capital on Employee Attitudes, Behaviors, and Performance. *Human Resource Development Quarterly*, 22(2), 127-152.
- Avey, J. B., Wernsing, T. S., & Luthans, F. 2008. Can positive employees help positive organizational change? Impact of Psychological Capital and emotions on relevant attitudes and behaviors. *The Journal of Applied Behavioral Science*, 44(1), 48-70.
- Bal, P. M., Lange, A. H., Zacher, H., & Heijden, B. V. 2013. A lifespan perspective on psychological contracts and their relations with Organizational Commitment. *European Journal Of Work and Organizational Psychology*, 22(3), 279-292
- Bal, P.M., Chiaburu, D. S., & Diaz, I. 2011. Does Psychological Contract Breach Decrease Proactive Behaviors? *The Moderating Effect of Emotion Regulation. Group & Organization Management*, 36(6), 722-758
- Bal, P.M., Chiaburu, D. S., & Jansen, P. G. W. 2010. Psychological Contract Breach and Work Performance: Is social exchange a buffer or intensifier. *Journal of Managerial Psychology*, 25(3), 252-273
- Bal, P.M., Lange, A. H. D., Jansen, P. G. W., & Van Der Velde, M.E. G. 2013. A Longitudinal Study of Age-Related Differences in Reactions to Psychological Contract Breach. *Applied Psychology: An International Review*, 62(1), 157-181.

- Bao, Y., Olson, B., Parayitam, S. & Zhao, S. 2011. The effects of psychological contract violation on Chinese executives. *The International Journal of Human Resource Management*, 22(16), 3373–3392
- Bashir, S., & Nasir, M. 2013. Breach of psychological contract, organizational cynicism and union commitment: A study of hospitality industry in Pakistan. *International Journal of Hospitality Management*, 34, 61-65
- Blau, P. M. 1964. Exchange and power in social life. Transaction Publishers.
- Brown, L.A., & Roloff, M.E. 2011. Extra-role Time, Burnout, and Commitment: The Power of Promises Kept. *Business Communication Quarterly*, 74(4), 450-474
- Camilleri, E., & Heijden, B. I. V. D. 2007. Organizational Commitment, public service motivation, and performance within the public sector. *Public Performance & Management Review*, 31(2), 241-274.
- Cantisano, G. T., Dominguez, J. M., & Depolo, M. 2008. Psychological contract breach and outcomes: Combining meta-analysis and structural equation model. *Psicothema*, 20(3), 487-496.
- Chambel, M. J., & Alcover, C. M. 2011. The psychological contract of call-centre workers: Employment conditions, satisfaction and civic virtue behaviours. *Economic and Industrial Democracy*, 32(1), 115–134
- Chao, J. M. C., Cheung, F. Y. L., & Wu, A. M. S. 2011. Psychological contract breach and counterproductive workplace behaviors: testing moderating effect of attribution style and power distance. *The International Journal of Human Resource Management*, 22(4), 763–777
- Chen, C. V., & Kao, R. H. 2011. Work Values and Service-Oriented Organizational Citizenship Behaviors: The Mediation of Psychological Contract and Professional Commitment: A Case of Students in Taiwan Police College. *Soc Indic Res*, 107, 149-169.
- Chen, D. J. Q., & Lim, V. K. G. 2012. Strength in adversity: The influence of Psychological Capital on job search. *Journal of Organizational Behavior*, 33, 811–839.
- Chen, Z.X., Tsui, A.S., & Zhong, L. 2008. Reactions to psychological contract breach: a dual perspective. *Journal of Organizational Behavior*, 29, 527-548.
- Etebarian, A., Tavakoli, S., & Abzari, M. 2012. The relationship between Psychological Capital and Organizational Commitment. *African Journal of Business Management*, 6(14), 5057-5060.
- Falkenburg, K., & Schyns, B. 2007. Work satisfaction, Organizational Commitment and withdrawal behaviours. *Management Research News*, 30(10), 708-723.
- Gerber, M., Grote, G., Geiser, C., & Raeder, S. 2012. Managing psychological contracts in the era of the “new” career. *European Journal of Work and Organizational Psychology*, 21(2), 195-221
- Guerrero, S., Bentein, K., & Lapalme, M. E. 2013. Idiosyncratic Deals and High Performers’ Organizational Commitment. *Journal of Business Psychology*, DOI: 10.1007/s10869-013-9316-7.
- Haron, M., Fakhar, Z. H. M., & Rehman, W., 2012. The Relationship between Islamic Work Ethics and Job Satisfaction in Healthcare sector of Pakistan. *International Journal of Contemporary Business Studies*, 3(5), 6-12.
