(7. International HRM and cross-cultural management/Competitive)

# Time to Say Goodbye? Effects of Perceived Psychological Contract Breach and Violation on Turnover Intentions among German International Assignees

**Abstract:**

In the field of international human resource management, studies have seldom simultaneously examined the effects of perceived psychological contract breach and violation with regard to expatriation. However, studies have shown that turnover of repatriates poses a high risk. The purpose of this study is to fill the research gap by examining the influence of perceived psychological contract breach and violation on turnover intentions among expatriates. The results of a survey among 349 German international assignees reveal that psychological contract breach and violation are distinct empirical factors, which have a positive effect on their turnover intentions. Moreover, the study results suggest that tenure has a moderating effect on the relationship between psychological contract breach and turnover intention. Additionally, organizational commitment was found to be a mediator on the aforementioned relationship. Finally, research implications are discussed and suggestions for future studies are recommended.

**Key words: expatriates, international assignees, turnover intentions, psychological contract breach, psychological contract violation, commitment, tenure**

## INTRODUCTION

Globalization is frequently named as one of the key drivers for increased relevance of international assignments (Downes & Thomas, 2000; Tung, 1998). However, research has identified a number of challenges with international assignments. These challenges are for instance high numbers of turnover of expatriates and repatriates and their ineffective behavior during the assignment (Black, Gregersen & Mendenhall, 1992). Scholars have reported of turnover rates ranging from 10 to 60 per cent among repatriates who left their organization within the first year after return (Adler, 1986; Black & Gregersen, 1999; Suutari & Brewster, 2003). However, a lack of proof regarding this issue might lead to false conclusions about high turnover tendencies (Harzing, 1995, 2002), such as low performance or a high level of dissatisfaction with the job being triggers for leaving the organization during or after the assignment (Suutari & Brewster, 2003; Adler, 1986). Another reason for those high turnover rates might be the lack of valuing repatriates experiences from abroad (Stroh, 1995; Stroh, Gregersen & Black, 2000) or an inadequately perceived treatment of the expatriates by the organization during assignment. However, as organizations have put significant effort into expatriation, they do not want to lose the assignees. Therefore, high turnover rates call for a critical investigation of the employer-employee relationship. This paper suggests the development of turnover intentions starts already during expatriation and cannot solely be ascribed to the repatriation stage. Moreover, by introducing the concept of psychological contract, this paper suggests that expatriate's perceived breach or violation of the psychological contract is critical to an understanding of these particular employer-employee relationships and the development of turnover intentions. In order to deepen our understanding of development of turnover intentions, moderating and mediating variables are tested.

Thus, the research questions of this study are:

- Does perceived psychological contract breach and violation affect the turnover intentions of German expatriates?
- Does tenure moderate the relationship between perceived psychological contract breach and violation and turnover intentions of German expatriates?
- Does organizational commitment mediate the relationship between perceived psychological contract breach and violation and turnover intentions of German expatriates?

This paper offers a number of contributions to the international human resources literature. First, it enlarges the scarce literature on psychological contracts in relation to expatriate management (O'Donohue, Hutchings & Montes, 2015; Pate & Scullion, 2010), specifically by investigating simultaneously expatriates' relationship between their perceived breach or violation of psychological contract with their turnover intentions. In addition, the international human resource literature has paid relatively less attention on examining other samples of international assignees than US-American ones. Thus, this paper contributes in investigating German international assignees. Lastly, this study has used measurement scales in order to assess expatriates' perceived psychological contract breach and violation as distinct factors. These measurement scales should prove useful for future studies on this topic in order to ensure a strict distinction between breach and violation of psychological contracts.

This paper is structured as follows. The next section presents the theoretical background of central constructs of this study. In the subsequent paragraph the hypotheses will be derived. Thereafter, research design and methodology of this recent study will be presented. The fifth

section focuses on the results. After having discussed the results, limitations, summary and implications for future research conclude this paper.

## BACKGROUND

Psychological Contract

Rousseau (1995) defines the psychological contract as the employee's beliefs concerning mutual obligations between the employee and the organization. In general, psychological contracts can be differentiated between a transactional and relational typology (Guzzo et al., 1994). Rousseau (1989) introduced a distinction between psychological contract *breach* and *violation*. Psychological contract breach intends not honoring its terms, whereas the violation of the psychological contract indicates the failure of organizations or other parties to acknowledge to an employee's contribution in ways the individual believes they are obligated to do so.

