Testing Conceptual Relationship Between Constructs of Psychological Contract Breach and Organizational Identification through Perceived Organizational Membership

1Fakhraddin Maroofi and 2Badieh Parvin
1Department of Management, University of Kurdistan, Sanandaj, Iran
2Department of Management, Sanandaj Branch, Islamic Azad University, Sanandaj, Iran

ABSTRACT
This study examines the relationship between psychological contract breach and organizational identification, which include a group-level transformational and transactional leadership and routine justice in the hypothesized model. Result shows psychological contract breach to mediate the impact of transformational and transactional leadership is on organizational identification. Results further provided support for moderated mediation and showed that the indirect effects of transformational and transactional leadership on identification through psychological contract breach were stronger for employees with a low connection self-schema. This research has presented the importance of psychological contract breach for employees’ identification with their organization, as well as the key role of leadership and individual differences for understanding this relationship. Organizations that wish to further strong relational ties with their employees need, therefore, to take those variables seriously into account in their implementation of management practices. Trust is an important investigative variable that can offer additional perceptions on the employee-organization relationship and perceived organizational membership, it to be a mediator between breach and organizational identification. Finally, other individual variables could be included in the model as additional descriptive constructs.

Key words: Perceived organizational membership, organizational identification, psychological contract breach, transformational leadership, transactional leadership, routine justice, self-concept

INTRODUCTION
As organizations become complex and boundary less, organizational identification is considered as a component of organizational success (Pratt, 1998; Smidts et al., 2001). Employees who recognize their organizations show a supportive attitude (Ashforth and Mael, 1989) and to make decisions consistent with organizational goals (Smidts et al., 2001). In the recent years, many firms struggle to survive, such sense of connection between the employee and the organization becomes important for organizational survival and efficiency. However, changing employment relationship are challenges organizational identification (Tekleab et al., 2005). In a business environment frustrated by downsizing, loss of job security, decline promotion opportunities and increased uncertainty of regular and employees are not believe employers and will not satisfying their duties. As a result, they are more likely to experience a breach of their psychological contract (Deery et al., 2006). The interaction between psychological and organizational identification has been emphasized in previous conceptual work (Rousseau, 1995, 1998). Masterson and Stamper (2003) and Stamper et al. (2009) have recommended a conceptual framework named “perceived organizational membership.” They have
suggested organizational membership to be accumulating multidimensional construct reflecting employees’ sensing's of their relationship with their organization. They have emphasized three basic mechanisms, which explain why individuals seek membership with organizations, that is, need satisfaction and membership. Within their framework, psychological contracts have been suggested to reinforce employees’ sensing’s of organizational membership through their sensing’s of satisfaction, where organizational identification represents to the membership dimension of perceived organizational membership. Therefore, conceptual links between the two constructs, there is empirical evidence on the relationship between psychological contract breach and organizational identification (Kreiner and Ashforth, 2004). The purpose of this study was: first, empirically test the suggested conceptual relationship between two focal constructs of Masterson and Stamper (2003) perceived organizational membership framework, that is, psychological contract breach (basic mechanisms need satisfaction) and organizational identification (basic mechanism of membership). Second, empirically boom the framework is including contextual of organizational membership such as transformational and transactional leadership and routine justice as well as moderators suggested relationships, such as employees’ self-schema. In addition, Masterson and Stamper (2003) framework, show the social personality view of inconsistency theory (McKimmie et al., 2003) to understand the relationship between psychological contract breach and organizational identification. Overall, the research aims at casting some empirical light on the complex inter-relationships among organizational membership dimensions/sub-dimensions, boundary conditions and explanatory mechanisms.

