

**When Opportunities All Around: An Empirical Study of  
Psychological Contract Violation as an Antecedent of  
Entrepreneurial Opportunity Alertness**

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**Abstract**

*The aim of this study is to explore the relationship between psychological contract violation and entrepreneurial opportunity alertness in a way that psychological contract violation of employees can ring the bell towards the identification of new business opportunities. It enhances their entrepreneurial opportunity alertness. Employee cynicism deviate the commitment level of employees as they weakly identify their organizations. Here the organizational commitment mediates the interrelated effect of the given relationship. Employees of banking sector will be selected as sample. Process macro and Hierarchal regression analysis will be used to testify the model. The results provide an intellect that psychological contract violation is an antecedent of entrepreneurial intention and that enlighten the under lying opportunities. Employees with broken promises and unmet expectation from organization are cynic. This cynicism enhances their commitment level eventually they become more attentive towards new business opportunities.*

**Keywords:** perceived Psychological contract violation, social exchange theory, organizational commitment, employee cynicism, entrepreneurial opportunity alertness, opportunity alertness

**Introduction**

Opportunities are all around in the way and there are some factors which may cause to trickle down these opportunities. These could be the behaviours, internal and external environment of an organization to which one belongs to makes an individual more alert towards opportunities. An individual's perceptions and ability to identify profitable opportunities may enable him or her to see and exploit potential opportunities that other competitors are not aware of them. In

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this perspective being attentive and alert towards opportunities makes the person innovative too (Yu-Lin, Andrea and Yen-Chun, 2013). The exploration and exploitation of opportunities is critical when it comes to firm's performance. Subsequently the notion to opportunities has become central to interest for emergence in multiple field of research. (Bakker & Shepherd, 2017).

Being competitive in this globalized world the primary concerned activity of the entrepreneur is not only to innovate but also to identify the opportunities first. Identification and recognition of opportunities is a process based on intentions to grow. Entrepreneurship has long been described by the mean of promoting innovation and maintaining competitive advantages (De Carolis and Saporito, 2006). Scholars have inclined to investigate innovation issues from an entrepreneurship perspective (Koellinger, 2008). To make any innovative decision to lead the market there is a dare need to recognize the accurate opportunity precisely otherwise it may cause to confront the financial loss. Besides the precise decision making, the antecedents which make an individual more alert towards the opportunities cover a wide range of factors. These factors ranges from individual to external environment, however researchers emphasize more on individual factors. (Park, 2005; Smith *et al.*, 2009). Latest researches overly focused on individual cognitive factors with respect to entrepreneurial opportunity alertness (Corbett, 2007).

The intensive literature of entrepreneurial opportunity recognition focused on psychological variables, such as personality traits, that may influence individuals in exploiting opportunities (De Carolis and Saporito, 2006). Bakker and Shepherd (2017) inclined towards impression that higher degree of attention toward earlier-stage exploration activities, as reflected in a firm's venture portfolio, allows for the accumulation of specific experience (Levitt & March, 1988), the development of standard operating procedures (Gavetti, Levinthal, & Ocasio, 2007), and the gain of domain-specific confidence.

A study revealed the conception that cynicism is another trait of personality and attitude (Wageeh and Belal, 2013). Attitudes, feelings and belief formed by the behavioural tendencies causes to make an employee cynic. This employee cynicism enhances level of commitment to the organizations hence employee become more attentive towards new opportunities. Psychological contract violation (PCV) gives a notion towards the identification of entrepreneurial opportunities through lesser organizational commitment. Organization commitment (OC) is an impression that aids to extent the level of attachment of employee to the