The experience of inequity due to unmet expectations leads to psychological contract breach. Possible consequences are dissatisfaction, mental manipulation of perceived unfairness and adjustment in behavior (e.g. turnover). However, when inequity is perceived, restoration of equity is possible with corrective responses (e.g. new job task). In contrast, psychological contract violation cannot be easily restored as it causes mistrust. It signals a destruction to the employment relationship between individual and organization. Hence, consequences go beyond perceptions of inequity and dissatisfaction. Perceived violation of psychological contract yields deeper and more intense responses, such as anxiety and moral outrage (Rousseau, 1989; Robinson & Morrison, 2000). In terms of expatriation, Pate and Scullion (2010) suggest a recent shift from relational to more transactional driven employment relationships. Moreover, psychological contract breach might be perceived if the expatriates notices minor support by the home organization during his time abroad. On contrary, the broken promise to cover costs for

rent, car and schooling might lead to perceived psychological contract violation, if the expatriate feels anger towards the home organization.

Though many authors (Blomme et al., 2010; Zhao et al., 2007; McNulty, 2014; Bal et al., 2008) point to the distinctive constructs, a distinction between psychological contract breach and violation is rare in extant empirical literature. Therefore both constructs are frequently used as synonyms (Lo & Aryee, 2003; Ren, Bolino, Shaffer & Kraimer, 2013). Nevertheless, I propose in a line with Robinson and Morrison (2000) that breach and violation should be regarded as different empirical constructs due to their diverging content.

Turnover Intentions

Turnover intentions reflect the subjective perceived probability that an individual will leave his organization within a certain time frame. Therefore turnover intentions can serve as an indicator of the extent of one's psychological attachment to the organization. In contrast to actual turnover, the turnover intentions construct is not dichotomous. Moreover, it is less likely influenced by exogenous factors and therefore mirrors more accurately one's attitude towards the organization (Zhao et al., 2007). Frequently, intention to quit is a common response to negative events with work (Lum et al., 1998). In general, high turnover rates influences productivity and profits of an organization negatively (Blomme et al., 2010). Cost of hiring and supervising a new employee as replacement may account up to 70% of an annual salary (Hinkin & Tracey, 2000). In addition to that, high turnover rates may lead to the erosion of the implicit knowledge base of the firm (Coff, 1997), which poses a critical element for competitive advantage (Barney, 1991; Reed & DeFillippi, 1990). Regarding expatriation, turnover during expatriation does not seem to be a problem as suggested by Harzing (1995; 2002). Nonetheless, there are problems to retain former expatriates upon their return in the organization (Adler, 1986; Black & Gregersen, 1999; Suutari

& Brewster, 2003). There are various causes that might lead to turnover. However, this paper suggests that turnover intentions already start developing during assignment and do not emerge exclusively on return as it is a long-lasting process.

## HYPOTHESES

When an expatriate perceives a broken promise from his employer, even though he realizes high cost and low benefit of leaving, he may still opt for quitting the job. From an equity theory perspective, psychological contract breach proposes under reciprocation in the employment relationship leading to negative employee reactions (Rousseau, 1989; Lo & Aryee, 2003). This argumentation is in line with the social exchange theory (Blau, 1964) which suggests that expatriates will reciprocate by showing decreased commitment and increased intention to quit. Consequently and in accordance with affective events theory (Blau, 1964; Taylor & Tekleab, 2004), contract breach as an imbalance in social exchange will affect general job attitudes (Bal et al., 2008). Moreover, the model of effort-reward imbalance argues that failed reciprocity in terms of high efforts spent and low rewards received in turn is likely to evoke recurrent negative emotions and sustained stress responses in exposed people (Siegrist, 1996). Empirical links between psychological contract breach and increasing turnover intentions of employees have widely been found so far (Lo & Aryee, 2003; Robinson & Rousseau, 1994; Robinson, 1996; Turnley & Feldman, 1999; Tekleab, Takeuchi & Taylor, 2005; Zhao et al., 2007). Thus, I propose that perceived psychological contract breach has a positive effect on turnover intention of expatriates.

Violations of the psychological contract are likely to arise in perceptions of strong inequity (Morrison & Robinson, 1997) and may reduce expatriate's belief that staying in the employment relationship will be mutually beneficial. Thus, violations of the psychological contract serve as

triggers to reevaluate their basic attachment to the organization as it undermines factors (e.g. trust) that led to the emergence of an employer-employee relationship (Rousseau, 1989; Robinson & Rousseau, 1994). When the perceived inequity is great, employees may respond to their organization's failure to fulfill its responsibilities by voluntarily terminating the employment relationship (Turnley & Feldman, 1999).

Moreover, the growing number of global assignees causes new retention problems for organizations, because expatriates' external marketability to other employers is a recent form of development currency, tying in straight to expatriates' individual ROI. Therefore, turnover represents one of the strongest outcomes of psychological contract violation (McNulty, 2014). Due to the scarcity of empirical research on psychological contract violation, but in a line with the study results of Turnley and Feldman (1999), I tend to support the idea that perceived psychological contract violation is positively related to turnover.

Summing up, perceived psychological contract breach and violation by expatriates may increase their willingness to leave the organization. In a vein with theory, psychological contract violation is expected to have a stronger effect than psychological contract breach on perceived turnover intentions.

