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The Role of Political Skill in Interaction of Psychological Contract Breach to Counterproductive Work Behavior

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Abstract

This study discusses psychological contract breach and specifically focuses on joint moderating roles of political skill of employees to explain the formation of counterproductive work behavior. The mechanism explains by Social Exchange Theory (Blau,1964) and Conservation Resources Theory (Hobfoll,1989). As predicted, we found that psychological contract breach lead to counterproductive work behavior. Moreover, the study indicate that political skill is a moderator and plays a role in social exchange relationship quality for psychological contract breach and counterproductive work behavior. The result showed that high political skill led to the weakest relationship between psychological contract breach and counterproductive work behavior (i,e., CWB-O and CWB-I). This study was conducted by doing a survey on private and public sectors in Indonesia and employed 260 supervisors as samples. Discussion about finding in this study along with theoretical and practical implications are presented completely.

Keywords: Psychological Contract Breach, Political Skill, Counterproductive Work Behaviour, Social Exchange Theory & Conservation Resources Theory.

1. Introduction

The form of employee contribution can be seen in terms of the success of its performance. The success of employee performance is the success of organizational performance. Therefore, the organization has a role to respond to these HR contributions in a positive way. In order not to decrease the contribution, the organization must pay attention to the fulfillment of employee rights, both monetary and non-monetary. This is due to employees' expectations regarding the returns from contributions made in accordance with the employment relationship so far. Based on a review of resource conservation theory, the consequences of changing agreements are likely to arise misunderstanding. This is based on the loss of resources in the form of a sense of security at work which has an impact on the possibility of violating the fulfillment of the rights of employees by the company due to these changes. The concept of a psychological contract helps to clarify this relationship.

In practical terms, symptoms of decreased performance can be identified through the emergence of several counterproductive work behaviors by employees such as arriving late, gossiping about superiors, stealing office items etc. Study of counterproductive work behavior is quite difficult to do because of the reluctance of the parties involved to reveal bad behavior, even though this is important as an evaluation material regarding the exchange relations that have been carried out so far between the organization and its employees (Puspa, 2015).

Attention to political skills is considered important in the study of counterproductive work behavior, because it can be a consideration for someone to do or not to do counterproductive work behavior. In addition, the role of political skills in moderating the effect of denial of psychological contracts on counterproductive work behavior has not been investigated.

2. Literature Review

Social Exchange Theory

Initially, this social exchange theory was used to bridge research in several disciplines such as anthropology, psychology and sociology (Cropanzano and Mitchell, 2017). Social exchange involves a series of interactions that produce obligations and are interdependent and depend on the actions of others (Emerson, 1976).

Social exchange relations are different from economic exchanges. In social exchanges, the obligations generated by each party are often not determined and the standards for measuring contributions are often unclear. Social exchange relations occur between two parties through a series of interactions with each other. Although not always simultaneous, the exchanges that occur will result in a pattern of mutual obligations between each party.

Social exchange in the work environment can be described through employee activities evaluating the quality of the relationship from the interactions that occur within the organization. If the exchange relationship that occurs in this interaction is considered satisfactory, then the employee feels obliged to reciprocate in the future by making a beneficial contribution to the organization and other organizational members. Conversely, if the exchange relationship that occurs in this interaction is considered less or unsatisfactory, in turn employees will tend to retaliate in the form of work irregularities that can harm the organization and other organizational members (Akremi, Vandenberghe and Camerman, 2010). This is done by employees to restore justice that is not obtained so that the balance of social exchange relationships in the organization can be fulfilled.

Contract

Contracts are individual beliefs regarding mutual responsibility between two or more parties. The three types of contracts in an organization according to Rousseau (1989) are (1) formal contracts, namely written agreements with clear obligations between parties; (2) implied contract, or implied contract, is an obligation that is carried out by each party collectively so as to create a reciprocity which is the basis of trust and fosters commitment which is the continuity of the relationship in the future. Implied contracts allow third parties such as the community or trade unions to become observers to make predictions about future relationship patterns based on interactions with relationship practices that have been carried out in the past; (3) psychological contract is a subjective assumption regarding a person's trust and belief in the organization. This is a set of unwritten expectations that exist on every member of the organization. This belief can or cannot be spread to other people (Puspa, 2015).