organization. Commitment directs the psychological strength of an individual's attachment to the organization (Maranto and Skelly, 2003). Psychological contract violation has an imperious inferences and an enormous impact on a person's occupational career. Psychological contract violation is the perception of an employee that the organization futile to peruse its defined obligations, researchers also perceive psychological contract breach (Rousseau, 1995). This perception engenders intense emotional reactions and may result in psychological contract violation (Robinson & Morrison, 1997). Many research efforts have done to develop the clear understanding of psychological contract violation (PCV). It is employee's state of feelings developed by the beliefs which is actually PCV; a set of beliefs held by a person regarding the terms of exchange agreement to which that person is serving. Beliefs about mutual employment obligations, as seen by an employee or an employer, constitute a psychological contract with respect to the employee-employer relationship (Rousseau, 1989; Rousseau and McLean Parks, 1993). Indeed the psychological contracts have reciprocity in employee-employer relationship. Both employee and employer owns an exclusive psychological contract their individual nature of perceptual contracts is outlining the aspect, assembling them in a diverse way from both formal and written contracts (Weick, 1981). Psychological contracts are established and executed through communication between an employee and organizational interactive body that is mostly the human resource personnel. (Shore and Tetrick, 1994). However this psychological contract is the perception of an employee and existing between employees and the organization. In this perspective employee hold a belief about what the organization is obligated to provide and belief about how well the organization has rewarded the obligations and commitments (Rousseau and McLean Parks, 1993; Schein 1980).

Psychological contracts are the employee's belief and violation of these psychological contracts occurs when an employee perceives that the organization botched to accomplish its one or more obligations and commitment (Rousseau and Parks, 1993). Aforementioned researches provide two basic roots of psychological contracts violations that are known as renegeing and incongruence (Morrison and Robinson 1997; Rousseau, 1995). When an organization knowingly breaks a promise to its employee whether it is because of unforeseen circumstances or there is a purpose behind doing so is termed as renegeing.

On the other hand incongruence occurs when the empathy about 'what employee has been promised' mismatched in employment relationship. The outcome of psychological contracts violations is more

likely to confront in form of perception of inequity (Morrison and Robinson 1997) and this may condense the employee's belief that being the part of the place will be mutually beneficial. In this standpoint PCV specifically works as means to force employees to reassess their attachment to the organization (Lee and Mitchell, 1994).

Extensive research elucidates that PCV causes to reduce the level of numerous factors such as job satisfaction, participation in development activities organizational commitment and intentions to remain with the same organization (Coyle-Shapiro and Conway, 2005; DelCampo, 2007; Nadin and Cassel, 2007). Organizational commitment is the attachment developed by employees with the organization. Commitment with organization is basically the attitude of employee that indicates the quality of linkage between employee and employer relationship. Main while employee cynicism is the feeling which enhances the linkage between PCV and OC.

The study uncovers a relationship between psychological contract violation and entrepreneurial opportunity alertness through lesser organizational commitment. It also evaluates the moderating role of employee cynicism to organizational commitment and psychological contract violation. Our study makes an important contribution in the literature of entrepreneurial opportunity alertness as this study proposed a unique antecedent of entrepreneurial opportunity alertness that is psychological contract violation. More over the study suggest a new dimension to think and move on for those employees who have disappointed and their unmet expectations makes them hopeless and dissatisfied. Remaining paper has been arranged as follows. First, an in-depth explanation of the relevant hypothesis in our model is given. Second, the conceptual framework is presented. Third, the methods and results will be given. Finally, the theoretical and managerial implications of research findings will be discussed.

***Theoretical framework and hypotheses development:***

**Psychological contract violation**

Psychological contract violation plays fundamental role between employee employer relationships. Psychological contract in this relationship refers to individual's belief regarding the terms and conditions (Rousseas, 2001) described these terms and conditions based on reciprocal exchange agreement between the organization and employee. He further discussed that some of the factors like a person's upbringing and past experiences may exaggerated these beliefs which are highly idiosyncratic. The nature of psychological contract violation is implicit and it concerned with expectations, assumptions, mutual

obligations and promises. Thus it creates attitudes and emotions that form a govern behaviour (Coyle-Shapiro and Kessler, 2002).

Intensive researches have revealed the importance of psychological contract violation which suggested that the employee's level of commitment depends upon the degree to which their own expectations from the organization (what organization will provide to them) and in return what they be indebted to the organization. (Schien,1980). They further demonstrate that if employees perceive that the organizations treat them with care respect and reward them fairly they will feel bound to reciprocate by working hard and avoiding harmful acts. Robinson, Kraatz and Rousseau(1994), conversed that work force members have been exhilarated to eschew reliance on job security or employer commitments and to "pack their own parachutes". In a case if psychological contract of parties may not be fulfilled it is known as breach or violation. Researchers interchangeably used both the terms (Shahnawaz and Kakali, 2001). Some researchers differentiate violation and breach on the emotional and affective state respectively. (Morrison and Robinson, 1997) further elucidated that psychological contract breach is employee's cognition that he/she receive less than what an employee have been promised whereas (Raja et al., 2004) described psychological contract violation as the injustice, distrust and feeling of anger arise from the perception that organization has not regard the psychological contract.