**Hypothesis 1a:** Expatriates who perceive psychological contract breach will have a higher turnover intention.

**Hypothesis 1b:** Expatriates who perceive psychological contract violation will have a higher turnover intention.

Theoretical and empirical evidence suggests that individual's relationship to the job and work organization alters as a result of socialization through successive levels of organizational tenure (Jolson, 1974). Literature suggests that longer periods of tenure have positive effects on

employee attitudes and behaviors (Staw & Ross, 1980; Stevens, Janice & Harrison, 1978). Spending longer time in the organization results in the acceptance of authority, organizational policies and values. Studies have shown that long tenured employees have limited attraction to the job market. Moreover, they tend to expose greater internal work motivation, higher commitment, job involvement and job security (Rhoades & Eisenberger, 2002). Few studies have examined the effect of tenure on psychological contracts so far. However, the results are contradicting. Some studies argued that longer tenures placed greater emphasis on relational contracts (Rousseau & McLean Parks, 1993; Rousseau, 1998; Herriot, Manning, & Kidd, 1997), whereas Bellou (2007) showed the shorter the tenure, the less demanding were the employees.

Usually, senior managers are chosen for international assignments. The ongoing attachment to an organization might lead to a high identification with the values of the firm, which are less likely to be given up by the expatriate. High identification might also result from past events which the expatriate still bears in mind and feels grateful for. In a line with the theoretical background, it can be assumed that expatriates with a longer tenure are less likely to quit, even though they realize psychological contract breach respectively violation. Therefore, I propose that tenure moderates the relationship between psychological contract breach respectively violation and the turnover intentions of expatriates.

**Hypothesis 2a:** Perceived psychological contract breach is moderated by tenure of expatriates; a higher tenure decreases the impact of perceived psychological contract breach on turnover intention.

**Hypothesis 2b:** Perceived psychological contract violation is moderated by tenure of expatriates; a higher tenure decreases the impact of perceived psychological contract violation on turnover intention.

Psychological contract breach conceivable causes the exchange relationship to be seen as less balanced and therefore more unfair, as the employee is denied an outcome that he or she felt was merited. Moreover, psychological contract breach accompanies to a breakdown of faith in future benevolent treatment and therefore organizational commitment. The emphasis on organizational commitment on anticipated organizational treatment represents an additional mechanism to that of exchange fairness, as the breakdown of organizational commitment implies a lack of confidence that an equitable exchange will be re-established in the future (Clinton & Guest, 2014). Therefore, I expect that a decline in organizational commitment represent distinct mechanisms explaining why psychological contract breach increases turnover intentions of expatriates. Hence, I propose the following hypotheses:

**Hypothesis 3a:** Perceived psychological contract breach is mediated by commitment towards the home organization.

**Hypothesis 3b:** Perceived psychological contract violation is mediated by commitment towards the home organization.

Figure 1 presents my research model in its entirety.

*-Insert Figure 1 about here-*

## RESEARCH DESIGN AND METHODOLOGY

Sample

To test my hypotheses, I collected data from Germany, an accomplished context for the study of expatriation owing to its large number of MNCs sending employees abroad for international assignments. As there is no directory supplying an overview and contact data of expatriates currently on foreign assignment, I had to handpick the contact details. Therefore, I identified potential expatriates by collecting names and researching email addresses based on information

provided by the expatriates in online platforms. The online questionnaire was sent out to 2478 potential participants. After one reminder two weeks later, I received 349 usable datasets which equals a response rate of 14.08%. Tests for non-response bias and comparing early versus late responses did not reveal any problems with my dataset (Armstrong & Overton, 1977). In order to reduce potential common method bias, I followed several recommendations suggested by Podsakoff et al. (2003) and Chang et al. (2010). Ex-ante, I guaranteed all respondents complete anonymity. In addition, my survey was pre-tested in order to avoid misunderstandings. Ex-post, I applied factor analysis and examined the unrotated factor solutions in order to test for a potential common method bias in my survey approach by means of the commonly used Harman's single factor test (Podsakoff et al., 2003). Thus, common method bias is not regarded as a problem.

Measures

All measures were adopted from literature due to their proven status and participants were asked to answer questions regarding the following latent constructs on a 5-point Likert scale ranging from 1 (= totally disagree) to 5 (= totally agree).

*Perceived psychological contract breach*

The scale for perceived psychological contract breach was adopted and modified from Robinson and Morrison (2000). The originally five items were reduced to four items. The scale revealed a moderate level of reliability (alpha= .89).

*Perceived psychological contract violation*

Four items were used to measure perceived psychological contract violation (Robinson & Morrison, 2000). The scale had a moderately high reliability (alpha= .90).

*Turnover intention*

In order to obtain my dependent variable, turnover intention was measured using a 5-point-Likert scale in which respondents were asked to indicate the extent to which they agreed with four statements (Bozeman & Perrewé, 2001). The intrascale reliability of this measure reached a moderate level of .89.

