Research Articles

Influence of Personality on Perception of Psychological Contract Breach

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Abstract

The present research aimed to investigate the influence of personality (Five-Factor Model) on Psychological Contract Breach. Using random sampling procedure, data were collected from 90 faculties of colleges of Royal University of Bhutan. Personality scales by John, Naumann, and Soto (2008) and Robinson and Morrison's (2000) Psychological Contract Breach scale were used in this study. Correlation and regression analysis were carried out to analyze the obtained data. Results revealed that Extraversion and Neuroticism dimensions of the personality model have been found to be positively associated with the perception of breach. Employees who are by nature Agreeable and Conscientiousness are less likely to perceive breach in their psychological contract. Organization should look into the personality aspect while recruiting employees. If employees are hired with certain personality traits, they may focus on their performance and organizational growth.

Keywords: Psychological Contract Breach, Five-Factor Model of Personality, Extraversion, Conscientiousness, Agreeableness, Openness, Neuroticism

Introduction

The psychological contract has emerged as an important and significant framework to look into the employment relationship in modern business environment (Buyukyilmaz & Cakmak, 2013). The psychological contract is an employee’s belief concerning the terms and conditions of reciprocal exchange agreement between that focal person and another party (Rousseau, 1989). Employees and employers develop some expectations and obligations from each other which go beyond the formal employment agreement. The developed expectations are promissory in nature. The psychological contract provides an opportunity to explore the processes and content of the employment relationship through a focus on both implicit and explicit deals. Employee’s expectations and obligations play more significant role in governing employees’ behaviour in organization. The psychological contract has been mainly studied in terms of fulfillment and non-fulfillment of contract. Non-fulfillment of the psychological contract leads to the perception of breach that has wide and deep effect on employee’s behaviour in work setting.

Both personal as well as organizational factors have been proposed by researchers in the development and also in the breach of the psychological contract. Survey of literature revealed that role of organizational variables have much been explored over a decade (Aggarwal & Bhargava, 2009; Guest, 1998; Rousseau & Wade-Benzoni,
What is neglected in this area of research is the contribution of personal factors given the fact that psychological contract is idiosyncratic in nature where the employee’s subjective belief is in the central position in the psychological contract and also in the perception of its breach (Rousseau, 2001; Rousseau, Ho, & Greenberg, 2006). Among the dispositional factors that play significant role in Psychological Contract Breach is employee’s personality. Personality of an employee influences psychological contract (Orvis, Dudley, & Cortina, 2008; Raja, Johns, & Ntalianis, 2004). The role of personality has been accepted in the psychological contract very recently but very few researches have been undertaken on personality and contract breach. According to Raja et al. (2004) and Tallman and Bruning (2008), there is a lack of research on relationships between personality and psychological contract. Breach of psychological contract depends upon the way the employee interprets information in work situation and reacts to the situation, and this to some extent depends upon the person’s personality. Personality does have a significant impact on the employee’s attitude and behaviours in work setting (Judge, Heller, & Mount, 2002; Tallman & Bruning, 2008). Thus the present study is an attempt to address the relationship between personality and Psychological Contract Breach.

Concepts and Literature Review

Psychological Contract Breach

A developed psychological contract can be perceived as either met or unfulfilled (partially or fully) by the organization. When employees feel or believe that organization has failed to deliver on what was promised to them, it results in Psychological Contract Breach (Gakovic & Tetrick, 2003; Kiefer & Briner, 2006). Breach is the employees’ cognitive evaluation of the difference between what is considered as obligation and what is done by employer in reality. Breach results in various undesirable individual and organizational outcomes which includes reduced job satisfaction (Orvis et al., 2008; Turnley & Feldman, 1999), reduced organizational commitment (Restubog, Bordia, & Tang, 2006), lowered performance (Robinson, 1996; Suazo & Stone-Romero, 2011), lowered organizational citizenship behavior (Restubog, Hornsey, Bordia, & Esposo, 2008; Robinson, 1996), increased burnout (Gakovic & Tetrick, 2003), increased deviant behaviors (Restubog, Bordia, & Tang, 2007), and heightened turnover intention (Turnley & Feldman, 2000; Raja et al., 2004).