Managers are aware that organizational identification determines effects at work, including effort, cooperation and citizenship behaviors (Cooper and Thatcher, 2010). According to Masterson and Stamper (2003), organizational identification represents membership dimension of perceived organizational membership, sensing that one has invested to become a member of the organization and a sense of perceived acceptance by the group. It is, thus, a component of the overall representation of the employee-organization relationship. Organizational identification relates the sensing of “unity” with an organization (Ashforth and Mael, 1989) and is rooted within the framework of Social Personality Theory (SPT) (Hogg and Terry, 2000). Identification refers to reflect of an individual’s willingness to define him-or herself as a member of a social group (Haslam, 2001). Employees form images of organizational membership, which describe and prescribe sensing’s, attitudes, feelings and behaviors (Hogg and Terry, 2000). It is indicated that the identification with the self-categorization, is that the categorization will guide behaviors within the organization and that the individual will act in the organization’s interests (Dutton et al., 1994). Several answers have come out “Why do people recognize with organizations?” First, organizational identification is satisfying some of individual needs including safety, affiliation and uncertainty reduction (Pratt, 1998). According to SPT, another motivation for recognizing with a group is the improvement of sense of combined self-esteem (Sluss and Ashforth, 2008) which requires that group membership rewarding members’ feelings of self-worth. Ashforth (2001) identified five additional self-related motivation for identification, including self-expression, self-consistency, self-knowledge, self-continuity and self- uniqueness. In addition, previous research has examined several organizational identification such as external prestige (Smidts et al., 2001) and communication (Smidts et al., 2001). The role of leadership has also accepted consideration in previous research with an emphasis on the role of transformational leadership for organizational identification (Epitropaki and Martin, 2005). Transformational leaders have important sense that guide “meaning construction towards a preferred definition of organizational reality” (Gioia and Chittipeddi, 1991). Another research examines the relationship between routine justice and organizational identification. There is, however, limited research on the role of psychologically contract breach for organizational identification, in spite of the conceptual links between the two constructs (Masterson and Stamper, 2003). The psychology contract is an important variable within the perceived organizational membership framework. It is observed as representative of employees’ satisfaction via their membership in the particular organization (Masterson and Stamper, 2003). A necessary component of psychology contract theory is the concept of breach, defined as “the perception that one's organization has failed to fulfill one or more duties composing one's psychological contract in a manner of corresponding with contributions” (Morrison and Robinson, 1997). Conway and Briner (2005) claimed that contract breach is the most important idea in psychological contract research because it is showed that why psychological contract may negatively impact employees’ feelings, attitudes and behaviors. Previous research has presented that psychological contract breach is relatively common (Robinson and Rousseau, 1994) and that is related with various negative effects such as lowered citizenship behaviors, reduced loyalty and satisfaction and higher purpose to release the organization (Zhao et al., 2007). Psychological contract breach is a subjective and refers to a person’s sensing that another has failed to satisfy sufficiently the promised duties psychological contract. It can happen in the lack of an actual breach. It is an employee’s feeling that a breach has happened that affects his or her behavior and attitudes of whether or not an actual breach took place (Robinson, 1996). There has been limited evidence on the employment relationship and employees’ sensing's of psychological contract breach for organizational identification (Epitropaki, 2003; Kreiner and Ashforth, 2004), in spite of the conceptual integration (Stamper et al., 2009). Kreiner (2002) looked at the effect of psychological contract satisfaction on organizational identification with no significant findings. In this study, psychological contract breach is an important variable for organizational membership processes and that examining the relationship between the two constructs which will offer significant perceptions for the employee
organizational relationship (Masterson and Stamper, 2003; Stamper et al., 2009). When employees experience a psychological contract breach, they will perceive the individual organization association as rewarding and their organizational membership as satisfying their needs. As a result, they will make an investment to the organizational community, their member nomination will lose value and their sense of membership will be seriously eroded. They will be, therefore, less willing to recognize with the organization. According to conceptualizations of inconsistency theory (McKimmie et al., 2003) this perspective, when inconsistent knowledge's are related with group membership, group members will utilize social personality regarding inconsistency reduction strategies, such as reducing their levels of identification with the group. When psychological contract are breach, employees are likely to experience such an inconsistency regarding their organizational membership. The organization losing its positive uniqueness as a desired category of social membership and will be supposed as inadequate to satisfy employees’ needs for self-improvement and affiliation. Employees will declare themselves as more principled than their employer. As a result, they will start engaging into a process of distancing their personal personality from that of the particular organization that is, reducing their levels of organizational identification (Lane and Scott, 2007; Norton et al., 2003). Therefore, hypothesize that psychological contract breach will have an adverse effect on organizational identification.

- **Hypothesis 1:** Psychological contract breach will be negatively related to organizational identification

Masterson and Stamper (2003) have examined contextual variables on psychological contract breach as mediating leadership behaviors and routine justice that impact employees’ sensing's of relational tie concepts. Several studies have shown that the manager is a central agent in the employee-organization relationship and can serve as the primary representation of the “organization” for the employees (Tekleab and Taylor, 2003). Shore and Tetrick (1994) claimed, “The employee look at the manager as the chief agent for determining and maintaining the psychological contract.” Therefore, examining the role of leadership can significantly contribute to the perceived organizational membership processes. Therefore, to focus on transformational and transactional leadership (Bass, 1985) and look at them as group-level constructs (Kark et al., 2003), as the emphasis is on leadership behaviors rather than individual sensing’s of those behaviors. A leader direct to many of his actions toward the groups by setting group goals, communicating vision, acting as a role model and behaving in alignment to organizational values (Shamir et al., 1993). With regard to these group-directed behaviors, all group members are exposed to the same leadership behavior. Therefore, sensing’s within the group according to these transformational and transactional leadership behaviors should converge. According to perceived organizational membership, groups with high levels of transformational leadership are characterized by a sense of community and members will be integrated toward the accomplishment of group goals. Thus, the basic dimensions of satisfaction and membership are presented. Therefore, group-level leadership is an important driver of organizational membership processes. Previous researches have emphasized the role of transformational leadership for organizational identification (Epitropaki and Martin, 2005). Shamir et al. (1993) suggested that charismatic-transformational leaders transform the self-concept of the followers, build personal and social identification among followers with the mission and goals of the organization and increase followers’ feelings of participation, unity, loyalty and performance. Kark et al. (2003) also suggested that transformational leadership will have a positive effect on social identification. Transformational leaders successfully connect followers’ self-concept to the mission of the group and combined level of followers’ self-personality, leading to social identification with the work unit. Epitropaki and Martin (2005) also found transformational and transactional leaders positively affect employees’ organizational identification. Transformational leaders, through empowerment, trust building and inspiration of an attractive vision for the future increase the perceived attractiveness of the organization that is being related with. Furthermore, transactional leaders provide values and goals and are to facilitate employees’ self-categorization process (Turner et al., 1987). By providing employees with useful information about their roles in the organization in their work, transactional leaders enable members to understand what the organization stands for and what it is like to be a typical member of it. As said before, group-level transformational leadership and transactional leadership are included as important variables in the hypothesized model of this study (Fig. 1). There is a limited empirical research on the role of leadership for psychological contract breach (Henderson et al., 2008) although conceptual work on social exchange to the possible link between leadership processes and followers’ sensing's of contract breach. Dulac et al. (2008), Henderson et al. (2008) and Tekleab and Taylor (2003) have considered the role of Leader-Member Exchanges (LMX) for psychological contract breach and satisfaction. Dulac et al. (2008) found a direct negative relationship between employees’ sensing's of LMX quality and their sensing's of psychological contract breach. Henderson et al. (2008) also reported a positive relationship between relative LMX quality and psychological contract satisfaction. But trust and empowerment that a transformational leader encourage (Bennis and Nanus, 1985), there will be many opportunities for employees to discuss mutual duties with their manager and shows constructively differences between their expectations and actual satisfaction. Therefore, to assume that transformational leadership will have a negative effect on employees’ sensing of their psychological contract breach. Transactional leaders are also expected to discuss organization-employee expectations, direct differences and establish transparency and clarity on goals. Transactional leadership is a negative
effect on employees’ sensing of psychological contract breach (Fig. 1). Therefore, psychological contract breach will act as an important sense making (Weick, 1995) mechanism, a powerful filter through which employees will explain their organizational experiences as well as their manager’s behavior. Psychological contract breach provide employees with information regarding their manager’s ability and translate abstract visions into actions, to provide them with tangible and intangible rewards and to be on the lookout for the satisfaction of the organizational duties toward them. Such information will have important implications for employees’ willingness to recognize with the organization the leader represents (Shore and Tetrick, 1994). Therefore, psychological contract breach will mediate the effects of transformational and transactional leadership on organizational identification (Fig. 1).