*Commitment*

The scale for commitment was a scale of Gregersen (1992). The three items used to measure commitment had an acceptable level of reliability (alpha= .88).

*Control variables*

Finally, I controlled for a number of additional factors which have been utilized in previous studies on expatriates (Li & Rothstein, 2009; Shaffer & Harrison, 1998; Puck, Kittler & Wright, 2008; Takeuchi, Yun & Tesluk, 2002), as they depict personal characteristics and may also influence the expatriate's turnover intentions. Therefore, the respondents were asked to provide demographic data, such as gender and age and as well as other important factors that might impact an expatriate's turnover intention, like previous international assignments. Consequently, I controlled for sex, age, size of firm and number of previous international assignments (IA).

## RESULTS

Table 1 presents the means, standard deviations, Cronbach's Alphas, and the correlation coefficients of all variables. The descriptive results show that the average age of the expatriates in my sample is 39.12 years with an average number of 1.77 international assignments. 81.7% of the expatriates are male and reported an average tenure of 11.90 years and an average assignment

duration of 38.68 months. Therefore, the sample is comparable to other studies (Puck et al., 2008). Moreover the results indicate that firm size, psychological contract breach, psychological contract violation, tenure and commitment are correlated with the dependent variable.

*-Insert Table 1 about here-*

As shown in Table 1, the violation measure was significantly correlated with the measure of perceived psychological contract breach ($r = .67$, $p < .01$). Given the magnitude of this correlation, I conducted a factor analysis (principal component analysis with promax rotation) to test whether the two constructs could be considered empirically distinct. The results of this analysis appear in Table 2. At first sight the analysis does not provide clear discriminant validity.

*-Insert Table 2 about here-*

The eigenvalue of the second extracted factor (.93) is slightly below the threshold of 1. Thus, the Kaiser criterion is not met. Nonetheless, Floyd and Widaman (1995), among others, recommend not to rely solely on the Kaiser criterion, but to include other forms of analysis in order to decide on the number of extracted factors. Following their advice, I analyzed the scree plot and component diagram (see Figure 2 and 3), which clearly reveal a two-factor-solution, providing support for the study results of Robinson and Morrison (2000). All of the psychological contract breach items loaded onto the first factor, with loadings ranging from .80 to .92. All of the psychological contract violation items loaded separately onto the second factor, with loadings ranging from .84 to .92.

*-Insert Figure 2 about here-*

*-Insert Figure 3 about here-*

In order to gain further insights, I conducted linear regression analysis and tested the developed hypotheses. To check for the possibility of multicollinearity problems, I subsequently conducted collinearity diagnosis. The Variance Inflation Factor values were well below 2 and thus lower

than the advised threshold of 10. Therefore, I concluded that there was no serious multicollinearity effect.

The results of the regression models are presented in Table 2. The base model (control variables only) explains only a small share of the variance in expatriates' turnover intentions ($R^2$= .019, $p > .10$). The results show that sex, age and previous foreign assignments do not affect the expatriates' turnover intentions in a statistically significant way. Merely firm size has a significant and positive effect on turnover intentions ($\beta$= .323, $p < .10$). In model 1, I integrated the perceived breach and violation of the psychological contract as independent variables. The included variables make a significant contribution over and above the base model ($R^2$= .284, $p < .05$). The results indicate that perceived psychological contract breach ($\beta$= .179, $p < .01$) and perceived psychological contract violation ($\beta$= .355, $p < .01$) have a positive and significant effect on the turnover intentions among German expatriates. Moreover, the standardized beta values reveal a stronger effect of psychological contract violation ($\beta$= .372) than psychological contract breach ($\beta$= .187). Thus, hypothesis 1a and 1b are supported. Model 2 adds my hypothesized interaction terms - tenure of the expatriates - between psychological contract breach respectively violation and turnover intention. The integration of the interaction terms once again contributes to the explanation of the variance in a significant way ($R^2$= .319, $p < .05$). The results of model 2 reveal a negative and significant beta value for the interaction effect of tenure and perceived psychological contract breach ($\beta$= -.169, $p < .05$). In contrast, the interaction effect of tenure and perceived psychological contract violation shows a positive beta value, but no significant relationship ($\beta$= .018, $p > .05$). Hence, the results give support to hypotheses 2a (see figure 4), but hypothesis 2b has to be rejected. Model 3 adds my postulated mediation effect in terms of organizational commitment. Following the casual-steps-method by Baron and Kenny (1986), organizational commitment was entered in a second step after the controls and before the

third step, where the psychological contract measures were entered, to test for mediation. Organizational commitment was found to be a significant predictor for the intention to leave ($\beta$= -.375, $p < .01$). It was found that organizational commitment partially mediated the relationship between perceived psychological contract breach and turnover intention, as the beta coefficient of psychological contract breach dropped from .179 to .130 and the significance level dropped from $p < 0.01$ to $p < 0.05$. Regarding perceived psychological contract violation, the requirements for a mediation analysis are not given due to an insignificant relationship of perceived psychological contract violation and organizational commitment ($\beta$= -.093, $p > .05$). The results provide support for hypothesis 3a.

