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Organizational justice and psychological employment contract breach: The mediating effect of trust

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Abstract

This study examines the mediating effect of trust on the relationship between organizational justice and psychological employment contract breach in Nigeria public universities. The study is Cross-sectional in nature and data were collected from participants (lecturers) representing various public universities in Nigeria. The data was analyzed with Version 24 of Statistical Package for Social Sciences (SPSS) and the study revealed a negative and significant relationship between distributive justice and psychological employment contract breach unfulfilled promises. In conclusion, the trust did not mediate the relationship between distributive justice and psychological employment contract breach unfulfilled promises.

Keywords: Organizational Justice; Psychological Employment, Contract Breach.

La justicia organizacional y el incumplimiento del contrato de empleo psicológico: El efecto mediador de la confianza

Resumen

Este estudio examina el efecto mediador de la confianza en la relación entre la justicia organizacional y el incumplimiento psicológico del contrato de trabajo en las universidades públicas de Nigeria. El estudio es de carácter transversal y se recopilaron datos de participantes (profesores) que representan a diversas universidades públicas en Nigeria. Los datos se analizaron con la Versión 24 del Paquete Estadístico para Ciencias Sociales (SPSS) y el estudio reveló una relación negativa y significativa entre la justicia distributiva y el contrato de empleo psicológico que incumplía las promesas incumplidas. En conclusión, la confianza no medió la relación entre la justicia distributiva y el contrato de empleo psicológico, incumpliendo las promesas incumplidas.

Palabras clave: justicia organizacional; Empleo psicológico, incumplimiento de contrato.

1. INTRODUCTION

Globally, universities are considered as the citadel of academic excellence, knowledge, the source of intellectualism and above all, the suitable environment for the grooming future leaders (Cricelli et al., 2018). According to Ipinoyomi, developing countries especially in Africa, put their hope in the educational system to campaign for its development. He stated that education is the only area we think Nigeria can advance her course in the community of nations because it enhances proper development of workforce and citizens in general.

Thus, university education deserves to be given all the necessary attention in enhancing its smooth functioning.

It is pertinent to note that one of the utmost factors to achieving the aims and objectives of any university system is the lecturer, and the academic staff performance is not only centered on their qualification and competence, but also psychological fulfillment which encourages them to put in their best. Since lecturers are key players in steering the affairs of the universities, they need to be motivated in discharging their duties to the best of their abilities. This is because they serve as a critical stakeholder on whose survival of the university depends on.

If lecturers are given the necessary working condition and favorable working environment, it influences their perception at the workplace as they feel happy and are ready to put in their best for the institutions of higher learning (Brown et al., 2000), while employment contract, therefore, involves the termination of an exchange regarding the number of employees works in exchange for a certain amount i.e. wage or salary. course of their duties, but fail to reciprocate by fulfilling their part.

It is on this note that the research conducted by Delcampo et al. (2010) stated that the employment contract breach by the employer is positively associated with employee feelings and perceived bias in the organization. When an employer fails to fulfill their promises to the employee, trust is negatively affected. Knowing fully well that

psychological contract encompasses core elements of promise fulfillment, trust and fairness. However, the Nigeria public university is not exempted from the issue of perceived psychological employment contract breach. It is expected that the government supports the lecturers with the appropriate packages (ensuring justice, equitable and prompt payment of salaries, welfare package, promotion of qualified personnel) in accordance to their employment contract so as to withstand the security challenges bedeviling the nation but the reverse is the case (Fullerton & Taylor, 2015).

This theory deals with “the perception of the fairness of the exchanges involving the individual in his relationships with superior’s colleagues and the organization” (Folger & Cropanzano, 1998: 22), as it relates to the level at which employees perceived procedures, interaction and outcomes to be fair or not. The theory revolves around procedural, interactive and distributive justice (Folger, 1986). The perception of the level of justice in an organization influences the level of trust between employee and employer depending on the outcome of justice. Hence, maintaining trust, equity and fairness smoothing the relationship between employee and employer, and employers must have respect for justice and make it a priority as they affect employees at the workplace (Colquitt, 2001). It is on this note that the present study fills the aforementioned gaps by investigating the mediating effect of trust on the relationship between organizational justice and psychological employment contract breach.

2. LITERATURE REVIEW

2.1. The relationship between organizational justice, trust and psychological employment contract breach

The idea of organizational Justice by the notion of organizational psychologists refer to as fair, ethical and justice condition under which the employer or the organization treat employees (Cropanzano, 1993). It has been identified long ago by researchers as a prerequisite for an effective running an organization, thereby enhancing the contentment and satisfaction of employees working in an organization. In view of the fact that employees' justice perception in the working place system influences their behaviors and attitudes to the organization as well as employers, and thus, their reactions to employer's resolutions are highly influenced by perceived fairness of rules and procedures (Cohen & Spector, 2001). Organizational justice is connected to several progressive job attitudes such as organizational citizenship behavior and employee level of trust in the organization (Ferrell 2001; Fareed et al., 2016). When employees perceived justice from the employer or organization, it tends to reduce the negative behavior towards work regarding the breach of the psychological contract.