Psychological Contract

Psychological contracts describe a belief that a person has regarding what the other party expects in a relationship that occurs between him and that party. For example, an employee assumes

that if he works hard and shows loyalty, the organization will provide good working conditions and job security.

According to Robinson and Rousseau (2014), psychological contracts are formed by five criteria. First, voluntary choice, namely psychological contracts that occur on a voluntary basis. Voluntary nature forms a person's commitment to be faithful to his choice. Second, belief in mutual agreement, that is, a contract is formed because there is mutual belief between a person and another party. Third, incompleteness, this contract tends to be incomplete and needs to be improved. Fourth, multiple contract makers, this type of contract is formed from the results of the interaction between employees and organizational agents (colleagues, supervisors, HR representatives and managers / leaders). Fifth, managing losses when contract fail, which means that the psychological contract negation event will harm the parties involved, this is the reason for negative reactions such as anger. Psychological contracts are subjective, meaning that everyone can have a different understanding of the exchange agreement to be accepted. The reasons for the emergence of subjectivity in psychological contracts are first, cognitive limitations, namely the inability of the individual to manage all information completely. This limitation causes the individual to be unable to specify all the forms of exchange mentioned at the initial stage. Information gathering can enhance individual understanding. Information is obtained from organizational agents, by observing the agent's actions, interacting with agents, and seeing the organizational vision (Puspa, 2015). Thus, the longer they are in the organization, the more complete the information that forms the perception of a person's psychological contract. Second, each agent can provide information to which employees can respond differently. Emphasis of different information from each agent of the organization can cause perceptions in the eyes of employees.

Psychological contracts are important for organizations. First, the psychological contract has components such as loyalty, loyalty, and trust, this is not included in a formal contract (Agee, 2000). Second, the psychological contract is able to predict the type of output the organization will get. Contracts also allow employees to know what kind of rewards will be received by investing their time and effort in the organization (Sparrow and Hiltrop, 1997). Third, psychological contracts provide an advantage for organizations because they can direct employee behavior without the need for other parties to supervise (Agee, 2000). Fourth, psychological contracts help organizations deal with undesired employee behavior, for example the turnover of employees in the organization. This behavior can be prevented by providing information about the rewards that will be obtained from the organization. Ideally, the psychological contract is developed early in the recruitment process to prevent unwanted behavior from occurring in the future

Denial of Psychological Contracts and Counterproductive Work Behavior

An unbalanced exchange creates an effort to restore the balance of the relationship. These efforts are made through reducing good behavior, namely by engaging in counterproductive work behavior in the organization. For example, threatening and cursing (abuse); and make mistakes at work on purpose. Another example is not doing less than required job duties. This behavior is aimed at parties who are considered responsible, namely organizational and interpersonal superiors.

In Indonesia, the potential for psychological contract abandonment in various workplaces has been strong in recent years. This was triggered by uncertain economic conditions, organizational policies and government regulations. Negative behavioral activities that are stated specifically make it easier to classify both into physical, verbal, active, passive, direct and indirect classifications. In essence, all of them have targets and victims. Specific counterproductive work behavior targets express retaliation efforts appropriately to the intended party. Robinson and Bennet (2015) argue that

there are different patterns in the relationship between counterproductive work behavior aimed at the organization and those aimed at the interpersonal superior.

Counterproductive work behavior aimed at the organization can be in the form of decreased productivity, stalling for work while counterproductive work behavior aimed at interpersonal can be in the form of verbal insults, spreading rumors, hiding important information, etc. Therefore, the hypothesis of this research is to test counterproductive work behavior based on counterproductive work behavior targets, namely counterproductive work behavior aimed at the organization and counterproductive work behavior aimed at interpersonal superiors.

Conservation of Resources Theory

Resources provide two important meanings for someone, namely (1) Being an instrumental value in an individual; (2) Has symbolic value which helps them to show who they are. It is based on resource conservation theory (Hobfoll, 1989). The four types of resources referred to are objects (an object that has intrinsic value to its owner such as a gift / award), energy (money / commission / bonus, time that is useful for obtaining other resources), personal characteristics (innate talent, capable personality). help conserve resources), situation (individual status values such as marital status, years of service, seniority, promotions which form the basis for obtaining and retaining other resources).