Hypothesis 2: Psychological contract breach will mediate the relationship between group-level transformational and transactional leadership and organizational identification

As, the perceived organizational membership framework (Masterson and Stamper, 2003) does not include justice as a basic dimension, justice certainly affects the way people look at the organization and their desire to remain its members. Justice communicates to individuals that they are respected members within the organization and that they are proud of their organizational membership (Tyler and Blader, 2003). In this study, the routine justice (Roberson and Colquitt, 2005), that is, a shared group-level cognition of routine justice, operationalized as accumulate sensing's of justice across group members. As members of a work group interact, they learn about how each member of the group is treated and engage in combined sense making where injustice are discussed and explained (Erdogan and Bauer, 2010). Interaction among members and social comparison (Degeoy, 2000) are reinforce the homogeneity of routine justice sensing's within the group. Researchers have claimed that the effects of justice are more powerful when most of the group members have been treated fairly, as compared with a few members which have been treated fairly (Naumann and Bennett, 2000). In general, accumulated sensing's of routine justice have been found to be more powerful predictors of effects, such as job satisfaction, than individual sensing's (Naumann and Bennett, 2000). According to perceived organizational membership, a sense of community and shared faith that members’ through their loyalty to each other and to the group are characterize groups with high levels of routine justice. Routine justice will be a key determinant of the strength of employee-organization relational ties. According to Tyler and Lind’s (1992), relational model of routine justice, fair procedures affect relational bonds among people and organizations. Fair treatment communicates personality relevant information because it signifies that the organization values and respects recipients. This favorable socio-emotional information, increased self-respect, primes recipients’ combined identities,
that they will recognize with the organization and pursue shared values and goals (Johnson and Lord, 2010). Brockner and Wisenfield (1996) have suggested that when group members feel they are not treated fairly, unfair procedures symbolize to them that the organization has little respect for them with detrimental effects for their organizational identification.

This study also focuses on shared rather than individual sensing's of routine justice and hypothesizes a direct effect of routine justice on organizational identification. Justice is also considered the factor of the experience of psychological contract breach (Morrison and Robinson, 1997). Routine justice has been found to mitigate against a breach being experienced as a breach (Morrison and Robinson, 1997; Tekleab et al., 2005) also emphasized the role of organizational justice as an antecedent of the quality of the relationship between the employee and the organization. In this study, it is claimed that shared sensing's of justice, that is, routine justice, will play an important role for employees’ experiencing of their psychological contract breach. When group-level routine justice is low, employees will be more aware of observing differences between what the organization delivered and the experience of psychological contract breach. When the procedures used to determine distribution of valuable rewards are fair and applied across group members, employees will be more forgiving toward the organization when they notice minor differences. Therefore, routine justice will have an adverse effect on psychological contract breach (Fig. 1). In addition, psychological contract breach sensing's is an important mediating mechanism in the relationship between routine justice and organizational identification. Psychological contract breach experiences can stimulate inconsistency cognitions about the organization (Lane and Scott, 2007; Norton et al., 2003) and induce uncertainty with regard to the fairness of the organizational procedures used to satisfy duties. Such uncertainty can further make employees doubtful about the organization’s respect for them (Tyler and Blader, 2003) with serious implications for their organizational identification. Therefore, psychological contract breach will mediate the effects of routine justice on organizational identification (Fig. 1).

**Hypothesis 3:** Psychological contract breach will mediate the relationship between routine justice and organizational identification

Differences in a self-concept, is employee leaning to think of themselves as individuals or in groups, to have important implications for the process of seeking and maintaining organizational membership. Johnson et al. (2006) suggested that activating of different self-concept results in activating of different appraising standards of the organizational environment. The self-regulatory variable is self-concept that direct employees toward certain sensing's, work attitudes and behavioral aims. To focus on a specific self-schema that is to buffer the relation between breach and organizational identification, that is, on employees’ separate-connection of self-schema. This represent self reflects, which people define them in place of the relationship between the self and other people (Markus and Oysermen, 1989; Wang, 2000). An individual with a separated self-schema are define herself or himself as a separated unique and individualistic entity. The main components of a separated self-schema are one’s unique traits, abilities, preferences, interests, goals and experiences and these are separated from social contexts, interpersonal relationships and group memberships. In contrast, an individual with a linked self-schema to define her or him as part of linked relationships with others. For individuals with this self-schema, the self is defined by important roles, group memberships or relationships and represent of important roles and relationships share the self-space with traits, abilities and preferences. To maintain and increase this linked and interdependent view of the self, people to think and behave that emphasize their connection to others and that reinforce existing relationships (Cross et al., 2000). Norton et al. (2003) have suggested that people with a linked and interdependent view of the self will be less likely to experience inconsistency. Inconsistency disposes a stable independent self, while linked selves are defined in relationships with others and are more flexible with inconsistency. Regarding to the ideas mentioned before, employees with a linked self-schema, their organizational identification will be less affected by sensing's of breach, while for employees with a high-separateness, their identification will be strongly affected by their sensing's of breach.