Individual and organizational factors have both direct and indirect influence on an employee’s psychological contract (Aggarwal & Bhargava, 2009; Pathak, Budhwar, Singh, & Hannas, 2005; Rousseau, 1995; Turnley & Feldman, 1999). Individual and situational factors such as age, tenure, personality, justice, trust, fairness perception, and interpersonal relations affect perception of contract breach (Bal, Chiaburu, & Jansen, 2010; Orvis, Dudley, & Cortina, 2008; Raja et al., 2004). Individual factors influence the psychological contract and therefore individual characteristics, especially personality traits play a significant role (Rousseau & Tijoriwala, 1998). The subjective nature of the psychological contract implies that personality has effect on perception of breach of employees’ psychological contract (Nikolaou & Tomprou, 2007). The personality determines the way the individual thinks about the promises made with respect to the contributions and obligations, and their fulfillment and not fulfillment. Thus personality plays significant roles in the perception of breach.

Personality

The personality refers to the unique and relatively stable pattern of behaving and thinking across different situations. The personality influences on work attitude and behaviour (Costa & McCrae, 1992) and has potential to explain employee – employer relationship (Raja et al., 2004; Tallman & Bruning, 2008). The present research has taken
The well known Five-Factor Model (Goldberg, 1990) of personality to understand its influence on perception of contract breach. According to the model, five personality dimensions together provide a complete description of an individual’s personality. Those five dimensions are: (1) Extraversion, (2) Emotional stability (Neuroticism), (3) Conscientiousness, (4) Agreeableness and (5) Openness (Goldberg, 1990). Each of the five personality factors represents a range between two extremes – high and low, and most people lie somewhere in between the two polar ends of each dimension. Extraversion dimension includes characteristics such as excitability, sociability, talkativeness, assertiveness, etc. Emotional stability refers to the person’s ability to withstand with stress. A person high on this trait tends to be calm, confident etc. Conscientiousness is a measure of reliability. A person scoring high on this dimension is responsible, organized and persistent. Agreeableness dimension includes attributes such as cooperative, warm, trusting, etc. Openness dimension addresses one’s range of interest and fascination with novelty. A person high on this exhibits traits like creativity and curiosity.

**Personality and Psychological Contract Breach**

The role of Individual factors especially employee’s personality in the perception of Psychological Contract Breach has got attention recently. A study conducted by Raja et al. (2004) is probably the first research in an effort to establish the relationship between personality and psychological contract, its breach and violation. Ho, Weingart, and Rousseau (2004) examined the influence of personality features on individuals’ reactions to broken promises. These two studies focused mainly on the effect of personality traits on broken promises and agreements. Raja et al. (2004) in their research took three dimensions of the big Five-Factor Model of Personality - Extraversion, Neuroticism and Conscientiousness, to study their influence on the type of psychological contract, perceptions of breach and feelings of violation. The results of their study showed that personality does influence psychological contract type, breach and violation. In their study, Raja et al. (2004) found that people high in Neuroticism and low in Conscientiousness were more likely to perceive Psychological Contract Breach. Extraversion was not significantly related to the perceived breach. However the problem with this research was that only three dimensions of the personality model - Extraversion, Neuroticism and Conscientiousness, were taken. DelCampo (2007) did a research taking all five factors of the model in determination of individual perception to contract violation and found that three personality variables - Agreeableness, Openness and Conscientious, reduced the likelihood of individuals perceiving violation of contract whereas two dimensions - Extraversion and Neuroticism, increased the likelihood of reporting violation. DelCampo (2007) did the research on contract violation and not on contract breach, but the present study is focused on contract breach. Some researchers have revealed that perception of breach mediates on contract violation (e.g. Raja et al., 2004). Because of the few and inconsistent findings of the relationships between the two variables of the study, the present research intends to explore further to have increased insights on the issue. The present study takes the view that the people who score high on Conscientiousness, Agreeableness, Extroversion and Openness are likely to perceive less breach whereas people high on Neuroticism are likely to perceive more breach. Neurotic people are by nature suspicious, have less trust and all such tendency leads to perceiving of breach. Thus it is conjectured that -