As a form of stress management strategy, individuals can choose what kind of process to consider based on the risks and benefits of alternatives to be obtained. For example, when employees perceive that the organization has broken the psychological contract, employees will tend to lead to affective urges to respond to these perceptions, so that it will appear in a number of certain behaviors. The reaction can be perceived cognitively and felt affective when the observer subject perceives the "trigger" from the environment.

To assess the conditions faced, skills are needed and one of the skills referred to is political skills. Practitioners realize that in addition to the formal authority they have, they also need to maintain informal relationships and networks to ensure that organizational goals can work as they should. Therefore, employees can use personal relationships and social networks informally and make it not only a source of resources and information but also create a social identity that can increase a sense of belonging and cohesiveness among individuals who are expected to survive with their normative roles (Wei, Chiang and Wu; 2012).

Political Skills

Political issues in organizations have been in demand for more than two decades. Early 1980s, Pfeffer and Mintzberg had suggested the importance of an effective political environment in organizations. Political skill is a comprehensive pattern of social competence, both cognitive, affective and behavior that has a direct or indirect impact on outcomes and has a moderating effect on predictor-outcomer-relationship (Ferris, Treadway, Kolodinsky Hochwarter, Kacmar, Douglas, and Frink., 2015).

Political skills are defined as:

"The ability to effectively understand others at work, and to us such knowledge to influence others to act in ways that enhance one's personal and / or organizational objectives".

Individuals who have political skills are able to influence others to achieve outcomes. The dimensions of political skills include: Social acuity shows that individuals are smart in seeing things, understanding interactions as best and as accurately as possible and interpreting them through

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attitudes and behavior. Individuals who have high social astuteness tend to be aware of different situations so that they are qualified in social interactions. Not only that, this individual also has self-awareness and sensitivity to others. Interpersonal influence is the ability to adapt and adapt their behavior to different situations for responses that come from outside. Individuals who have high interpersonal influence will be more flexible and can adapt to situations. This will encourage employees to be able to work together and support organizational stakeholders to achieve organizational goals. Networking ability is the individual's expertise in identifying and developing different contacts and networks. They are easy to develop friendships, build strength, make alliances and coalitions. If these individuals enter the network, they are able to become negotiators, decision makers and are able to solve situations through conflict management. Sincerity is the ability to build confidence and trust. They have integrity, authenticity, are sincere and what they are.

Political skills are a stronger predictor of a leader's performance than self-monitoring, leadership, self-efficacy and emotional intelligence. People who have high political skills see more interpersonal interactions as opportunities than threats. They cognitively evaluate and interpret the work environment differently than people with low political skills. So that people who have good political skills will also increase their social capital. They are able to resolve differences and allow individuals to shift consensus or open compromises and be able to achieve their goals. They also manage a network of relationships in order to encourage collective action and broad synergy.

On the other hand, individuals who have high political skills also have high cognitive needs. They will love cognitive activity. High cognitive needs involve effort that thinks more than low level cognitive needs. Thus, they tend to choose a systematic process when interpreting an event. Politics is not always a win-lose game arena, even good political skills can bring positive results for all parties. Through political skills, it is possible for a person to adapt their behavior to other parties in a certain context, which in turn opens up organizational space to unlock their potential. Leaders need to continue to adapt to other parties in different situations, especially in situations of uncertain economic turmoil. Those with political skills will understand how to diagnose situations and adapt their behavior. They can also muster some support for their vision, assuming that colleagues perceive them as more competent figures than other leaders who lack political skills.

3. Methodology

This research is an explanatory quantitative research aimed at testing the hypothesis. The survey is a technique for gathering information in a systematic and structured interview format (Cooper and Schindler, 2011). The survey media in this study used a questionnaire. The unit of analysis in this study is at the individual level. In addition, the type of data is cross-sectional. The research model to be tested involves the variable psychological contract denial, counterproductive work behavior aimed at the organization, counterproductive work behavior aimed at the superior's interpersonal, and political skills.