#### **Relationship with organizational commitment**

Wageeh and Belal (2013) refine the term commitment as an individual's loyalty and willingness to dedicate efforts to the organization. It also refers to a key factor in relationship between employee and employer.

Three components of organizational commitment are commonly conceptualized. One is affective commitment; defines as an employee continues its working intended for emotional attachment and identification with that organization. It can be defined as the alignment of employee value system and desires(Meyer an Allen, 1997). Second is continuance commitment; this component of commitment is based on the cost of leaving the organization (Greenberg and Baron, 2003). Third component is normative commitment based on moral belief; Meyer an Allen refers this type of commitment as the feelings obligated an employee to remain with an organization that reasoning behind that the organization has invested a lot in training the employee. These components of organizational commitments reflected by the psychological states of employees and they experiences all three forms of commitment mostly (Meyer and Allen 1997). Robinson, et al direct that

violation leads to low organizational commitment, given these arguments the first hypothesis is:

*H1: Psychological contract violation interacts to deviates the level of organizational commitment in such a way that the psychological contract violation is negatively associated with organizational commitment.*

### **Moderating effect of employee cynicism**

Employee cynicism can be described as the person's negative attitudes to his or her organization; negative emotions, and coincide with these belief and emotions, having an attitude to the organization that shows ignominiously (Yar, 2013). It may refer to being unsatisfied with the organization. Social exchange theory (Homans, 1958) explains the relationship between psychological contract violation and employee cynicism.

An employee develops the psychological contract by expectations and unwritten promises then maintain it by exchanging the relational resources such as proactive work behaviour and loyalty for better quality relationship with leaders and managers (Dulac, Coyel-Shapiro, Henderson and Wayne, 2008) when violation occurs employees are disposed to feel disappointment and this will reduce their level of commitment. As cynicism defined as a person's negative attitude Brandes and Dharwadkar (1998) discuss its three dimensions cognitive, affective and behavioural. Further converse the reasons of cynicism as stress, work load, goal conflict and unmet expectations and less trust on organization. This may trigger employees to search for some new ways to work out. At the end resulting outcome is decrease in performance, organization citizenship, commitment and increase in personal conflict, complaint, absenteeism and turnover rate (Andersson, 1996; Andersson and Bateman, 1997; Reicher and et al., 1997; Wanous and et.al. 2000) Therefore the second hypothesis is:

*H2: Employee cynicism moderates the relationship between psychological contract violation and organizational commitment such that the psychological contract violation is negatively associated with organizational commitment and employee cynicism strengthens this relationship.*

### **Entrepreneurial opportunity alertness**

Entrepreneurial opportunity recognition is rooted in the literature of entrepreneurship and there are many behavioural definitions of entrepreneurship which exists in conviction of creating new organization (Gartner, 1989) and the most frequent behavioural definition is refer to the intentions to actively manage the independent ownership (stewart and

Roth 2001). Other definitions of entrepreneurship consist of the tasks as a key construct which include identification and exploitation of opportunities (Shane and Venkataraman, 2000). Theory of entrepreneurship (Kirzner, 1973) weighs up the importance of entrepreneurial opportunity alertness. He interrelates the elements of alertness with newly valuable goals and possibly newly available resources. He claims that the understanding and interpretation of human action as active and creative notion is also an entrepreneurial element. As it's a general phenomenon that environmental conditions influence the behaviours of individuals and it's a characteristic of entrepreneur who got inspiration from environment to explore opportunities. This development of unique entrepreneurial knowledge, during founding, which, under certain circumstances, provides the impetus to found new ventures and (Ellis et.al, 2017) they dubbed this impression as "entrepreneurial proclivity."