*-Insert Figure 4 about here-*

## DISCUSSION

This study investigates the effect of perceived psychological contract breach and violation on turnover intentions among German expatriates. My findings show that perceived psychological contract breach and violation have, as predicted, a positive and significant effect on their turnover intentions. Moreover, the analysis shows that perceived psychological contract violation leads to even stronger turnover intentions than perceived psychological contract breach. Thus, these results are in line with theoretical argumentations. As postulated by equity theory and social exchange theory, the perception of imbalance in the employer-employee relationship leads to negative outcomes. The divergent effects between breach and violation indicate that expatriates' psychological contract violation perception is more dramatically than psychological contract breach. Regarding the moderating effects of tenure, results are mixed. The findings confirm that longer tenure has a mitigating effect on the relationship between perceived psychological contract breach and turnover intention. Consequently, expatriates with a long tenure are less likely to quit, even though they perceive psychological contract breach. This finding might be explained by the

increased identification with values, systems and processes of the organization and minor tendencies for changes in the employment relationship. However, such a moderating effect cannot be found for psychological contract violation. A possible explanation might be the strength of the psychological contract violation effect, which cannot be reduced easily by tenure. Moreover, it is possible that a moderating effect will be visible over time. Regarding the mediating effect, the findings indicate organizational commitment being a mediator in the psychological contract breach-turnover intentions relationship. Thus, this result provides support for organizational commitment as a mechanism, which explains increased turnover intentions caused by turnover due to decreased faith in the employment relationship. On the contrary, such an effect could not be found in terms of psychological contract violation. The reasons for this contra intuitive finding might be rooted in the measurement of organizational commitment or in potential bias owed to self-reported data. Further analysis of longitudinal data might deepen our knowledge in future.

As with every study, this one has some limitations as well, which have to be borne in mind when interpreting the results. The presented results may be biased due to cross-sectional analysis. Moreover, the scale of turnover intentions is an indicator of willingness to leave the employer. Nonetheless, actual turnover cannot be concluded from the results, but it is probably the best approach at hand to deepening the knowledge of turnover among expatriates. Moreover, the generalization of this study results might be limited due to the nature of the German sample. However, having analyzed a German sample is an alternative approach to the majority of studies with US samples in expatriate research.

## CONCLUSION AND FUTURE RESEARCH

This study has several implications for the management of expatriate employees. First, based on my results, expatriates' desire to leave a firm can be mitigated by strengthening their perception that the promises made by the company have been fulfilled (Chi & Chen, 2007). Consequently, it is important to communicate the obligations of the company, the efforts made to fulfill them and the legitimacy of situations in which fulfilment is not possible (Morrison & Robinson, 1997). Second, this study contributes to the literature on the subject, demonstrating the role that organizational commitment has in facilitating the turnover intentions among German expatriates. It is important for firms to invest in adequate assignment recruitment actions that clearly transmit the objectives of the assignment, to develop training activities to increase the skills of the expatriates with regard to career development and to adopt fair and transparent remuneration policies. Besides retaining returning expatriates, the way the firm cares and treats their expatriates on assignment seems to be an important element to attract future expatriates (Cesário, Chambel & Guillén, 2014) which should be traced in further investigations.

This study showed that the perceptions regarding psychological contract breach and violation have a significant effect on the turnover intentions of expatriates. Thus, the organization should focus on developing an environment which does not easily lead to perceived psychological contract breach and violation. Moreover, the study showed that commitment takes a mediating role in the investigated relationship. Consequently, organizations should implement measures to keep up the commitment to the home organization in order to avoid voluntary turnover. However, my investigation reveals also the moderating effect of increased tenure weakens the intentions to quit, in spite of perceived psychological contract breach or violation. Hence, expatriates who have been for a longer time with the same organization are more hesitant to quit their recent job. Nonetheless, it is still questionable, if turnover intentions really lead to actual turnover.

