POSITIVE PSYCHOLOGICAL RESOURCES, MANAGEMENT RESPONSIVENESS AND 
PSYCHOLOGICAL CONTRACT VIOLATION:
A MEDIATING EFFECT OF PSYCHOLOGICAL CONTRACT BREACH

By
EH WEN NEN DI

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Universiti Utara Malaysia,
In Fulfilment of the Requirement for the Degree of Doctor of Business Administration
August 2015
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Abstract (English)

Most researches on emotion, especially psychological contract violations are viewed from the exogenous constructs lenses i.e. the outcomes of violation which were generally displayed via attitudinal and behavioral evidences.

In contrast, this study aims to discuss psychological contract violation from the opposite direction, i.e. the endogenous construct viewpoint. Using PLS-SEM, the five exogenous constructs i.e. the management of responsiveness, efficacy, hope, resiliency and optimism were posited as predictors of the psychological contract violation. Psychological contract breach, on the other hand was inserted as the mediator.

The validity of this model was tested using 251 samples from individual responses of the SMBA member companies. The management of responsiveness, efficacy, hope and resiliency were found to be significant predictors for psychological contract violation. In contrary, optimism construct showed no evidence of relationship with the violation. The Psychological contract breach meanwhile was found to partially mediate the relationship of the management of responsiveness and the psychological contract violation. Other exogenous constructs have no direct relationship with the psychological contract breach; therefore the role of psychological contract breach as the mediator does not exist.

The originality and contribution of this research was primarily the application of exogenous constructs which were uncommonly used as psychological contract violation predictor. Other implications, limitations and future research opportunities on the subject of psychological contract violation were also discussed.

Keywords: psychology, violation, breach, responsiveness, resources.
Abstrak (BM)


Kata kunci: psikologi, pelanggaran, kemungkiran, tindakan, sumber.
Completing a doctoral research is a long journey process that requires multi-level support from various parties who instrumentally, directly or indirectly help supported this journey.

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Secondly, I wish to express my heartfelt thanks to SMBA member companies and their employees who participated in this research. This research was be possible because of their support.

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Lastly, my heartfelt thanks to George G Lee for proof reading this report. For those individuals and organizations that are not mentioned here but have directly or indirectly contributed to this research in one way or another, thank you!

Hopefully this research will accentuate further interest in the psychological contract field to better understand how emotion works especially in the work environment.
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<th>Description</th>
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<tr>
<td>AVE</td>
<td>Average Variance Extracted</td>
</tr>
<tr>
<td>CR</td>
<td>Composite Reliability</td>
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<tr>
<td>EFFI</td>
<td>Self-efficacy</td>
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<td>EI</td>
<td>Employee Involvement</td>
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<td>EP</td>
<td>Employee Participation</td>
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<td>EV</td>
<td>Employee Voice</td>
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<td>EVL</td>
<td>Exit, Voice and Loyalty</td>
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<td>FMM</td>
<td>Federation of Malaysian Manufacturer</td>
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<td>HOPE</td>
<td>Hope</td>
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<td>MEF</td>
<td>Malaysian Employer Federation</td>
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<td>MR</td>
<td>Management Responsiveness</td>
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<td>OPTI</td>
<td>Optimism</td>
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<td>Psychological Contract</td>
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<td>Psychological Capital Questionnaire</td>
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<td>PCV</td>
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<td>PLS-SEM</td>
<td>Partial Least Squares Structural Equation Modeling</td>
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<td>POS</td>
<td>Positive Organization Support</td>
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<td>PPR</td>
<td>Positive Psychological Resources</td>
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<td>PsyCap</td>
<td>Psychological Capital</td>
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<td>RESI</td>
<td>Resiliency</td>
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<td>Swiss Malaysian Business Association</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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<td>VAF</td>
<td>Variance Accounted For</td>
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<td>VIF</td>
<td>Variance Inflation Factor</td>
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CHAPTER 1
INTRODUCTION

1.1 Background of the Study

The employment relationship, widely known and practiced in countries around the world refers to “the relationship between parties at work” (Maimunah Aminudin, 2011). It is through the employment relationship that reciprocal rights and obligations are created between the employee and the employer. Through this relationship the employee gain access to the rights and benefits associated with employment. During the tenure of this relationship some of the perceived rights and obligations may not be expressly defined in an employment contract but they are rather implied, subject much to individual interpretation! In view of the subjectivity of the interpretation (including express terms), the employee and the employer may encounter divergence in perception and interpretation of the social events related to their relationship.

Looking from employee’s view, their expectations could vary individually from what has been promised or perceived to have been promised by the employer like better pay, career advancement, learning new skills and wide range of compensation and benefits or other work-related benefits. Unmet promises may lead to intense of negative emotions like anger, betrayal, and anxiety; depress etc. which literatures often refer to as psychological contract violation (PCV) (Morrison and Robinson, 1997; Suazo, 2009). The intensity of the negative emotions on the other hand is subject to individual interpretation and perception of the events. On the same token, non-payment of bonus due to organizational financial constraints, for example, while some employees may find it absolutely acceptable, others may deem the event as a broken promise, referred here as psychological contract breach (PCB). There could be multiple
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REFERENCES