**Hypothesis 4:** Separate-connection of self-schema will moderate the relationship between psychological contract breach and organizational identification. Specifically, the negative relationship between breach and organizational identification will be stronger when connection is low (high separateness) rather than when connection is high (low separateness)

Therefore, the hypothesized pattern of moderation mentioned before implies moderated mediation, whereby the mediated effect depends on the level of a third variable (Edwards and Lambert, 2007). Self-schema will determine the suggested mediating effect of psychological contract breach. Psychological contract breach will be a more powerful filter of leadership and justice with a low connection schema, who will be disposed to explain these views of organizational experience through the lens of the inconsistency caused by the psychological contract breach. Thus, further research in this study whether self-schema moderates the indirect effects of transformational and transactional leadership and routine justice on organizational identification through psychological contract breach.

**Hypothesis 5:** The indirect effects of transformational and transactional leadership on organizational identification through psychological contract breach will be stronger for employees with a low connection self-schema
Hypothesis 5: The indirect effects of routine justice on organizational identification through psychological contract breach will be stronger for employees with a low connection self-schema.

For years, however, the Iran economy has been facing several problems including rising unemployment levels, inefficient bureaucracy, tax evasion and corruption. By the end of 2009, as a result of a combination of international (financial crisis) and local (uncontrolled national spending and corruption) factors, the Iran economy faced one of the most severe crises in its history. In this study, the Iranian culture which is relevance for this study, is high levels of in-group collectivism (Hofstede, 1980). In collectivist cultures, personality is defined more regarding of relationships in-group collectivism (Hofstede, 1980). In collectivist employees with less than five months of organizational period in the 7 organizations ranged from 42-68%). Therefore, all for services and manufacturing, respectively; response rates present sample represents a 55% response rate (61 and 50% participated. These 558 employees belonged to 113 separate manufacturing and three services companies in Iran.

Sample and procedure: In this study 558 employees of four manufacturing and three services companies in Iran participated. These 558 employees belonged to 113 separate work units. Data was collected by a mail survey and the present sample represents a 55% response rate (61 and 50% for services and manufacturing, respectively; response rates in the 7 organizations ranged from 42-68%). Therefore, all surveys in Iran after eliminating from the sample employees with less than five months of organizational period (Kark et al., 2003) and work units with fewer than three responses (Erdoğan and Bauer, 2009; Henderson et al., 2008), subsequent analyses were based on a final sample of 432 employees from 81 work units. Male respondents accounted for 63% of the sample. The average age was 30.2 years (SD = 7.2 years) and the mean organizational period was 5.9 years (SD = 6.8 years). Ninety two percent of the sample was full-time employees. Services employees accounted for 42.8% of the sample. Also, 23% were clerical/administrative staff, 32% were in production, 29% were in sales and 18% had a technical job. In this study, 10 item transformational leadership scale of the Multifactor Leadership Questionnaire (MLQ)-short Form 5X used (Avolio et al., 1999) to measure transformational leadership behaviors (a = 0.92). It includes four subscales, namely attributed and behavioral, inspirational motivation, intellectual stimulation and individualized consideration. As well as 12 item used in transactional leadership scale of the MLQ-Short Form 5X (Avolio et al., 1999) to measure transactional leadership behaviors (a = 0.76). Transactional leadership surrounds three subscales, namely contingent reward and management by exception, both active and passive. Sample items include Discusses in specific terms that are responsible for achieving performance targets and Waits for things to go wrong before taking action. Respondents rated each behavior on a 7 point scale ranging from not at all (1) to frequently, if not always (7). As routine justice measured (a = 0.87) using Colquitt (2001) 5-item scale of routine justice and used a direct consensus model (Colquitt et al., 2002; Walumbwa et al., 2010). From the participants were asked about pay, promotions and other rewards and to think of the effects they receive from their job and the procedures used to arrive at those effects and then explain: “Have you been able to extract your look at sensing’s and feelings during those procedures?” and so obtained all responses on a 7 point scale from not at all (1) to a great extent (7).

Psychological contract breach: As estimated psychological contract breach using a 5 item global measure of perceived breach (a = 0.83) suggested by Deery et al. (2006). Therefore, respondents show the level they felt that their organization had satisfied its duties to employees on four dimensions: Regarding on career development, individual performance, training and long-term job security. Sample items included the organization has satisfied its duties to employees on training (reverse scored; R) and the organization has satisfied its duty to employees on career development (reverse scored, R). A higher score on the recorded items shown a greater sensing of breach. So, obtained all responses on a 7 point scale from strongly disagree (1) to strongly agree (7). As organizational identification measured on 5 item scale (a = 0.93) (Smidts et al., 2001). This scale is based on SIT and includes both cognitive and affective elements. Sample items include feeling a strong ties with my organization, feeling to work for this organization and so on. I obtained responses on a 7 point dimension from strongly disagree (1) to strongly agree (7). Separate-connection scale developed by Wang and Mowen (1997) 7 item used to measure participants’ self-schema. It includes two subscales: independence/individuality and self-other boundary. However, responded on a 7 point scale from does not describe me at all (1) to describes me very well (7). The Cronbach alpha for the 7 item scale was a = 0.75, thus exceeding the 0.72 value recommended by Nunnally (1978). For the effects the four individual-level variables are controlled (Level 1): Gender, age, organizational period (measured in months) and employment status (full time and part time). Research shows that older people, built up more stable psychological contract breach and will react differently than younger people to psychological contract breach (Bal et al., 2008). It also included period because the course of an individual’s of dynamics career may change (Raja et al., 2004). Period has also been found to positively affect employee identification (Mael and Ashforth, 1995).
Also two group-level variables controlled (Level 2), that is, industry and organization. As, there are 8 different organizations in my sample, it is created seven dummy variables for organization to be included in all subsequent analyses.