On these assumptions we can propose the preceding hypothesis as:

*H3: Organizational commitment partially mediates the relationship between Psychological contract violation and entrepreneurial opportunity alertness.*

Once the psychological contract has developed, both employee and employer become able to understand the promises and obligations that each party has on other on the basis of reciprocal relationship (Conway and Briner, 2005). In the domain of individual decision making Kirznerian conception of entrepreneurial elements based on when assumption of perfect knowledge is dropped. That is more important to consider rather than where new information comes from. Individuals with special insight tend to be more successful when has knowledge to discover and recognize the opportunities in the circumstances of information asymmetry whereas others confronted failures who are unable to recognize these opportunities (Ulhoi, 2005). For any Organization employee commitment is beneficial as it reduced absenteeism level and intentions to leave therefor highly committed employees contributes more in organizational performance (Joiner and Bakalis, 2006) present research expand the literature on the adverse side that deliberates about the employees of lesser or no commitment to organization due to PCV becomes more alert towards new opportunities. Thus given these arguments fourth hypothesis formulated as:

*H4: Organizational commitment mediates the relationship between Psychological contract violation and entrepreneurial opportunity*

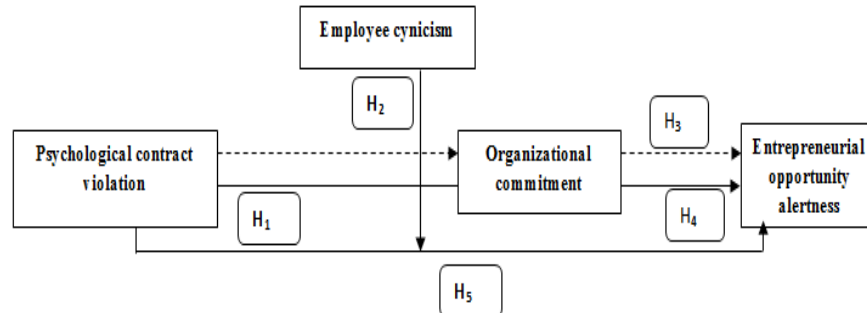
*alertness. Employee cynicism as moderator strengthens the relationship of psychological contract violation and organizational commitment.*

**Relationship of Psychological Contract Violation and entrepreneurial opportunity alertness**

Scholars argued that entrepreneurial opportunity alertness is not a purposeful search for opportunities but it is a process to discover (Kirzner, 1997) that is the reason research from psychological perspective has pursued to explore why some people can recognize the entrepreneurial opportunities comparatively in the same context others are not concerned. The majority of literature identifies the psychological variables such as personality traits that influence individuals to exploit new opportunities (Carolis and Saporito, 2006). In literature alertness has viewed as awareness defined as a propensity to notice and be sensitive to information about objects, incidents and patterns of behaviour in the environment (Ray and Cardozo, 1996). Personality traits such as achievement orientation, proactiveness, and autonomy orientation help in entrepreneurial orientation and work as the antecedents of entrepreneurial alertness. These traits are active when psychological contract violation occurs as discussed above PCV is a belief based on individual cognition. Employees may be one of the important sources of innovation and entrepreneurship, who voluntarily violate the organizational norms especially in a way that when employees engage in nonconforming behaviours (Howell and Higgins, 1990; Howell *et al.* 1998). Thus given these arguments fifth hypothesis formulated as:

*H5: Psychological contract violation and entrepreneurial opportunity alertness has a direct positive relationship.*

Conceptual Framework  
Figure 1



Note: H<sub>1</sub> shows the relationship between two variables are shown by the dotted line that is from independent variable (Psychological contract violation) to mediator (organizational commitment) only and H<sub>3</sub> shows the relationship between mediator (organizational commitment) and dependent variable (Entrepreneurial opportunity alertness)

## Methodology

### Sample and procedure

The data analysed in this study were collected from employees working in both public and private banks located in Pakistan. We relied on convenience sampling technique to select the banks and experience sampling technique was used to select the bank employees as respondent. Within each bank, those employees were selected as respondent who have an experience of at least 1 year. This tenure was taken as criterion for the respondents to collect data. This time period was used to access that they have some experiences and incidents which formulate their belief and attachment. We have informed employees about the research purposes and assure them that their responses would be kept confidential. The questionnaires were dispatched in different banks selected randomly and employees were asked to respond and the questions are clear and understandable which might lead to minor adjustments to the wording of a few of the items. The sample selection process was continued until our required sample size has been achieved. A total of 450 questionnaires were distributed and 334 were returned (74 percent response rate) with 300 providing accurate and useful information (67 percent actual response rate)

### Measures

The survey of this study comprised of measures, these were designed to hold the various aspects of the concepts being investigated in this study.