- Henderson, K. E., & O’Leary-Kelly, A. M. 2012. When Broken Promises Threaten One’s Identity: The Impact of Psychological Contract Breach on Self-Identity Threat. *Journal of Organizational Psychology*, 12 (3/4), 81-98.
- Hornsey, M. J. 2008. Social identity theory and self-categorization theory: A historical review. *Social and Personality Psychology Compass*, 2 (1), 204-222.
- Jamil, A., & Raja, U. 2013. Psychological Contract Types as Moderator in the Breach-Violation and Violation-Burnout Relationships. *The Journal of Psychology*, 147(5), 491-515
- Kickul J. 2001. When Organizations Break Their Promises: Employee Reactions to Unfair Processes and Treatment. *Journal of Business Ethics*, 29, 289-307
- Knights, J.A., Kennedy, B. J. 2005. Psychological Contract Violation: Impacts on Job Satisfaction and Organizational Commitment Among Australian Senior Public Servants. *Applied H. R. M. Research*, 10(2), 57-72.
- Lambert, L. S., Edwards, J. R., & Cable, D. M. 2003. Breach and fulfillment of the psychological contract: A comparison of traditional and expanded views. *Personnel Psychology*, 56(4), 895-934.
- Lange, A.H., Bal, P.M., Heijden, B.V., Jong, N., & Schaufeli, W. B. 2011. When I’m 64: Psychological contract breach, work motivation and the moderating roles of future time perspective and regulatory focus. *Work and Stress*, 25(4), 338-354
- Larson, M. D., Norman, S. M., Hughes, L. W., & Avey J. B. 2013. Psychological Capital: A New Lens for Understanding Employment fit and Attitude. *International Journal of Leadership Studies*, 8(1), 28-43.
- Lovblad, M., Hyder, A.S., & Lonnstedt, S. 2012. Affective Commitment in industrial customer-supplier

- relations: a psychological contract approach. *Journal of Business & Industrial Marketing*, 27(4), 275-285.
- Luthans, F. (2002). The need for and meaning of positive organizational behavior. *Journal of Organizational Behavior*, 23(6), 695-706.
- Luthans, F., Avolio, B. J., Avey, J. B., & Norman, S. M. 2007. Positive Psychological Capital: Measurement and relationship with performance and satisfaction. *Personnel Psychology*, 60, 541-572.
- Luthans, F., Norman, S. M., Avolio, B. J., & Avey, J. B. 2008. The mediating role of Psychological Capital in the supportive organizational climate—employee performance relationship. *Journal of Organizational Behavior*, 29, 219–238.
- Luthans, F., Youssef, C. M., Avolio, B. J. 2007. *Psychological Capital*. New York: Oxford University Press.
- Meyer, J. P., & Allen, N. J. 1997. Commitment in the workplace: Theory, research, and application. Sage.
- Meyer, J.P., & Allen, N. J. 1991. A three component conceptualization of Organizational Commitment. *Human Resource Management Review*, 1(1), 61-89.
- Mohammad, J., Habib, F. Q., & Alias, M. A. 2011. Job Satisfaction and Organizational Citizenship Behaviour: An Empirical Study at Higher Learning Institutions. *Asian Academy of Management Journal*, 16(2), 149-165.
- Morrison, E. W., & Robinson, S. L. 1997. When employees feel betrayed: A model of how psychological contract violation develops. *Academy of Management Review*, 22(1), 226-256.
- Ngo, H. Y., Loi, R., Foley, S., Zheng, X., & Zhang, L. 2013. Perceptions of organizational context and job attitudes: The mediating effect of organizational identification. *Asia pacific journal of management*, 30(1), 149-168.
- Norman, S. M., Avey, J. B., Nimnicht, J. L., & Pigeon, N. G. 2010. The interactive effects of Psychological Capital and organizational identity on employee organizational citizenship and deviance behaviors. *Journal of Leadership & Organizational Studies*, doi:10.1177/1548051809353764.
- Organ, D. W. (1988). *Organizational citizenship behavior: The good soldier syndrome*. Lexington Books/DC Heath and Com.
- Paille, P. & Dufour, M. E. 2013. Employee Responses To Psychological Contract Breach And Violation: Intentions To Leave The Job, Employer Or Profession. *The Journal of Applied Business Research*, 29(1), 205-216.