**Analytic strategy:** As the theoretical model is multilevel, consisting at both the individual (i.e., psychological contract breach, organizational identification and separate-connection) and group (i.e., transformational and transactional leadership and routine justice) of variables levels of analysis. Thus, the hypotheses are using the random coefficient regression procedure in Hierarchical Linear Modeling (HLM) is tested. HLM is tested cross-level relations when individual data are placed within groups (Hox, 2010; Raudenbush et al., 2004). To test cross-level relations by using ordinary least square regression and using HLM, which is superior because including individuals from the same group violates regression assumptions and underestimates standard errors of group-level variables, leading to the overestimation of relations (Hofmann and Gavin, 1998). To establish lower level mediation of an upper effect (Bauer et al., 2006), therefore used HLM in conjunction with recommended steps to test mediation by Kenny et al. (1998) and Chen and Bliwise (2002). According to the following conditions, mediation is supported (Kenny et al., 1998), (i) The independent variable predicts the dependent variable (ii) The independent variable predicts the psychological contract breach (mediator) and when regressing the dependent variable on both the independent variable and the psychological contract breach, (iii) The psychological contract breach significantly predicts the dependent variable while (iv) The independent variable no longer predicts the dependent variable. Therefore, psychological contract breach analyses are based on formal significance tests of the indirect effect, of which the Sobel (1982) is best known. However, as Edwards and Lambert (2007) have suggested, the Sobel test rests on the assumption that the indirect effect ab is normally distributed. This assumption is thin, because the distribution of ab is known to be non-normal, even when the variables forming the product ab are normally distributed. Therefore, bootstrapping is recommended. Through the application of bootstrapped Confidence Intervals (CIs), it is possible to avoid power problems introduced by asymmetric and other non-normal sampling distributions of an indirect effect (MacKinnon et al., 2004; Pituch et al., 2005). Although HLM 6.08 does not do bootstrapping, I was able to estimate the CIs of the indirect effects using the Monte Carlo method provided by Selig and Preacher (2008). To estimate moderated mediation (Hypotheses 5 and 6), I examined four conditions: (i) Significant effect of psychological contract breach on organizational identification, (ii) Significant interaction between psychological contract breach and separate-connection self-schema in predicting organizational identification, (iii) Significant effects of transformational and transactional leadership and routine justice on organizational identification and (iv) Different conditional indirect effects of transformational and transactional leadership as well as routine justice on organizational identification via psychological contract breach across low and high levels of separate-connection self-schema. The last condition which is the core of moderated mediation, establishes whether the strength of the mediation via psychological contract breach differs across the two levels of the psychological contract breach (moderator) (Edwards and Lambert, 2007; Preacher et al., 2007).

**RESULTS**

As calculated within group inter-rater agreement ($r_{wg}$) (LeBreton and Senter, 2008) and inter-member reliability (ICC1 and ICC2) supported the aggregation of transformational and transactional leadership as well as routine justice ratings and tested whether average scores disagreed significantly across work units (shown by an F test from a one-way analysis of variance contrasting work unit members on each variable). Average $r_{wg}$ across groups was 0.82 for transformational leadership (median $r_{wg} = 0.82$), 0.88 for transactional leadership (median $r_{wg} = 0.93$) and 0.84 for routine justice (median $r_{wg} = 0.87$). Furthermore, ICC1 was 0.21 and ICC2 was 0.58 for transformational leadership, ICC1 = 0.25 and ICC2 = 0.63 for transactional leadership and ICC1 = 0.31 and ICC2 = 0.70 for routine justice. Finally, an analysis of variance shown that individual sensing's of leadership and routine justice significantly clustered by group, $F(163, 895) = 2.58$, $p<0.001$ for transformational leadership, $F(163, 895) = 2.78$, $p<0.001$ for transactional leadership and $F(163, 895) = 2.39$, $p<0.01$ for routine justice. These results provided sufficient statistical justification for aggregating individual sensing's of transformational and transactional leadership as well as routine justice to the group level (Bliwise, 2000). Table 1 shows relationship and significance tests related with the variables should be observed with caution until properly modeled in the HLM analyses, because the correlation table does not account for the fact that individual-level relationships might also be affected by the non-independent of the data (Bliwise, 2000; Kark et al., 2003).

**Measurement model:** According to the following procedure of Anderson and Gerbing (1988), CFA determine that the data conform assumption that variables of the each study corresponds separate constructs. Results for the measurement model shown that the model fits the data well, $x^2 (25, N = 895) = 59.3$, $p<0.001$, $x^2/df = 2.3$, $CFI = 0.98$, $NNFI = 0.98$, $RMSEA = 0.04$. In addition, review of factor loadings and factor covariance indicated that all factor loadings were significant providing support for convergent validity. To discriminant validity of the five constructs in multiple ways (Anderson and Gerbing, 1988). First, the measurement (baseline) model with a series of models compared that each had constrained the correlation of one pair of constructs to be 1.00. All chi-square differences were significant at the 0.01 level, showing high discriminant validity among constructs. Two additional tests used to determine the common method variance in the current data.

[j. applied sci., 15 (7): 968-981, 2015]
First, to conduct a Harman’s single-factor test (Podsakoff and Organ, 1986) using CFA. This model affords a bad fit to the data: \(x^2 (35, N = 895) = 517.42, p<0.001, \chi^2/df = 16.2, CFI = 0.88, \text{NFI} = 0.89, \text{RMSEA} = 0.13\). Second, to follow the single-method-factor procedure recommended by Podsakoff et al. (2003) when the researcher cannot recognize the source of method bias. In this approach, three models are compared, (i) The measurement model (Model 1), (ii) The measurement model with an additional method factor (Model 2) and (iii) A null model (Model 3). Results shown that Model 2 had a better fit than Model 1, the chi-square difference between the two was not significant \(\Delta x^2 (12) = 9.15, \text{ns}\). The results of all the tests mentioned suggest that common method variance is not an extending problem in this study.