A recent call for papers in *The International Journal of Human Resources Management* clearly underlines the relevance and need for further investigation on psychological contract of expatriates (O'Donohue et al., 2015). Since the first article of Guzzo et al. (1994) contributing to the psychological contract in reference to expatriate assignments, research attention in the expatriate psychological contract has only been sporadic. Thus, the extant literature does not form a coherent thematic body upon which scholars and practitioners can draw to advance their understanding of how the expatriate experience can be fully maximized for the participants of an expatriate assignment (O'Donohue et al., 2015). There are various avenues for future research. For instance, research should start to focus on psychological contracts for expatriates from developing countries, as they will gain more importance due to globalization and the rising power and market share of MNCs from emerging nations. In terms of methodological implications, future research should concentrate on the distinction between perceived psychological contract breach and violation (Morrison & Robinson, 1997). As shown, factor analysis reveals two distinct factors which should be followed in further theoretical and empirical investigations. Additional, more research is needed with regard to psychological contract as a mediator (Cesário et al., 2014). Regarding the turnover issue, more research is needed. Scholars need to start taking into account the differences in turnover behaviour across different nations. Future studies should also bear in mind the changing organizational structures and its consequences on turnover actions of expatriates. A number of MNCs does consist of several divisions and subsidiaries providing plenty of employment opportunities for returning expatriates. Thus, scholars should develop measures, if expatriates are really willing to leave the organization or if they refer to their department or division and are ready to continue their work for another division of the MNC, for instance. Furthermore, this might adjust the actual turnover rates significantly.

Lastly, like many other authors (e.g. Bal et al., 2008; Chi & Chen, 2007; Robinson & Morrison, 2000), I call for more longitudinal studies in this particular field of research. Those are of utter importance due to the underlying effect of time with regard to the psychological contract and actual turnover. Longitudinal studies might also deepen our knowledge with regard to the mixed results of organizational commitment as a mediator. Future studies should try to measure the commitment development before, during and after the international assignment. This recent study is part of a larger research project. Hence, a longitudinal method is being applied and therefore results should be analyzed and compared again after expatriates have returned home.

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# APPENDIX

## Tables

## Table 1: Descriptive statistics, reliability coefficients and correlations

| | N | Mean | Std. Dev. | α | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. | 9. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Control variables** | | | | | | | | | | | | | |
| 1. Sex[a] | 349 | 1.18 | .39 | | 1 | | | | | | | | |
| 2. Age | 349 | 39.12 | 7.43 | | -.238** | 1 | | | | | | | |
| 3. Size of firm | 349 | 3.94 | .32 | | -.164** | -.074 | 1 | | | | | | |
| 4. Number of IA | 349 | 1.77 | 1.02 | | -.072 | .356** | .043 | 1 | | | | | |
| **Independent variables** | | | | | | | | | | | | | |
| 5. PC breach | 349 | 2.50 | 1.16 | .89 | .078 | .005 | -.017 | -.029 | 1 | | | | |
| 6. PC violation | 349 | 1.87 | 1.13 | .90 | .012 | -.001 | -.042 | -.075 | .672** | 1 | | | |
| **Moderator variable** | | | | | | | | | | | | | |
| 7. Tenure | 349 | 11.90 | 7.45 | | -.150** | .656** | .072 | .311** | -.057 | -.023 | 1 | | |
| **Mediator variable** | | | | | | | | | | | | | |
| 8. Commitment | 349 | 3.88 | .92 | .88 | .011 | .031 | -.010 | -.005 | -.261** | -.229** | .075 | 1 | |
| **Dependent variable** | | | | | | | | | | | | | |
| 9. Turnover intention | 349 | 2.04 | 1.17 | .89 | .006 | -.087 | .110* | -.042 | .433** | .492** | -.147** | -.375** | 1 |

Note:
* p < .05.
** p < .01.
[a] Men = 1, Women = 2

## Table 2: Factor analysis of scale items assessing perceived breach and violation

| Item | Factor 1 | Factor 2 |
|---|---|---|
| Almost all the promises made by my employer during assignment have been kept so far (reversed) (PSY1) | *.90* | .64 |
| I feel that my employer has come through in fulfilling the promises made to me when I was assigned (reversed) (PSY2) | *.86* | .57 |
| I have not received everything promised to me in exchange for my contributions (PSY3) | *.80* | .51 |
| My employer has broken many of its promises to me even though I've upheld myside of the deal (PSY4) | *.92* | .66 |
| I feel a great deal of anger toward my organization (PSY5) | .57 | *.90* |
| I feel betrayed by my organization (PSY6) | .63 | *.92* |
| I feel that my organization has violated the contract between us (PSY7) | .55 | *.84* |
| I feel extremely frustrated by how I have been treated by my organization (PSY8) | .70 | *.86* |
| | | |
| Eigenvalues | 5.24 | .93 |
| Per cent variance explained | 65.55 | 11.63 |