All the items against each variable i.e Psychological contract violation, employee cynicism, organizational commitment and entrepreneurial opportunity alertness are measured on five point Likert scale given under every measure described below:

### **Instruments**

#### **Psychological contract violation**

Respondents were asked to answer based on their past or present experience of psychological contract violation. We examine this variable by using a scale of 5 items was designed by (Robinson and Morrison, 2000). The reliability of the scale was measured through Cronbach Alpha which is 0.79. This was also used and validated by (Chien, et al. 2014) with 0.92 Cronbach Alpha. The scale was including 9 items and some of the exemplary items were as: (1) *I feel a great deal of anger toward my organization*, (2) *I feel that my organization has violated the contract between us*. (3) *I feel extremely frustrated by how I have been treated by my organization*. Responses were recorded on five point Likert scale (1=strongly disagree to 5= strongly agree). Higher scores represent a higher occurrence of psychological contract violation in the workplace.

#### **Organizational commitment**

The mediating role of organizational commitment was measured by 15 items scale which has good psychometric properties and this scale was developed by Porter (1974). The reliability of the scale was measured through Cronbach Alpha which is 0.74. Responses were recorded on five-point Likert scale (1=strongly disagree to 5= strongly agree). Higher scores represent a higher level of organizational commitment in the workplace.

#### **Employee cynicism**

The role of employee cynicism was measured by the scale of Kuo (2010). The scale was developed in line with employee cynicism (Cole, Bruch, and Vogel, 2006) and organizational cynicism (Dean et al., 1998). A total of eight items were used in the questionnaire to measure employee cynicism. The reliability of the scale was measured through Cronbach Alpha which is 0.884. All items were preceded by the statement in the place I work for.. exemplary items were included as (1) *some colleagues deliberately let you make mistakes without telling you what's going wrong* (2) *some colleagues look down on others due to their seniority or authority* (3) *some colleagues resent (dislike/hate) when being oppressed (overloaded) by the organization*. Responses were recorded using five point Likert scale (1=strongly disagree to 5=strongly agree). Higher scores represent more presence of cynical behaviours.

**Entrepreneurial opportunity alertness**

A scale of 5 items was adopted to measure this variable and the scale was designed by (kirzner/Schumpeter, 1973).The reliability of the scale was measured though Cronbach Alpha which is 0.819. Some of the exemplary items were as: (1) *I am alert to entrepreneurial opportunities that exist in the other industries* (2)*I am alert to previously unnoticed entrepreneurial opportunities.* (3) *I see myself as creating entrepreneurial opportunities.* Responses were recorded using five point Likert scale (1=strongly disagree to 5=strongly agree). Higher scores signify more presence of entrepreneurial opportunity alertness.

**Statistical technique:**

In order to test the proposed hypothesis we will conduct hierarchical regression analyses.

**Results**

Descriptive statistics reliability analysis and correlations for key variables are presented in Table 1. The mean, standard deviations, correlations and internal consistency reliabilities for all underlying variables was analysed to check the consistency and association among the variables. All the variables are significantly correlated with one another at (p< .01). Higher scores indicating presence of psychological contract violation, employee cynicism, higher level of organizational commitment and entrepreneurial opportunity alertness.

**Table 1 Tests of hypotheses**

Variables:	Mean	St. Dev.	1	2	3	4
1) Psychological contract violation	3.31	0.73	(0.79)			
2) Employee Cynicism	3.61	0.712	.711**	(0.88)		
3)Organizational commitment	2.89	0.419	-.419**	.564**	(0.74)	
4) Entrepreneurial opportunity alertness	3.36	0.695	.679**	.786**	.506**	(0.82)

\*\*Correlation is significant at p < .01.

NOTE: N=300. Scale reliabilities are in parentheses along the diagonal.