**Tests of mediation:** Table 2, shows the results for Hypotheses 1-4 and group-level transformational leadership and transactional leadership significantly predicted organizational identification \((g = 0.42, SE = 0.12, t = 3.58, p<0.001)\) and routine justice \((g = -0.21, SE = 0.11, t = -1.99, p<0.05, \text{respectively})\). Routine justice have a significant positive effect on organizational identification \((g = 0.29, SE = 0.09, t = 2.52, p<0.01)\). Group-level transformational leadership and transactional leadership also significantly predicted psychological contract breach \((g = -0.47, SE = 0.11, t = -4.22, p<0.001)\) and routine justice had a significant negative effect on psychological contract breach \((g = -0.27, SE = 0.10, t = -2.95, p<0.01)\). To support hypotheses 2 and 3, the relationships between transformational leadership and organizational identification, transactional leadership and organizational identification also routine justice and organizational identification must disappear when including the psychological contract breach in the equation. Supporting hypothesis 1, psychological contract breach significantly predicted organizational identification \((g = -0.58, SE = 0.06, t = -12.21, \text{p<0.001})\), while the relationship between transformational leadership and organizational identification, transactional leadership and organizational identification also routine justice and organizational identification became non-significant, supporting hypothesis 2 and 3. Bootstrapped CIs corroborated the significant indirect effect of transformational \((95\% \text{CIs between 0.13 and 0.37})\) and transactional leadership \((95\% \text{CIs between 0.01 and 0.22})\) on organizational identification. Bootstrapped CIs did not, confirm the significant indirect effect of routine justice on organizational identification \((95\% \text{CIs between 0.06 and 0.35})\). Thus, Hypotheses 1 and 2 were fully supported by the data.

Table 1: Individual-level means, standard deviations, correlations and reliabilities of main variables (N = 432)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>3.90</td>
<td>0.89</td>
<td>0.91</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactional leadership</td>
<td>3.27</td>
<td>0.66</td>
<td>0.65**</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Routine justice</td>
<td>3.45</td>
<td>0.98</td>
<td>0.65**</td>
<td>0.39**</td>
<td>0.90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychological contract breach</td>
<td>2.23</td>
<td>0.96</td>
<td>-0.58***</td>
<td>-0.38***</td>
<td>-0.53**</td>
<td>0.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Separate connected</td>
<td>3.79</td>
<td>0.67</td>
<td>0.25**</td>
<td>0.34***</td>
<td>0.16*</td>
<td>-0.14*</td>
<td>0.73</td>
<td></td>
</tr>
<tr>
<td>Organizational identification</td>
<td>4.13</td>
<td>0.86</td>
<td>0.57***</td>
<td>0.39***</td>
<td>0.48**</td>
<td>-0.62**</td>
<td>0.24**</td>
<td>0.92</td>
</tr>
</tbody>
</table>