**H1:** Extraversion will significantly and negatively influence perception of Psychological Contract Breach

**H2:** Conscientiousness will significantly and negatively influence perception of Psychological Contract Breach

**H3:** Agreeableness will significantly and negatively influence perception of Psychological Contract Breach
H4: Openness will significantly and negatively influence perception of Psychological Contract Breach

H5: Neuroticism will significantly and positively influence perception of Psychological Contract Breach

Method

Sample and Survey Procedures

The study was conducted in faculties of colleges of Royal University of Bhutan, the only university in the country. There were approximately 500 faculties in all in the Royal University of Bhutan, which was the total research population. About 25% \((N = 90)\) of the teacher’s population was chosen as the respondents for the study. The decision of the sample size was taken based on the Roscoe’s (1975) criteria which states that sample size larger than 30 and smaller than 500 are appropriate for most research. Similarly Alreck and Settle (1995) stated that it is seldom necessary to sample more than 10 percent of the population. The present sample consists of 90 persons which are around 25% of the population. Data for the study was collected by administering a standard questionnaire in some fulltime faculties selected randomly using systematic random sampling. The data was collected in their working hours. The age range of the respondents in this study was between 24 and 53 years, with average for the sample being 34 years \((SD = .61)\). 61% of the respondents were male and 39% female. The majority of the respondents (65%) had their post graduate degree and above, and the remaining were graduates who were working as Assistant Lecturers. All the necessary information regarding the study and the ways to respond to the questionnaire was shared with the respondents. The respondents were assured of confidentiality of their responses and were told that their responses would be used for the research purpose only.

Measurement of Variables

Psychological Contract Breach — A 5-item scale developed by Robinson and Morrison (2000) was used to measure Psychological Contract Breach. This is a global measure of breach which intends to know about employees' overall view on the fulfillment / non-fulfillment of obligations by the organization. The first three items evaluate employees' perception of fulfillment by the organization. A sample item is “Almost all of the promises made by my employer during recruitment have been kept so far”. The last two items measure perception of mutual fulfillment. An example item is “My employer has broken many of its promises to me even though I’ve upheld my side of the deal”. Higher and more positive score on this measure indicates a greater extent of Psychological Contract Breach. Responses were taken on a 5-point scale ranging from 1=Receive much less than promised, to 5=Receive much more than promised. The reliability of this scale in the current study was .82 (Cronbach’s \(\alpha\)). The coefficient alpha is similar (.89) to other studies (Bal, Chiaburu, & Jansen, 2010).

Personality — The Big Five Inventory (BFI) developed by John, Naumann, and Soto (2008) was used to measure personality. It is a self-report inventory consisting of 44 items designed to measure the five personality dimensions - Conscientiousness, Agreeableness, Neuroticism, Openness and Extraversion. Responses were taken on a 5-point scale anchoring from strongly agree (5) to strongly disagree (1). Reliability of the each dimensions of personality was found to be .76 for Conscientiousness; .81 for Extraversion; .72 for Agreeableness; .75 for Openness and .80 for Neuroticism.

Both the measures were used in their original form and in their original language (English), because English is the medium of instruction in Bhutan as well.
Results

Table 1 shows the means, standard deviations and correlations for each of the variables. Conscientiousness and Agreeableness were found to be significantly and negatively related to the contract breach. Extraversion and Neuroticism was found to have significant and positive relationships with the contract breach. Openness was found to be negatively related to the contract breach but not significantly.