Additionally, the concept of the term trust has been recognized to be an essential element in the psychological contract due to the reciprocated perception mutual commitment between the employer and

employee which it is built upon. Robinson maintains that, despite the fact that breach of psychological contract responsibilities or obligations results to unmet anticipations, which alone cannot be a justification for the effects of the breach, hence, understanding breach of trust is crucial to getting a clear picture of psychological contract breach. Empirical studies on the association between organizational justice and breach of the psychological employment contract are mixed. A Number of researches were carried out on the association between organizational justice and breach of psychological contract. Among the studies which reported a positive association includes the following. Meanwhile, other studies found a negative relationship. Thus this study intends to carry out further studies on these variables.

2.2. The mediating effect of trust on the relationship between organizational justice and psychological employment contract breach

Analysis of mediation has been used over a long period of time to examine the psychological procedures that deal with showing the influence between the independent variables and the dependent variables. Psychological contract breach is associated with experience emanating from organizational justice theory deprivation theory because feelings of deprivation affect employees perception which in turn influence their behavior leading to the statute of frustration (Cowherd & Levine, 1992). Such frustrated employee behaviors can be directed to the social system as most previous studies found that it

results in the following consequences: vandalism, revolutions, absenteeism, riots, strikes, violence and political protests.

Previous studies conducted have used trust in association with the breach of psychological contract and the findings of the results tend to be mixed; the following studies found a positive relationship, while the study of Pearce and Klein found no significant relationship. Therefore, what makes this research feasible is that trust is perceived as a mediating variable which previously has been regarded as a dependent or independent variable rather than a mediator. Furthermore, there is confirmation to recommend that trust serves as a mediator on the relationship that exists among psychological contract breach and attitudes of employee and behaviors such as turnover intentions and organizational citizenship behaviors respectively.

3. METHODS

3.1. Design, procedure and participants

A cross-sectional and quantitative method of research is used. The primary source of collecting data was carried out and multiple regression analysis was employed for data analysis. The total population of the study is 7062, thus a convenience sample size of 367 respondents was deduced from the population and used in this study.

3.2. Operationalization and variables measurement

Organizational justice was measured by instruments developed by Colquitt (2001) and the items were arranged on a 5-point Likert scale starting from 1 =strong disagree, to 5 which is = strongly agree. Trust was measured with 3 items adapted from the trust Scale and also on 5 points likert scale ranging from 1 =strong disagree, to 5 = strongly agree. While Psychological contract breach measures were adapted from the study which has nine items that are scored on the 5-point likert scale as well, beginning from 1 =strong disagree, and to 5 which is = strongly agree.

3.3. Statistical analyses

The statistical analyses were carried out by means of version 24 of Statistical Package for the Social Sciences (SPSS), data screening, multivariate outliers, linearity and normality, alpha reliability, factor analysis and multiple regression analysis were all executed. Conversely, Bartlett's test for sphericity was also examined so as for test the statistical probability between the correlation matrix and, at least, some of the computed variables. Hence, Bartlett's test must be at a signing at ($p < 0.05$) (Field, 2009).

4. RESULTS

The statistical methods were used to check skewness and kurtosis and it falls within -1.96 and +1.96, as can require. The outliers that make up the extreme value and do not fit into the majority data set in this research were identified and removed through the application of the Mahalonobis distance process. Out of 436 original cases from the field, 71 cases were identified as outliers and removed. Hence, 365 cases of respondents were remaining and used for further analysis. Generally, the acceptable Cronbach's alpha coefficients are expected to be in accordance with $\alpha \geq .70$ guideline. However, in carrying out the factor analysis, the researcher started by running Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) test and Bartlett's Test of Sphericity and both are acceptable at ($p > 0.5$) for KMO and ($p < 0.05$) for Bartlett's Test.

However, the researchers make use of Eigenvalues in extracting a reliable dimension for psychological contract breach known as unfulfilled promises, while 4 reliable dimensions were extracted for organizational justice namely; distributive justice, procedural justice, interactional informal justice and finally, informational justice. Trust have single reliable dimension also and this led to the following restatement of hypothesis; H1a. There is a significant effect between distributive justice and unfulfilled promises in Nigeria public universities. H1b, There is a significant effect between procedural justice and unfulfilled promises in Nigeria public universities.

H1c, There is a significant effect between interactional informational justice and unfulfilled promises in Nigeria public universities. H1d, There is a significant effect between informational justice and unfulfilled promises in Nigeria public universities. H2a, Trust significantly mediates the relationship between distributive justice and unfulfilled promises in Nigeria public universities. H2b, Trust significantly mediates the relationship between procedural justice and unfulfilled promises in Nigeria public universities. H2c, Trust significantly mediates the relationship between interactional informational justice and unfulfilled promises in Nigeria public universities. H2c, there is significant mediation of trust on the relationship between informational justice and unfulfilled promises in Nigeria public universities.