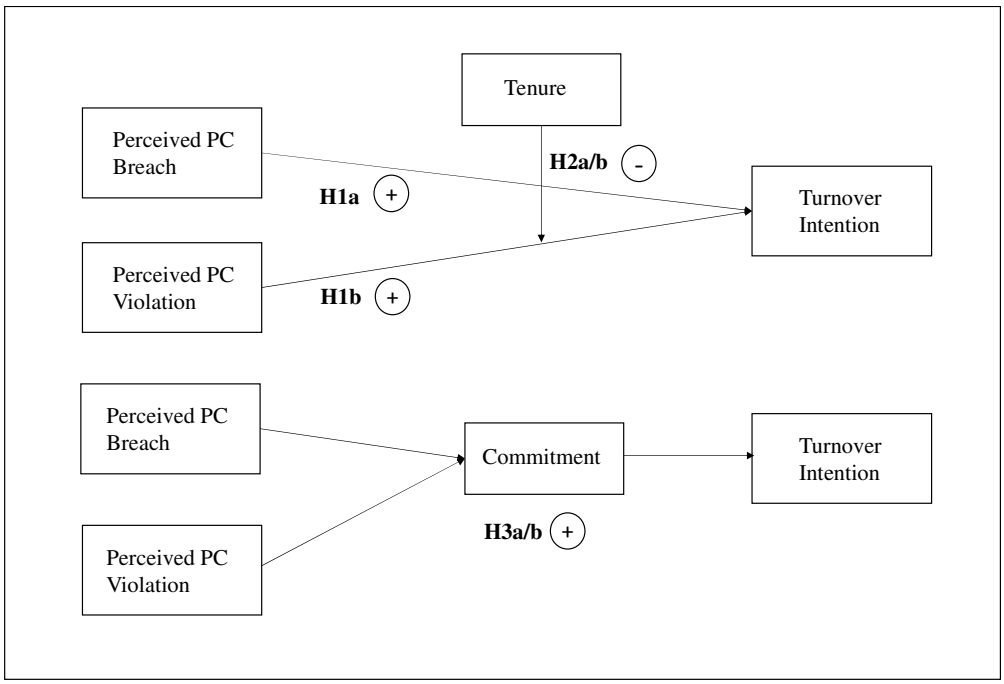
**Table 3: Regression results between expatriates' perceived psychological contract breach and violation and turnover intentions**

| | Base model | Model 1 | Model 2 | Model 3 |
|---|---|---|---|---|
| Intercept | -.901 | -.976 | -1.676* | -1.040 |
| **Control variables** | | | | |
| Sex | .013 | -.032 | -.042 | -.009 |
| Age | -.009 | -.011† | .001 | -.009 |
| Size of firm | .323† | .362* | .417** | .358** |
| Number of IA | -.020 | | .025 | .007 |
| **Independent variables** | | | | |
| PC breach | | .179** | .153** | .130* |
| PC violation | | .355** | .367** | .331** |
| **Moderator variable** | | | | |
| Tenure | | | -.158** | |
| **Interaction terms** | | | | |
| Tenure x PC breach | | | -.169* | |
| Tenure x PC violation | | | .018 | |
| **Mediator variable** | | | | |
| Commitment | | | | -.375** |
| **Adjusted $R^2$** | .007 | .272 | .301 | .331 |
| **Unadjusted $R^2$** | .019 | .284 | .319 | .345 |
| **$\Delta$ $R^2$** | .019 | .265 | .350 | .260 |
| **Model F Value** | 1.646 | 22.630** | 5.212** | 25.646** |
| **$\Delta$ F value** | 1.646 | 20.984** | 17.418** | 8.228** |

Note:
† $p < .10$.
* $p < .05$.
** $p < .01$.