The population in this study were employees / employees in the industrial, service and public sectors in Indonesia. The diversity of the sample surveyed was not a problem in this study because of the nature of psychological contract research to occur in any occupational context. The difference in the origin of the respondents widens the scope of the research so that it can be generalized. Counterproductive work behavior was measured using 19 questions from Bennet and Robinson's (2000) instrument. Political skill is measured using an instrument from Ferris (Ferris, Treadway, Kolodinsky, Hochwarter, Kacmar, Douglas, and Frink., 2015) which contains 18 statement items. For example: "I understand people well". The social appropriateness scale or SDB was developed by Crowne and Marlowe (1960) which is designed to identify individuals who show themselves honestly

or manipulate the things that are described about themselves. Contains data and data analysis, interpretation of research results, linkages of research results with established science, or modification of the theory.

4. Result and Discussion

Table 1. Regression Test Results
Results of Psychological Contract Rejection of Regression
on Counterproductive Work Behavior in Organizations

Variable	Standardized Coefficient (β)	T count	*P count*	Inf
Psychological Contract Renewal	0,606	11,930	0,000	Sig
Nilai *adjustedRSquere* = 0,380				
Nilai F = 27,494				
Nilai Sig. = 0,000				

Table 1 shows the results of hypothesis 1 testing, the denial of psychological contracts has a significant positive effect on counterproductive work behavior to the organization (β = 0.606; t = 11.930; p <0.01). A significant positive effect indicates a unidirectional relationship, the higher the perception of psychological contractual denial, the higher the counterproductive work behavior to the organization.

Table 2. Regression Test Results
Results of the Psychological Contract Rejection
of Rejection on Counterproductive Work
Behavior at Interpersonal Bosses

Psychological Contract Renewal	0,353	6,063	0,000	Sig
Nilai adjusted R Square = 0,186				
Nilai F = 10,869				
Nilai Sig. =0,000				

The psychological contract denial variable has a positive and significant effect on the counterproductive work behavior variable aimed at the interpersonal boss (β = 0.353; t = 6.063; p <0.01). to interpersonal superiors. The higher the perception of psychological contract denial, the higher the counterproductive work behavior aimed at the interpersonal superior.

Table 3. Hypothesis Test Results for Moderating Political Skills with Dependent
Variables on Counterproductive Work Behavior in Organizations

Variable	Political Skills			
	Model 1	Model 2	Model 3	Model 4
Independent Variable				

Variable		Political Skills			
		Model 1	Model 2	Model 3	Model 4
Psychological Contract Renewal			**0,606**	0,612	0,651
Moderating Variables					
Political Skills				**-0,048**	0,006
Interaction Effects					
PKP_PS_c					**-0,229**
R^2		0,054	0,395	0,397	0,443
ΔR^2		0,054	0,340	0,002	0,046
F		2,910	27,494	23,682	24,996

For hypothesis 3 (model 4) which is a test of interaction effects, namely political skills moderate the effect of the psychological contract denial on counterproductive work behavior aimed at the organization, the value shown in the analysis is negative and significant ($\beta = -0.229$; $t = -4.571$; $p < 0.001$).

Table 4. Hypothesis Test Results of Moderating Political Skills with Dependent Variables Counterproductive Work Behavior at Interpersonal Bosses

Variable	Political Skills			
	Model 1	Model 2	Model 3	Model 4
Independent Variable				
Psychological Contract Renewal		**0,353**	0,399	0,344
Moderating Variables				
Political Skills			**0,105**	0,113
Interaction Effects				
PKP_PS_c				**-0,032**
R^2	0,089	0,205	0,215	0,216
ΔR^2	0,089	0,116	0,010	0,001
F	4,989	10,896	9,877	8,653

Hypothesis 4 test results (model 4), political skills moderate the influence of psychological contract denial on counterproductive work behavior to the interpersonal superiors ($\beta = -, 032$; $t = -, 533$ with $p < 0.05$).