The multiple regression results indicate that both the tolerance and VIF values met the requirement because the VIF values are above 1.0 at 1.375, while the tolerance values fall below 1.0 at 0.727. The F values are also significant as it scored 0.000, falling below $P < 0.05$ is the standard rule. Furthermore, from the regression results generated so far, it found that distributive justice is at 0.000, this implies that distributive justice has a significant effect on unfulfilled promises. It also has a negative effect on unfulfilled promises with a Beta value of -0.446, The R² value is 0.299 which is equivalent to 29.9%, and it is significant because it falls above 25% as shown in model 1 of the table. In summary, the result support H1a, while H1b, H1c and H1d are not supported.

Table 1: Multiple Regression Results for Independent Variables (Organizational Justice), Mediating Variable (Trust) and Dependent Variable (Unfulfilled Promises).

Dimensions	Model 1 IV-DV	Model 2 IV-M	Model 3 M-DV	Model 4 IV-M-DV
Distributive justice	-.446*	.485*	-.101	-.400*
Procedural justice	-.126	.253*	-.101	-.099
Interactional_informational_justice	.061	.028	-.101	.062
Informational justice	.017	.069	-.101	.024
Trust			0.09	
F Value	0.000*	0.000*	0.000*	0.000*
R ² Value	0.299*	0.456*	0.299*	0.299*

Note: Significant at P<0.05

However, our findings revealed trust fail to mediate between distributive justice, procedural justice, interactional informational justice, informational justice and unfulfilled promises considering the fact that the $p=0.09$ ($P>0.05$) and this above the significant level of $p<0.05$. Therefore, all the mediating hypotheses (H2a, H2b, H2c and H2d) are not significant and supported respectively. The implication of the analysis result indicates that there is a significant relationship between distributive and unfulfilled promises, while trust did not mediate the relationship between all the independent variable and unfulfilled promises which is a dimension of psychological employment contract breach in Nigeria public universities.

5. DISCUSSION

We examined the effect of organizational justice on psychological employment contract breach in Nigeria public universities. Additionally, the study contributes to the literature by introducing a mediating variable in testing the association between organizational justice and psychological employment contract breach. Our findings show that a dimension of organizational justice distributive justice has a significant and negative effect on psychological employment contract breach dimension unfulfilled promises.

The findings of the present research are in accordance with the result of earlier studies of Wen-Hai, Tao-Sheng, Li-Chi, and Wen-Chang. Thus, distributive justice here is centred on equity, that is, lecturer's perception of fairness by relating the proportion of their contributions and that of others to outcomes. Distributive justice is also known as equality. This study is going to answer whether distributive justice is significantly affected psychological contract breach. First, this study hypothesizes that distributive justice has significantly affect unfulfilled promises, which is a dimension of psychological contract breach. The implication of this result is that the less distributive justice are provided to employees, the more the perception of the breach as a result of unfulfilled promises by lecturers in the Nigeria public universities (Suleri & Cavagnaro, 2016).

Distributive justice deals with the perception of lecturers on how they are been treated equally in the organization. It is expected that lecturers get the appropriate and impartial distribution of the outcome. Lecturers of the same cadre are expected to receive what is accrued to them without favouritism or injustice. In Nigeria public universities, slots allocation and benefits are discriminately handled as only those closer to management are favoured against those who are not close or loyal to management as this created the feelings of unfulfilled promises in the mind of the affected staff. Therefore, due process should be followed when allocating issues of housing, conference fee, staff training, development and promotion to lecturers without discrimination. Lecturers always expect that after much has been put into the place of work, justice should be the yardstick for rewarding them accordingly as this influences their perception about the employer either positively or negative depending on how justice is been administered on them. This goes in accordance with the organizational justice theory as a guiding theory for the present study.

6. CONCLUSION

Organizations are faced with increasing demand to address the issue of employee-employer relationship in enhancing mutual obligation. Based on the previous review of literature and findings, the present research is carried out and with the objective to examine the effect of organizational justice on psychological employment contract

breach. The empirical findings found a significant effect of distributive justice on unfulfilled promises in accordance to the generated dimensions of the variables under investigation. However, the research findings inconsistent with a number of previous empirical studies carried out. In this study, a dimension of organizational justice which is distributive justice have a significant effect on the dimension of psychological employment contract breach unfulfilled promises. More so, ensuring proper distributive justice by employers will influence the perceived unfulfilled promises. That is, in order to do away with perceived unfulfilled promises by employees, employers should strive hard enough to ensure distributive justice in a fair and proper manner. Employers should pay serious attention to employees' grievances and also try to get continuous feedback of policies and programs regarding employment contract promises. All the relevant stakeholders such as ASUU, universities management and the government should continuously have a round table discussion with the aim of ameliorating issue of distributive justice influencing the lecturer's perception of unfulfilled promises.

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