*p<0.01, **p<0.001

Table 2: Hierarchical linear modeling results

<table>
<thead>
<tr>
<th>Predictors</th>
<th>DV = Psychological contract breach</th>
<th>DV = Organizational identification</th>
<th>Model 1</th>
<th>Model 1</th>
<th>Mediation</th>
<th>Moderation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>SE</td>
<td>No.</td>
<td>SE</td>
<td>No.</td>
<td>SE</td>
</tr>
<tr>
<td><strong>Level 2 Predictors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>0.16</td>
<td>0.011</td>
<td>0.19</td>
<td>0.13</td>
<td>0.21</td>
<td>0.012</td>
</tr>
<tr>
<td>Organization1</td>
<td>0.63*</td>
<td>0.12</td>
<td>0.17</td>
<td>0.12</td>
<td>0.23</td>
<td>0.13</td>
</tr>
<tr>
<td>Organization2</td>
<td>0.09</td>
<td>0.14</td>
<td>-0.36*</td>
<td>0.13</td>
<td>-0.34*</td>
<td>0.16</td>
</tr>
<tr>
<td>Organization3</td>
<td>0.65*</td>
<td>0.15</td>
<td>0.29*</td>
<td>0.13</td>
<td>0.61*</td>
<td>0.13</td>
</tr>
<tr>
<td>Organization4</td>
<td>0.28</td>
<td>0.24</td>
<td>-0.19</td>
<td>0.30</td>
<td>-0.18</td>
<td>0.19</td>
</tr>
<tr>
<td>Organization5</td>
<td>-0.39*</td>
<td>0.19</td>
<td>0.21</td>
<td>0.24</td>
<td>0.09</td>
<td>0.16</td>
</tr>
<tr>
<td>Organization6</td>
<td>-0.29*</td>
<td>0.09</td>
<td>0.19</td>
<td>0.011</td>
<td>0.12</td>
<td>0.09</td>
</tr>
<tr>
<td>Organization7</td>
<td>-0.49*</td>
<td>0.14</td>
<td>0.35</td>
<td>0.21</td>
<td>0.43*</td>
<td>0.16</td>
</tr>
<tr>
<td>Transactional leadership</td>
<td>-0.55*</td>
<td>0.13</td>
<td>0.45*</td>
<td>0.13</td>
<td>0.18</td>
<td>0.12</td>
</tr>
<tr>
<td>Transactional leadership</td>
<td>-0.26*</td>
<td>0.12</td>
<td>0.32*</td>
<td>0.14</td>
<td>0.22</td>
<td>0.14</td>
</tr>
<tr>
<td>Routine justice</td>
<td>-0.29*</td>
<td>0.12</td>
<td>0.30*</td>
<td>0.12</td>
<td>0.16</td>
<td>0.12</td>
</tr>
<tr>
<td><strong>Level 1 Predictors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>-0.07</td>
<td>0.03</td>
<td>0.05</td>
<td>0.04</td>
<td>0.02</td>
<td>0.03</td>
</tr>
<tr>
<td>Age</td>
<td>-0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Organizational period</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.02</td>
<td>0.03</td>
</tr>
<tr>
<td>Employment status</td>
<td>0.16</td>
<td>0.14</td>
<td>0.21</td>
<td>0.23</td>
<td>0.11</td>
<td>0.19</td>
</tr>
<tr>
<td>Psychological contract breach</td>
<td>-0.62*</td>
<td>0.06</td>
<td>-0.67*</td>
<td>0.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connected</td>
<td>0.09</td>
<td>0.14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connected-Psychological contract breach</td>
<td>0.63*</td>
<td>0.38*</td>
<td>0.42*</td>
<td>0.43*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N = 432 employees (level 1) in 81 work units (level 2), Pseudo R² values estimate the amount of total variance (level 1 and level 2) in the dependent variable captured by predictors in the model *p<0.05
Tests of moderated mediation: To test the four conditions mentioned earlier to estimate moderated mediation. Conditions 1 (significant direct effect of psychological contract breach on organizational identification) and 3 (significant direct effects of transformational, transactional leadership and routine justice on organizational identification) have been confirmed through the analyses described in the previous section. When testing condition 2 (hypothesis 4), the predictor and moderator variables creating the product terms for testing interaction effects and used the standardized scores in subsequent analyses (Aiken and West, 1991). Hypothesis 4 predicted that separate-connection of self-schema would moderate the relationship between psychological contract breach and organizational identification. The interaction of separate-connection of self-schema with psychological contract breach was significantly related to organizational identification (Table 2). Figure 2 shows that for employees with low connection, the negative relationship between breach and identification was stronger than for employees with high connection. Therefore, hypothesis 4 was supported and estimating moderated mediation was met (condition 2). To estimate moderated mediation, condition 4 was examined which requires the size of the conditional indirect effect of group-level transformational, transactional leadership and routine justice via psychological contract breach to be different across high and low levels of separate-connection of self-schema. To operationalize high and low levels of connection, as one standard deviation above and below (Preacher et al., 2007), the separate-connection of self-schema and examined the significance of indirect effects of transformational, transactional leadership and routine justice on organizational identification via psychological contract breach for employees with low connection and employees with high connection using bootstrapped 95% CIs (Selig and Preacher, 2008). For employees with low connection, results showed significant indirect effects of transformational leadership (95% CIs between 0.05 and 0.58) and transactional leadership (95% CIs between 0.14 and 0.37). However, the indirect effect of routine justice was not significant (95% CIs between -0.04 and 0.38). For employees with high connection, on the other hand, the indirect effects were not significant for all three constructs (transformational leadership: 95% CIs between -0.12 and 0.41, transactional leadership: 95% CIs between -0.42 and 0.19 and routine justice: 95% CIs between -0.02 and 0.36). Thus, hypothesis 5 was supported, while hypothesis 6 was not. Overall, the data supported the negative effect of psychological contract breach on employees’ reported organizational identification and its mediating role in the relationship between group-level transformational and transactional leadership and organizational identification. They also provided support for the moderating role of separate-connection of self-schema in the relationship between psychological contract breach and organizational identification. They further confirmed that the mediating effect of psychological contract breach varied across different levels of the employees’ self-schema.

DISCUSSION

This study call for more empirical work on the accumulate framework of employee-organization relationship. It attempts in-depth examination of the relationship between two focal constructs of perceived organizational membership, that is, psychological contract breach and organizational identification. This study researched the impact of contextual and organizational parameters, such as leadership and justice, on employees’ sensing's of relational tie concepts such as psychological contract breach and organizational identification. While, Masterson and Stamper (2003) emphasized the importance of routine justice as an important of perceived organizational membership, especially of the significant dimension because fair treatment is explained as showing the employees’ value to the organization. Armstrong-Stassen and Schlosser (2011) also showed the role of routine justice as an important predictor of employees’ sense of membership. Although Masterson and Stamper (2003) do not explicitly showed the role of leadership for perceived organizational membership, managers are the organizational members responsible for creating and maintaining the conditions of employment that promote organizational goal accomplishment (Liden et al., 2002). Therefore, the role of leaders for employees’ sensing's of organizational membership is to be important with implications for all three basic motivation, that is, need satisfaction, significant and membership. This study further researched the mediating role of psychological contract breach in the relation between transformational and transactional leadership as well as routine justice and organizational identification. In addition, using perceived organizational membership as a conceptual framework is also to address the social personality view of inconsistency theory (McKimmie et al., 2003) to understand the relationship between psychological contract breach and organizational identification. Regarding to this theory, when employees