Table 1
Mean, Standard Deviation (SD) and Correlation Among Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<tbody>
<tr>
<td>Age</td>
<td>34.20</td>
<td>0.61</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Tenure</td>
<td>12.27</td>
<td>4.29</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>3.59</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraversion</td>
<td>3.73</td>
<td>0.83</td>
<td>.32*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agreeableness</td>
<td>3.21</td>
<td>0.53</td>
<td>.18</td>
<td>.23*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Openness</td>
<td>2.77</td>
<td>0.67</td>
<td>.32**</td>
<td>.15</td>
<td>.38*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neuroticism</td>
<td>2.90</td>
<td>0.48</td>
<td>-.44**</td>
<td>-.34**</td>
<td>-.29*</td>
<td>-.18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychological Contract</td>
<td>3.17</td>
<td>0.72</td>
<td>-.23**</td>
<td>.26**</td>
<td>-.19*</td>
<td>-.12</td>
<td>.28**</td>
<td></td>
</tr>
</tbody>
</table>

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

Regression analysis was conducted to test the hypotheses of the study (Table 2). Beta values revealed that Extraversion (β = .35; p = .011) positively and significantly contributed to the perception of Psychological Contract Breach. Conscientiousness (β = -.33; p = .011), and Agreeableness (β = -.22; p = .031) were found to be influencing contract breach significantly and negatively which indicated that persons with high these qualities were more likely to perceive contract breach. Neuroticism (β = .32; p = .002) was found to be positively and significantly contributing to the perception of Psychological Contract Breach. However one dimension of the personality model – Openness, was not found to be significantly influencing breach.
Discussion

This study investigated the influence of the big-five personality model and perception of Psychological Contract Breach among faculties of Royal University of Bhutan. The study found that employee’s personality (Extraversion, Conscientiousness, Agreeableness, and Neuroticism) had significant influence on their perception of contract breach.

Psychological Contract Breach was found to be positively and significantly associated with Extraversion. The findings refuted the first hypothesis of the study which asserted that Extraversion will significantly and negatively influence perception of Psychological Contract Breach. Extrovert people are social, assertive, energetic, and ambitious. Individuals high on extraversion are dominant in their behavior and expressive when interacting with others (McCrae & Costa, 1987). Extrovert people are very vigilant in monitoring how their organizations are fulfilling their part of the psychological contract (Raja et al., 2004). Extrovert people are proactive (Crant & Bateman, 2000) and are concerned with self-development (Antonacopoulos, 2000), career progression and satisfaction (Seibert, Kraimer, & Crant, 2001). Such people, probably because of being more vigilant and information seeking, keep on assessing how much organization has fulfilled its part of the contract. Perception of slight differences may probably lead to the perception of contract breach.

Conscientiousness also influenced perception of contract breach, thus supporting second hypothesis of the study. The finding lends credence to previous findings and is in line with the finding of Raja et al. (2004), who showed that conscientiousness, was negatively associated with perceived Psychological Contract Breach. Being high in conscientiousness indicates that the person is responsible, organized, persistent, and has a desire for success and growth. Conscientiousness is related to work-related attitudes (Barrick & Mount, 1991; Orvis et al., 2008). Such people are high performance - oriented and usually calm in stressful situations and have ability to cope in the time of crisis. They tend to form long term employment relationship with employer (Raja et al., 2004). People having these tendencies and mentalities, probably become more concerned with their performance and not engage themselves in looking and evaluating inducements by employer, thus leading to less perception of contract breach. Conscientious individuals’ rate intrinsic work values higher (Furnham, Petrides, Tsaousis, Pappas, & Garrod, 2005).