Theoretical model for this study (figure 1) implies a moderated mediation model in which According to hierarchical employee cynicism moderates the relationship between psychological contract violation and organizational commitment and this relationship proceeds towards the outcome variable entrepreneurial opportunity alertness through mediation of OC. Regression analyses results summarized in Table 2, Following Aiken and West (1991), we standardized the predictor variables before computing the interaction terms, and entered the standardized scores. We predict in Hypothesis 1 that psychological

contract violation is negatively associated with organizational commitment as reported in Table 2 (b= -0.337, p=0.000). The results supported Hypothesis 1 strongly. Hypothesis 2 claims that employee cynicism strength the relationship of PCV and OC. In table 2 the results of hypothesis 2 and hypothesis 4 were reported as employee cynicism (b= -0.828, p=0.000,  $\Delta R^2=0.32$ ) moderates the relationship between psychological contract violation and organizational commitment and also between psychological contract violation and entrepreneurial opportunity alertness (b=0.455, p=0.000) and entrepreneurial opportunity alertness (b= 0.555, p=0.000 and  $\Delta R^2 =0.64$ ) these results leads towards the acceptance of hypothesis 2.

Table 2

Results of hierarchal regression analysis with EOA as dependent variable (n=300)

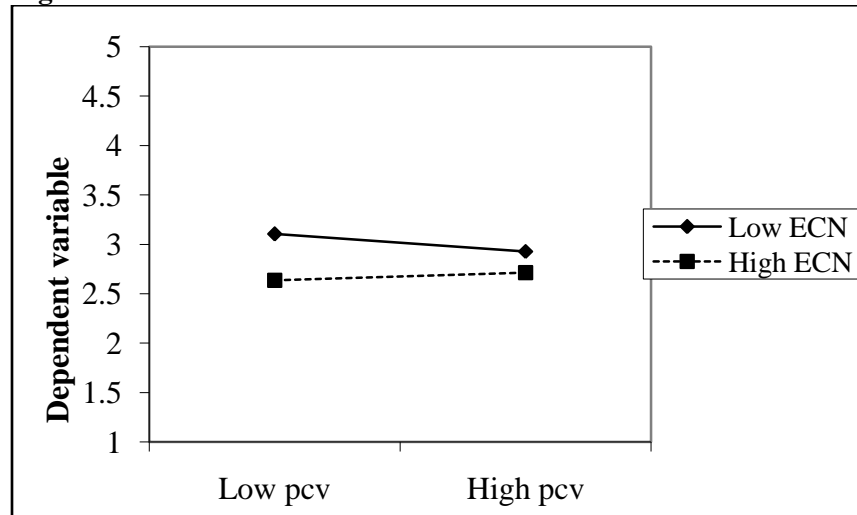
TABLE 2 Hierarchical Regression results				
Variable	Mediator		Dependent Variable	
	Organizational commitment		Entrepreneurial opportunity alertness	
	M1	M2	M1	M2
Psychological contract Violation				
<u>Step 1</u>				
PCV	-0.337 <sup>†</sup>	0.828 <sup>**</sup>	0.241 <sup>**</sup>	0.455 <sup>**</sup>
ECN	0.538 <sup>**</sup>	1.087 <sup>**</sup>	0.629 <sup>*</sup>	0.555 <sup>*</sup>
<u>Step 2</u>				
PCV x ECN		.250 <sup>**</sup>		0.533 <sup>*</sup>
$\Delta R^2$		0.319 <sup>*</sup>	0.64 <sup>*</sup>	

\*\*p < .01, \*p < .05

The pattern of interactions shown in Fig. 2, show that employees with high psychological contract violation and high cynicism are less committed to the organizations. They also showed more alertness towards entrepreneurial opportunities.

**Interaction of psychological contract violation and employee cynicism in predicting organizational commitment H2**

**Figure 2**



In order to check mediation of organizational cynicism between psychological contract violation and entrepreneurial opportunity alertness (Hypothesis 3) we used Baron & Kenny (1986) approach and then conducted Sobel test to check the significance of mediation effect. Results in table 3 show that there was a significant initial relationship between psychological contract violation and entrepreneurial opportunity alertness.

**Table 3 Path Analytic Results—Mediated effect of OC with PCV and EOA**

	PMX	PYM	Direct Effect PXY	Indirect Effect PMX*PYM	Total Effects (PXY+ PMX*PYM)	Z
Social identity	-.479**	-.446**	0.5428**	-.2134**	-.76183**	-2.14*

Notes. n =300, PMX = path from X (psychological contract violation) to M (organizational commitment), PYM = path from M to Y (entrepreneurial opportunity alertness), PXY =path from X to Y.

