

## The impact of psychological contract breach and violation on union commitment

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### ABSTRACT

When organizations fail to provide employees with what they promised, employees may reduce their efforts, negatively impacting productivity, innovation, and organizational commitment. This study reports on the impact of breach and violation on union commitment in the South African workplace, based on 271 trade union members. Hierarchical regression was employed to examine the impact. Breach has a significant negative effect on union commitment, such that higher levels of breach result in lower levels of union commitment. This finding is contrary to previous research. Practical implications are presented in the proceeding.

### INTRODUCTION

Organizations have to be innovative in order to remain competitive and sustainable. When organizations do not deliver on promises made to employees, it negatively affects employees trust towards the organization, and trade union commitment tends to increase [1]. Few studies, conducted mainly outside South Africa, investigated the role that trade unions play [2]–[4], and indicated that breach and violation by the organization cause employees to be more unionized in an attempt to protect their rights [1], [3], [4]. It is unclear how psychological contract breach and violation affect union commitment in South Africa.

### OVERVIEW OF THE LITERATURE

**Psychological contract.** A psychological contract, which is understood in the context of Social Exchange Theory, develops when an employee is of the belief that, in exchange of their contributions, some promises will be delivered by the employer in the future [5].

If organizations do not honor their promises, employees may respond in two ways. [6]. *Breach* is "... the cognition that one's organization has failed to meet one or more obligations [such as promotion, career development, long-term job security and a good salary [7]] within one's psychological contract in a manner commensurate with one's contributions" [6, p. 230]. Breach leads to anti-productive behavior [1], [3], lower levels of performance and organizational commitment [8], and an intention to quit [9]. *Violation* is "an affective and emotional experience of disappointment, frustration, anger and resentment that may emanate from an employer's interpretation of the circumstances surrounding a perceived contravention of the contract" [6, pp. 242-247], and is an emotional reaction outcome following the perceived breach [10].

**Union commitment.** *Union commitment* refers to the loyalty and allegiance that employees normally display towards their trade union [3], consisting of a willingness to work for the trade union, responsibility to the trade union, and loyalty to the trade union. Union commitment levels increase when trade unions are successful in protecting members' rights and benefits (also restoring lost benefits) [3]. Union commitment has also been conceptualized drawing on the organizational commitment theories, for example [11], whom focus on affective commitment and continuance commitment. A few studies only considered affective union commitment [12]–[14], based on the work of [11].

**Impact of breach and violation on union commitment.** Union commitment tends to increase when employees perceive breach of their psychological contracts, which in turn propels employees to have close ties with their trade unions [1], [3], [4]. When union members perceive that their trade union is effective, they do not react critically to organizational breach [3]. In contrast, when the trade union is ineffective, breach does not lead to an increase in union commitment [3]. [4] showed that violation increases union commitment. The relationship between breach and union commitment is partially mediated by violation [4], [15].

**Research question.** Although union participation received attention in the South African context [16], it is unclear how breach and violation affect union commitment in South Africa. The aim of this study was to investigate the impact of (a) breach and (b) violation on union commitment in the South African workplace.

### METHOD

**Sampling procedure and participants.** Data were collected from 271 employees using a convenience sampling strategy. Respondents were predominantly men (76.3%). The manufacturing and industrial industry had the most respondents (45.2%), followed by the mining industry (31.1%). The majority of the respondents (61.7%) were general workers (operators). Only 8.2% had a university degree. The average age was 40.79 years ( $SD = 11.16$ ), tenure was 9.46 years ( $SD = 9.14$ ), and trade union membership was 11.54 years ( $SD = 10.51$ ).

**Measuring instruments.** A reliable ( $\alpha = .89$ ) 5-item global measure for *breach* was used [10], was used. This scale has been reported as reliable ( $\alpha = .89$  [10]). *Violation* was measured using the instrument developed by [17] ( $\alpha = .790$  [18],  $\alpha = .830$  [19] and  $\alpha = .850$  in an international study [20]). *Union commitment* consisted of an affective and continuance dimension measured with eight items adapted for a

unionized South African context by [16] was used ( $\alpha = .85$  (only affective union commitment) [21] and union commitment scale (both affective and continuance commitment) were  $\alpha = .91$  [22] and  $\alpha = .92$  [16]). *Control variables* included were gender, race and organizational tenure (continuous).