Agreeableness is another dimension of the personality which was found to be influencing significantly and negatively the perception of Psychological Contract Breach. Findings also supported hypothesis 3 of the study which asserted that Agreeableness will significantly and negatively influence perception of Psychological Contract Breach. Agreeableness describes people as cooperative, trusting and good natured; avoiding tensions and disagreements in the workplace; not jealous (Costa & McCrae, 1985). Agreeable people show care and love, provide emotional support, are considerate to others and form deep relationship with others. Agreeable people have the tendency to be pleasant and to concern for co-operation and social harmony (Graziano & Eisenberg, 1997). Probably because of these tendencies, agreeable people are less likely to think about the differences between expectations and obligations.

Neuroticism was found to be positively associated with perception of Psychological Contract Breach, thereby supporting hypothesis 5 of the research. It implies that the more neurotic a person is, the higher is the level of perception of breach. This finding lends credence to the earlier findings by Raja et al. (2004) whereby they showed that neuroticism was positively related to perceived Psychological Contract Breach. Neurotics are nervous, anxious,
insecure and depressed. Goleman (1997) found that neurotics are more likely to interpret ordinary situations as threatening. Neuroticism has an inherent negative denotation whereby they tend to think self and outside external environment mostly in a negative manner. Because of the tendency to think negatively, such people probably think that they got less than promised. Neurotics also suffer from low level of trust in self and outside and because of this kind of thinking, such people are more likely to suffer from the perception of contract breach.

However ‘Openness’ dimension of the personality model was not found to be significantly influencing perception of Psychological Contract Breach, thus refuting hypothesis 4. Some researchers have revealed that people high on this dimension of personality tend to be liberal and tolerant (Jost, 2006; McCrae, 1996). Such people are willing to make adjustments in notions and activities in accordance with new situations (Goldberg, 1993). The tendency of being able to adjust and adaptive in the situation makes such people less concerned about the breach in their contract.

Findings of this study are subject to a number of limitations. First, sample includes only one category of respondents i.e. teaching staffs, which put constraint to generalize findings of the study on diverse population. Second, the data used in the current study comes from self-reports which are subject to social desirability bias. This may affects the quality of research findings. Perception of breach of psychological contract is very subjective and dynamic. So the cross-sectional research may not give accurate picture. Persistent use of field studies and survey methods has resulted in a “methodological rut” (Conway & Briner, 2009; Taylor & Tekleab, 2004). Use of mixed method research design would be better to have better insight. Future research should explore contract breach on experimental or longitudinal designs that will provide more convincing evidence on the relationship. Future research should be conducted with a more vigorous and diverse sample and should take into account above limitations in order to have better insights.

Conclusion and Implication

The study aimed at understanding the influence of personality (taking Five-Factor Personality Model) on perception of Psychological Contract Breach of faculties of Royal University of Bhutan. The study found that personality influenced the perception of contract breach. Further the study found that Conscientiousness and Agreeableness dimensions of the personality model influenced negatively whereas Extraversion and Neuroticism dimensions of the personality model influenced positively on perception of Psychological Contract Breach. Employees who were high on Extraversion and Neuroticism were more likely to perceive breach in their psychological contract. Employees who were by nature agreeable and had conscientiousness were less likely to have perception of breach in their psychological contract. Openness dimension of the personality model was not found to have a significant influence on contract breach.

Perception of Psychological Contract Breach influences employee’s attitude and behaviours (Bal, De Lange, Jansen, & van der Velde, 2008; Orvis et al., 2008; Zhao et al., 2007). Perception of contract breach results into several negative organizational outcomes. Organization should make some efforts to prevent employees in perceiving breach of their contract so as to keep them committed, engaged and to make employees perform. Insights gained from this research may help organizations to look into the personality aspects while recruiting employees. Breach in contract may happen from both objective and subjective factors which sometimes organizations are not able to control. If employees are hired with certain personality traits that resists employees perceiving contract breach and violation, will be beneficial to both employees and employer. Theoretically, the study will continue to add value in the literature of Psychological Contract Breach and Personality.
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References


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