Fig. 2: Interactive effects of psychological contract breach and self-schema on organizational identification tab
experience a breach of their psychological contract breach, inconsistent cognitions are to emerge in regard to their group membership. Employees may think that the organization has taken a certain personality, but its actions do not match its claims and thus an imbalance arises. To resolve this imbalance or inconsistency, employees will utilize social personality regarding inconsistency reduction strategies, such as reducing their levels of identification with the group. Employees will perceive their personal personality to be at odds with the organizational personality and thus start engaging into a process of distancing their personal personality from that of the particular organization. As, employees explain their whole organizational environment as well as the actions of organizational actors, therefore such a mechanism will be a powerful filter such as managers and therefore psychological contract breach will mediate the relationships between leadership behaviors, justice and organizational identification. Psychological contract breach have a strong detrimental effect on organizational identification and further mediated the effects of transformational and transactional leadership on organizational identification. Organizations that are perceived by employees as broken their promises are perceived as embodying desirable attributes that employees would wish to incorporate in their self-personality and to further inspire them to tie their fate with the organization. Such organizations will be supposed as untrustworthy and as a result, the chances that an employee can satisfy needs such as those of safety, affiliation and self-improvement which are central for identification (Pratt, 1998), are very low. Psychological contract breach appears to be a powerful lens through which people explain their experiences with their manager and is thus an important factor for understanding organizational identification processes. Therefore, to examine employees’ self-concept as an important moderator of the mediating effect of psychological contract breach. Psychological contract breach have (has) a stronger negative effect on identification and have a more powerful mediator of the effects of leadership behaviors on organizational identification in the case of employees with a low connection self-schema. High linked employees, who have a higher need to belong tended to be more forgiving toward their organization. They were also experience an inconsistency (Norton et al., 2003) and generally dealt better with inconsistency; thus, sensing's of breach less affected their identification.

This study has shown the importance of psychological contract breach for employees’ identification with their organization, as well as the role of leadership and individual differences for realizing this relationship. Organizational identification is defined as a connection between a person and an organization; dis-identification is defined as a separate sense. Although, identification and dis-identification have been relate to the literature as a similar constructs, one cannot disregard their antecedents being different. Organizations that are wish strong relational ties with their employees, therefore, to take those variables into account in their implementation of management practices. In crisis conditions, when the availability of financial rewards as a motivational tool is limited, the decline of the employee-organization relationship and the loss of intangible rewards can have dramatic effects for organizational survival. This study has also emphasized the vaccinating employees against inconsistent cognitions regarding their organizational membership and for stimulating high levels of organizational identification as well as the role of transformational and transactional leaders for managing the employee-organization relationship. Thus, training managers to become transformational provide useful returns on investment in training. Such training initiatives related to increase levels of employee motivation and performance. It is necessary that managers gain perception into the relationship between psychological contract breach and organizational identification. The results of this study suggest that psychological contract breach importantly weakens the employee-organization relationship. Therefore, employees have to invest in the relationship and have doubts about the specific organizational membership and engage into a process of separating their personal personality from that of the organization. Furthermore, this study directs managers’ consideration to the role of employees' self-concept. Although management might have control over this individual characteristic, they would prepared to manage their workforce if they had a clear understanding of the role that individual differences play in how organizational members make sense of leadership and of their employment relationships. A limitation relates to the use of self-report data which are identified as a source of common method bias. Several analytical steps were examine on the common method variance (Podsakoff et al., 2003) in the present data set and all tests showed that it did not undermine the validity of the findings. It is also mentioning that common method variance increased correlations between the variables and not in statistical interactions which were a main focus of this research (Aiken and West, 1991). Additionally, organizational identification has been traditionally operationalized as a self-report variable. Despite the lack of previous studies using separate-source criteria for identification, the measurement scope of the construct could significantly contribute to our understanding of organizational identification processes. Future research could, collect “significant others” (e.g., spouse or family member) sensing's of a person’s identification (Judge et al., 2006). Because of their close frequent interaction with the person, they could have several opportunities to witness the person expressing his or her pride for his or her organizational membership. Supervisor data and team member data could also be collected. The collection of data in Iran may also limit generalizability. Despite the high levels of in-group collectivism of the Iran culture, the Iran private-sector organizational environment is not uncommon for organizational research to report findings similar to those of studies conducted in the USA (Kapoutsis et al., 2011; Tomprou et al., 2012). Still, additional research is needed before the generalizability of this study results can be fully determined. The emphasis on this study has been on members’ attachment on the organization as a whole. Previous conceptual and empirical work (Ashforth et al., 2008;
Sluss and Ashforth, 2008) has shown that organizations provide their members with multiple group memberships (work units, departments, divisions and relationships) and that all these memberships and relationships offer potential for identification. Bordia et al. (2010) has claimed for a similar multi-foci approach to psychological contract breach and showed two foci of breach (i.e., breach by the organization referent and breach by the supervisor referent). Future research can show that individual employees are embedded in a range of formal and informal relationships at work and examine the implications of different foci of psychological contract breach for different foci of organizational identification. In addition, this study did not show misidentification which could be a profitable area for future research (Kreiner and Ashforth, 2004). Also, the role of the emotional response to psychological contract breach, that is, psychological contract breach, has not been examined in this study. Psychological contract breach refers to the cognitive assessment of differences between what was promised versus what was actually delivered, while breach refers to the affective reaction that follows from this cognitive assessment of contract breach. It comprises of various emotions (e.g., disappointment and frustration) and at a deeper level, anger and bitterness due to broken promises. Previous research has shown breach to mediate the relationship between psychological contract breach and attitudinal and behavioral effects (Bordia et al., 2008; Raja et al., 2004; Zhao et al., 2007). It is thus possible that breach mediates the relationship between psychological contract breach and organizational identification. This is a question that future research can address. Furthermore trust is an important investigative variable that can offer additional perceptions on the employee-organization relationship and perceived organizational membership, as Restubog et al. (2008) has shown it to be a mediator between breach and organizational identification. Finally, other individual variables could be included in the model as additional descriptive constructs, for example, need for identification, self-esteem (Kreiner, 2002) and equity sensitivity (Kickul and Lester, 2001).

CONCLUSION

It is concluded that organizations that wish to further strong relational ties with their employees need therefore, to take those variables seriously into account in their implementation of management practices. Trust is an important investigative variable that can offer additional perceptions on the employee-organization relationship and perceived organizational membership, it to be a mediator between breach and organizational identification. Finally, other individual variables could be included in the model as additional descriptive constructs.

REFERENCES