**Analysis.** In the hierarchical regressions (using SPSS Ver. 24 [23]), control variables were entered in Step 1 and the two predictors (breach and violation) were entered in Step 2. No multivariate outliers were detected.

## RESULTS

The mean, standard deviation, intercorrelations and reliabilities are reported in Table 1. Breach ( $r = -.39, p < .001$ ) and violation ( $r = -.22, p < .001$ ) evidenced statistically significant negative correlations with union commitment. Breach and violation had a strong positive association ( $r = .54, p < .001$ ), similar to a previous study ( $r = .59, p < .05$ ) [4]. A medium negative correlation was found between breach and union commitment ( $r = -.39, p < .001$ ), which is in direct contrast to [4] who found a medium positive correlation ( $r = .06, p > .05$ ). These disparate results can be ascribed to how union commitment was conceptualized, for example, [4, p. 226] focused on "... loyalty to the union, responsibility toward the union, and willingness to work for the union", whereas only loyalty was used to operationalize union commitment [3]. Therefore, different conceptualizations of union commitment present different associations between the variables. Organizational tenure correlated significantly with violation ( $r = -.14, p < .05$ ) and union commitment ( $r = -.19, p < .001$ ), and race with violation ( $r = -.13, p < .05$ ). All three correlations were small. No control variables correlated with breach.

Table 1: Means (*M*), standard deviations (*SD*), and Pearson correlations for the variables investigated.

Var.	1	2	3	4	5	6
1. Gen.	(—)					
2. Race	-.09	(—)				
3. Ten.	.08	.10	(—)			
4. Brch.	.01	-.04	.05	(.93)		
5. Viol.	.06	-.13*	-.14*	.54**	(.88)	
6. UC	-.05	.11	.19**	-.39**	-.22**	(.92)
<i>M</i>	0.24	0.85	9.32	2.74	2.64	3.41
<i>SD</i>	0.43	0.36	8.98	1.07	0.96	0.95

$n = 252$  to  $259$ . Gender (Gen.) was coded as 0 = male and 1 = female and Race as 0 = Other and 1 = Black African.

Ten. = organizational tenure, Brch. = breach, Viol. = violation, and UC = union commitment. Cronbach's alphas are reported on the diagonal.

\* $p < .05$ ; \*\* $p < .01$ .

The study sought to investigate the impact of (a) breach and (b) violation on union commitment in the South African workplace. The set of regression results, following this investigation, are reported in Table 2.

Table 2: Regression results for the prediction of union commitment

	Step 1	Step 2
<b>Control variables</b>		
Gender	-.062	-.068
Race	.077	.063
Organizational tenure	.197*	.218**
<b>Independent variable</b>		
Breach		-.405**
Violation		.032
<i>F</i>	4.511*	12.540**
$\Delta F$		23.376**
<i>R</i> <sup>2</sup>	.051	.201
$\Delta R$ <sup>2</sup>		.150

$n = 255$  after listwise deletion. Standardized regression coefficients are reported.

\* $p < .01$ ; \*\* $p < .001$ .

Union commitment is negatively impacted by perceptions of breach ( $\beta = -.405, p < .001$ ) but not predicted by violation ( $\beta = .032, p > .05$ ). In contrast with a previous study where breach also significantly impacted union commitment ( $\beta = .190, p < .05$ ) [3], the results reported above indicates that breach had a statistically significant and negative impact on union commitment, and of medium effect ( $\beta = -.405, p < .001$ ). Only a 5% variance in union commitment was explained by the control variables (Step 1), however, organizational tenure was statistically significant ( $\beta = .218, p < .001$ ) in Step 2. The introduction of the predictors increased the percentage variance in union commitment in Step 1, by 15%. Gender and race appeared not to be significant predictors of union commitment, similar to another study [3].