## Figures

### Figure 1: Research model




### Figure 2: Scree test

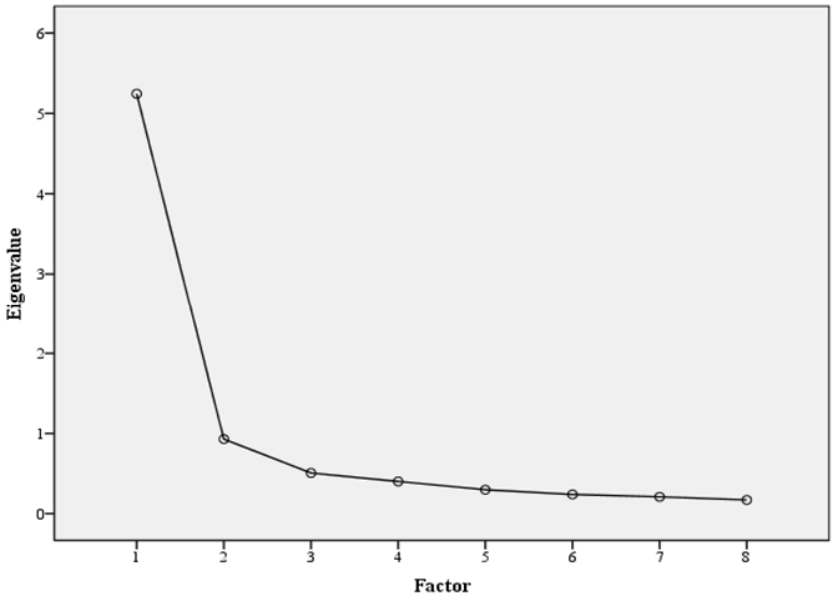
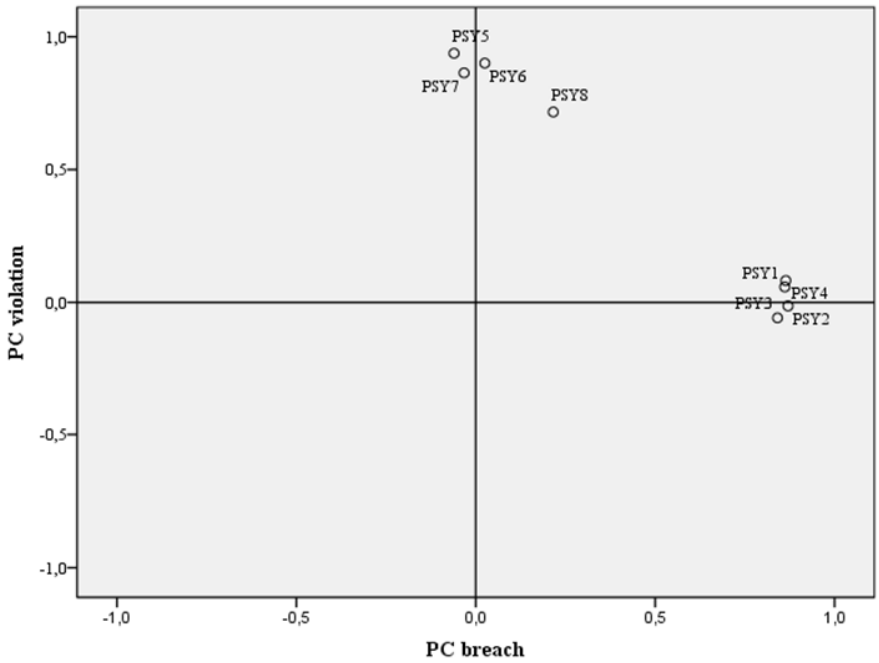


**Figure 3: Component diagram**



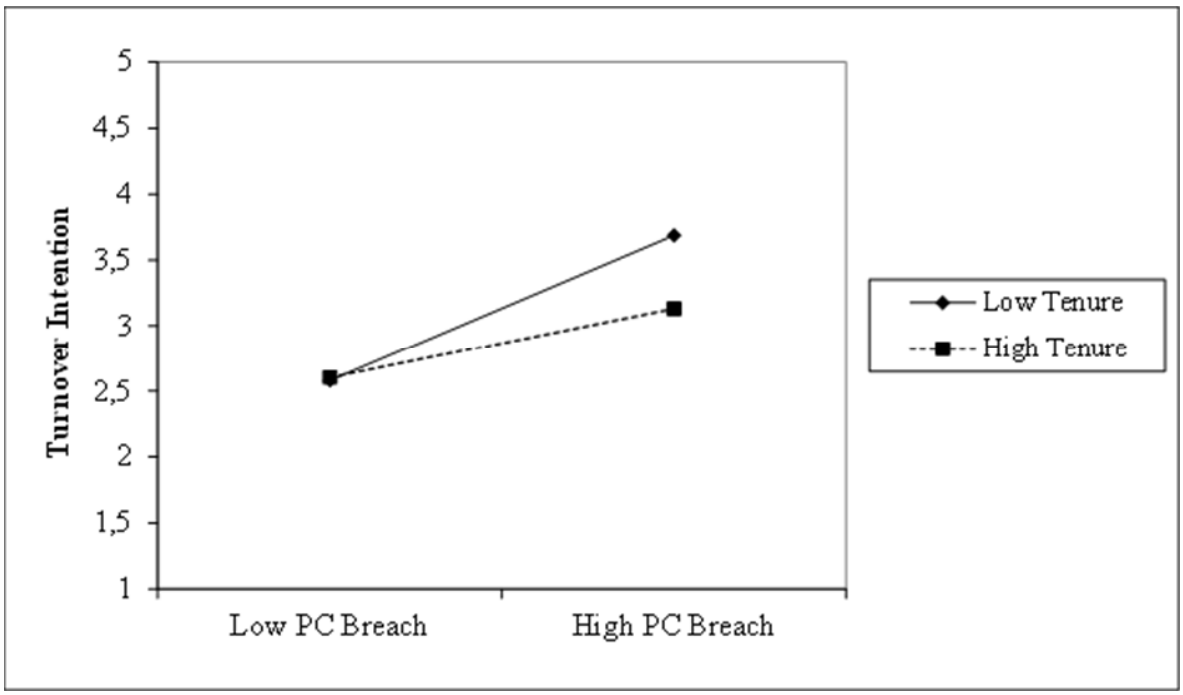


**Figure 4: Interaction effect of tenure on psychological contract breach-turnover intention relationship**