\*\*p < .01, \*p < .05

To verify the hypothesis 4, model 7 (first-stage moderation model) of process macro was used which is a method introduced by Edwards and Lambert (2007). The conditional indirect effects predicted through Process Macro assessed the bias-corrected confidence intervals (CI, hereafter) of these indirect effects using a bootstrapping method; a 95% CI that eliminates zero shows a statistical significance level of .05 and a

99% CI eliminating zero specifies a statistical significance level of .01. As reported in Table 4, the conditional indirect effect of psychological contract violation and entrepreneurial opportunity alertness was negative when employee cynicism was low ( $b = -0.0153$ ,  $p = .05$ ) and weakly negative when employee cynicism was high ( $b = -.023$ ,  $p = .05$ ), thus supporting hypothesis 4. Table 4 also present the result of hypothesis 5 the direct effect of psychological contract violation and entrepreneurial opportunity alertness ( $b=0.5428$ ,  $p= 0.005$ ). These results lead towards the acceptance of hypothesis 5.

Table 4 Analysis of conditional indirect effect

Independent Variable	Dependent Variable	Mediator	Moderator	Indirect Effect	95% bias bootstrap
Psychological Contract Violation	Entrepreneurial opportunity alertness	Organizational commitment			
			Low	-0.0153*	(-0.0264, 0.0809)
			High	-0.0239*	(-0.0534, -0.0233)
X on Y				Direct effect	(0.4593, 0.6263)
				0.5428	

## Discussions

### Theoretical implications

The most important contribution of this study is that it integrated social exchange theory and more importantly theory of entrepreneurship. These theories support the theoretical framework of the model which helps to explain the variables as in explaining psychological contract violation. Social exchange theory is more helpful this theory based on the reciprocity of relationship as discussed earlier. Theory of entrepreneurship provides the background support to entrepreneurial opportunity alertness. This research explored a new dimension in the study area of entrepreneurial alertness. Although entrepreneurial opportunity alertness antecedents range from individual to environmental factors and violation of organizational norms is one of the individual factor (Wang et al., 2013) that is actually employee's cynical behaviour. Psychological contract violation could be one of the working antecedents of entrepreneurial opportunity alertness. Prior research also showed that the work experience of entrepreneurs is a major element of human capital (Dimoy and Shepherd, 2005) this may affect the way entrepreneurs view opportunities and the environment in which they exist (Watson et al., 2003). The result provides the evidence that social exchange theory's variable based on reciprocity causes to strength or

weaken the attachment of employee with organization that is elaborated in the domain of organizational commitment. The results confirmed that employees who have unmet expectation and broken promises with organization are less committed to their work and organization also. They voluntarily break the norms and start noticing the underlying opportunities (Howell and Heggins, 1990). They also refer the nonconforming behaviours like innovation oriented and predominant to be the cause of psychological contract violation. The study findings suggest that the higher level of employee cynicism moderates the relationship between psychological contract violation and organizational commitment. As the cynical behaviours from employee side increases the relationship between psychological contract violation and organizational commitment strengthened. These further proceeds towards high alertness of entrepreneurial opportunities. This finding is consistent with previous research which indicates the relationship of mutual trust.

#### **Managerial Implications**

Psychological contract is a key construct to helping today's managers in understanding the nature and direction of their relationships with employees. Our findings will suggest and facilitate employees working in business organizations when they confront the psychological contract violation because of broken promises and unmet expectations. In this state of disappointment and feeling of hopelessness they can concentrate on new opportunities overlooked previously. Besides this conception this will help to improve the employee employer relationship by managing the psychological contracts to avoid violation for the sake of organizational and performance improvements. This will also help to facilitate employees in perspective of personality traits and cognitive belief as rather to be disappointed exploit new opportunities.

#### **Limitations of study and future implications**

This study had some limitations. First is that it used cross-sectional data which allowed the researcher to measure organizational commitment that has already been made by employees. It did not include the intention of employees to engage in developing and maintaining the positive bases of psychological contract or not in future. So a longitudinal study is needed to measure it. The research was conducted with a small sample size of 300 respondents from banking sector only: future studies should include bigger samples from multiple sectors and cultures. The study was conducted with employees who are still working in the organization. Future study is needed to investigate the employees who had some bonding and attachment to the organization previously and now their psychological contract violated and now they have turnover intention.

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