## DISCUSSION

The aim of this study was to investigate the impact of breach and violation on union commitment in the South African workplace. With regard to the impact of breach, the results revealed that breach has a negative impact on union commitment, such that higher levels of breach result in lower levels of union commitment. This means that when employees perceived that their employers were in breach of the psychological contract, they cognitively appraise their commitment toward their trade union. This also includes the trade unions' role as agency to negotiate on behalf of and protect the rights of trade union members. This result is not in support of one previous studies [1], [3] that revealed, the opposite, that perceptions of breach employees have about their organizations meeting its obligations, lead to an increase in union commitment. Similarly, the results of this study can also not provide support to another study [4] where the results suggest that breach leads to an increase in union commitment. The results from the different studies seem to be inconclusive. Various explanations are offered for this intriguing finding. Firstly, the conceptualization of union commitment may provide insight. This study conceptualized union

commitment based on affective and continuance organizational commitment, as opposed to focusing on the loyalty, responsibility, and willingness to work for the trade union. Furthermore, the members of a trade union may be disappointed in the role that the trade union plays as an agent (or lack thereof) on their behalf, and engage in thoughts of what they stand to lose, which may be little, when they leave the trade union. However, evidence indicates that although the trade union may be ineffective, perceptions of breach did not lead to an increase in union commitment [3]. Another explanation may be that trade union members have expectations, based on previous experience with other trade unions, of their current trade union whom may not be in a position to offer the same promises based on their mandate.

Turning focus on the effect of violation, the results revealed that violation has no bearing on union commitment. This means that violation does not predict union commitment. This finding is of interest as we expected violation to predict union commitment as was found in other studies, where it was found that perceptions of breach and violation by the organization cause employees to be more unionized in an attempt to protect their rights [1], [3], [4]. An explanation for this finding could be that the experience of violation, an emotional reaction, is directed towards the employer, but not the trade union. This may explain why [4] evidenced that violation negatively predicts trust in management.

**Contributions of the study.** Previous studies [2]–[4] have not shown the impact of breach and violation on union commitment in South Africa. Only one study [16] was conducted in South Africa pertaining to the effects of union participation and demographic factors, but excluding breach and violation. This study suggests different outcomes of breach on union commitment based on the way union commitment is conceptualized. Therefore, this study fills a gap in the psychological contract literature in relation to union commitment.

**Practical implications.** The results from this study have practical implications for both Human Resource practitioners, as well as trade unions and their office bearers. Trade union office bearers need to understand why employees become less committed to a trade union when breach occurs. They also need to develop effective ways of handling and resolving breach in the workplace to prevent decline in union commitment. Trade unions should ensure that their members understand their mandate, among other to improve the working conditions when workers' trust in the employing organization decreases [4], and ensure that they do not create false expectations. Both managers and trade union office bearers need to be aware of the negative relationship between breach and union commitment. This calls for Human Resource practitioners to provide best human resource practices to better the relationships between employees, employers and trade unions. Line management should attempt to avoid making promises that can lead to

breach. It can be suggested that management and trade unions should have more regular meetings to collaborate better. In situations where relationships between leaders and subordinates are healthy, employees are likely to perceive violation to not be deliberate [15].

**Limitations.** One limitation is presented by the use of convenience sampling, which may evoke commentary that is frequently thought to lack credibility in terms of results [24]. In addition, union instrumentality was not included in the design: a global measurement of breach was used preventing and understanding of exactly what content of the psychological contract and what trade unions as agents are instrumental of, may impact union commitment. Union ideology may also have altered the results in this study.

**Suggestions for future research.** A few suggestions for future research are presented. A cross-cultural study should be considered as it is anticipated that trade unions may have different agendas, roles and mandates across countries and cultures. A second suggestion would be to consider a stratified sampling technique, stratified across the different trade unions in a country. Thirdly, in order to understand the relationship between the content informing the psychological contract, i.e. exactly what was promised, and union instrumentality mirroring the content, should be investigated. This call for a direct measure of breach assessing the content of the psychological contract, and, use the same content items as part of union instrumentality. Lastly, union ideology should be considered as trade unions may differ. This tie in with the sampling strategy recommended, which will allow for multilevel modeling.

**Conclusion.** The aim of this study was to investigate the impact of breach and violation on union commitment in the South African workplace. Perceptions of breach leads to a decrease in union commitment, but not violation. This finding is different to previous studies, suggesting that there may be cross-cultural differences. When organizations and trade unions fail to honor their promises and ensure their members remain committed respectively, organizations focus on innovation may suffer in the long term.

## REFERENCES

References are available upon request.

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