- Parzefall, M. R., & Kuppelwieser, V. G. 2012. Understanding the antecedents, the outcomes and the mediating role of social capital: An employee perspective. *Human relations*, 65(4), 447-472.
- Parzefall, M. R., & Coyle-Shapiro, C. 2010. Making sense of psychological contract breach. *Journal of Managerial Psychology*, 26(1), 12-27
- Peterson, S. J., Luthans, F., Avolio, B. J., Walumbwa, F. O., & Zhang, Z. 2011. Psychological Capital and Employees Performance: A Latent Growth Modeling Approach. *Personnel Psychology*, 64, 427-450.
- Podsakoff, P. M., & MacKenzie, S. B. 1989. A second generation measure of organizational citizenship behavior. *Unpublished manuscript, Indiana University, Bloomington*.
- Raja, U., Johns, G. & Ntalianis, F. 2004. The impact of personality on psychological contracts. *Academy of Management Journal*, 47(3), 350-67.
- Restubog, S. L. D., Bordia, P., Krebs, S. A., & Tang, R. L. 2005. The role of leader-member exchange in the psychological contract breach-subordinates' performance relationship. *Academy of Management Proceedings*, No. 1, 11-16.
- Restubog, S. L., Bordia, P., & Tang, R. L. 2007. Behavioural Outcomes of Psychological Contract Breach in a Non-Western Culture: The Moderating Role of Equity Sensitivity. *British Journal of Management*, 18, 376–386.
- Restubog, S. L., Hornsey, M. J., Bordia, P., & Esposito, S. R. 2008. Effects of Psychological Contract Breach on Organizational Citizenship Behaviour: Insights from the Group Value Model. *Journal of Management Studies* 45(8), 1378-1400.
- Rhoades, L., Eisenberger, R., & Armeli, S. 2001. Affective Commitment to the Organization: The Contribution of Perceived Organizational Support. *Journal of Applied Psychology*, 86(5), 825-836.
- Rioli, L., Savicki, V., & Richards, J. 2012. Psychological Capital as a Buffer to Student Stress. *Psychology*, 13(12A), 1202-1207.
- Robinson, S. L., & Morrison, E. W. 2000. The development of psychological contract breach and violation: A longitudinal study. *Journal of organizational Behavior*, 21(5), 525-546.
- Rousseau, D.M. 1995. *The Psychological Contract: Violations and Modifications*. Sage, Newbury Park.
- Saari, L. M., Judge, T. A. 2004. Employee's attitude and Job Satisfaction. *Human Resource Management*, 43(4), 395-407.
- Shahnawaz, M. G., & Jafri, M. H. 2009. Psychological Capital as Predictors of Organizational Commitment and Organizational Citizenship Behaviour. *Journal of the Indian Academy of Applied Psychology*, 35,

- 78-84.
- Shahzad, K., Bashir, S., Ramay, M. I. 2008. Impact of HR Practices on Perceived Performance of University Teachers in Pakistan. *International Review of Business Research Papers*, 4(2), 302-315
- Snyder, J. L. & Cistulli, M. D. 2011. The Relationship between Workplace E-Mail Privacy and Psychological Contract Violation, and Their Influence on Trust in Top Management and Affective Commitment. *Communication Research Reports*, 28(2), 121–129.
- Sridevi, G., & Srinivasan, P. T. 2012. Psychological Capital: A Review of Evolving Literature. *Colombo Business Journal*, 3(1), 25-39.
- Turnley, W.H., Bolino, M. C., Lester, S. W., & Bloodgood, J. M. 2003. The Impact of Psychological Contract Fulfillment on the Performance of In-Role and Organizational Citizenship Behaviors. *Journal of Management*, 29(2) , 187–206.
- Wangithi, W. E., & Muceke, N. J. 2012. Effect of Human Resource Management Practices on Psychological Contract in Organizations. *International Journal of Business and Social Science*, 3(19), 117-121
- Weiss, H. M., & Cropanzano R. 1996. Affective Event Theory: A theoretical discussion of the structure, causes and consequences of affective experiences at work. *Research in Organizational Behavior*, 18, 1-74.
- Zagenczyk, T. J., Gibney, R., Kiewitz, C., & Restubog, S. L. D. 2009. Mentors, supervisors and role models: do they reduce the effects of psychological contract breach? *Human Resource Management Journal*, 19(3), 237–259.
- Zhao, H., Wayne, S. J. Glibkowski, B. C., & Bravo, J. 2007. The Impact of Psychological Contract Breach on Work-Related Outcomes: A Meta Analysis. *Personnel Psychology*, 60, 647-680.