Researchers tested specifically how the significance contributed by the variables when tested based on groups who have high political skills and low political skills. The results can be seen from the plot image as follows:
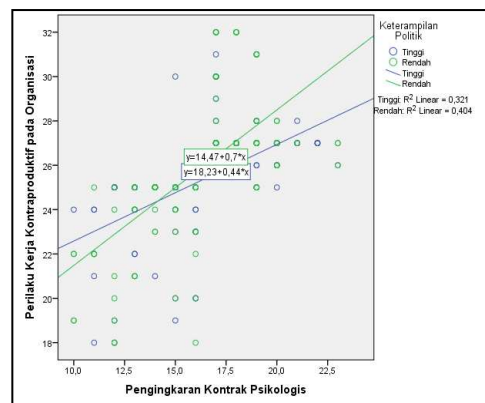
Figure 1. Political Skills Moderation Model

Psychological Contract Denial Interaction and Counterproductive Work Behavior Aimed at Organizations with Political Skills as Moderation.
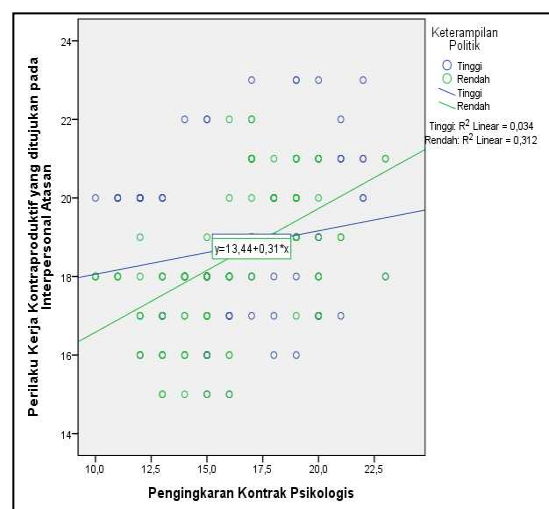

Figure 2. Political Skills Moderation Model

Psychological Contract Denial Interaction and Counterproductive Work Behavior Aimed at Interpersonal Bosses with Political Skills as Moderation.

Meanwhile, Figure 2 shows that the slope of the regression line for low political skill is sharper than the regression line for high political skill. This indicates that the influence of psychological contract denial on the dimensions of counterproductive work behavior aimed at the interpersonal superior will be stronger when political skills are low.

Based on the explanation and test results, it can be concluded that the low frequency of application of political skills in each agency / organization is considered to strengthen the tendency of employees to display counterproductive work behavior, both aimed at the organization and aimed at the interpersonal superior.

5. **Conclusion**

Denial of psychological contracts has a positive and significant effect on counterproductive work behavior aimed at the organization. The denial of psychological contracts also has a positive

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and significant effect on counterproductive work behavior aimed at the interpersonal boss. In line with social exchange theory, unbalanced exchange creates an effort to restore the balance of relations. Political skills moderate the influence of psychological contract denial on counterproductive work behavior aimed at the organization. Low political skills show a moderating role which strengthens the relationship of psychological contractual denial of counterproductive work behavior aimed at the organization. Political skills moderate the effect of psychological contract denial on counterproductive work behavior aimed at interpersonal superiors. Low political skills show a moderating role which strengthens the relationship of psychological contractual denial of counterproductive work behavior aimed at interpersonal superiors.

The main objective of this study is to empirically confirm social exchange theory and resource conservation theory in terms of negative behavior models and psychological contracts. However, the findings in the study also have implications for practice. First, this study provides an understanding of the term psychological contract denial of company leaders. The term contract that is generally understood is a formal contract. A psychological contract is a form of individual belief formed by an organization in relation to an exchange agreement, generally unwritten and only perceptual, between the employee and the organization. An understanding of the psychological contract is important to prevent the emergence of exchange imbalances that can lead to negative employee attitudes and behavior in the future.

Second, the study also provides an understanding of the cognitive processes that form counterproductive work behavior in organizations. Understanding cognitive processes helps leaders know the reasons for employee behavior. Third, the study provides information for company leaders that the psychological contract denial has an impact on the emergence of counterproductive work behavior. Maintaining a balance of exchanges is important to prevent counterproductive work behavior.

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