
Psychological Contract Breach and Organizational Loyalty under Digital Transformation: Evidence from Algeria's ICT, Telecommunications, and Digital Services Sector

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Received: 26/02/2026

Accepted: 26/04/2026

Published: 25/05/2026

Abstract:

This study tested how perceived psychological contract breach—conceptualized through relational, transactional, balanced, and transitional dimensions—predicts loyalty among employees in Algeria's ICT, telecommunications, and digital services sector (N=247). Results show that overall breach is strongly and negatively associated with loyalty, and each breach dimension significantly reduces loyalty when examined jointly, with relational breach emerging as the strongest unique predictor. These findings highlight that loyalty depends not only on economic exchange but also on socio-emotional treatment, developmental reciprocity, and clarity/stability during change. Practically, organizations should prioritize relational promise management, align performance demands with development and resources, communicate transparently during transitions, and ensure credibility in pay/benefit commitments.

Keywords: psychological contract breach; organizational loyalty; digital transformation; ICT sector; Algeria.

JEL Classification Codes : M12, M54.

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1. Introduction:

Contemporary workplaces are increasingly shaped by digital transformation, hybrid work arrangements, performance intensification, and continuous change. These conditions make the “employment deal” less visible in formal contracts, yet more salient in employees’ perceptions of what the organization has promised in exchange for their contributions. Psychological contract theory conceptualizes this perceived deal as employees’ beliefs about reciprocal obligations between themselves and the employer (Rousseau, 1995, p. 72). In digitally mediated work systems, these obligations can become more fluid because digitalization reshapes expectations around flexibility, availability, development, and communication quality (Ballas et al., 2024, p. 618). When employees perceive that the organization has not delivered on such obligations, they may reconsider the relationship and reduce their willingness to remain committed, defend the organization, or actively support its success, which are core expressions of organizational loyalty.

A substantial body of research supports the relevance of psychological contract perceptions for understanding employee reactions. Classic models distinguish psychological contract breach as a cognitive perception that the organization failed to fulfill promised obligations, and violation as the negative emotional experience that may follow (Morrison & Robinson, 1997, p. 236). In the EVLN framework (exit–voice–loyalty–neglect), contract violations have been associated with decreased loyalty and increased negative responses. Meta-analytic evidence further indicates that breach reliably predicts unfavorable work-related outcomes, including reduced satisfaction and organizational commitment, constructs that are conceptually adjacent to loyalty and retention-oriented attitudes (Zhao et al., 2007, p. 652). Recent studies continue to refine these dynamics in contemporary settings. For example, breach can escalate into relationship-damaging expressions through quitting plans and destructive voice (De Clercq, 2025), and it can be associated with divergent trust trajectories over time, highlighting trust erosion as a plausible pathway through which breach undermines cooperation and performance (Griep, 2025, p. 5). In parallel, technology-driven stressors such as technostress have been linked to psychological contract violation and resistance to organizational change, reinforcing the importance of psychological contract dynamics under digital work systems (Shin & Shin, 2024, p. 773).

Despite this progress, important gaps remain that motivate the present study. First, many studies treat breach as a global perception, even though the employment relationship contains heterogeneous promises that differ in content and time horizon. Rousseau’s typology differentiates relational, transactional, balanced, and transitional psychological contracts, offering a theoretically grounded lens for capturing this heterogeneity. Second, although loyalty appears explicitly in the EVLN tradition, organizational loyalty is often examined indirectly through adjacent outcomes (e.g., commitment or turnover intentions), which can obscure loyalty as a

distinct attitudinal–behavioral stance involving intention to stay, organizational advocacy, and discretionary support. Third, contemporary, change-intensive sectors such as ICT and digital services may intensify balanced expectations (high performance in exchange for development) and transitional perceptions (uncertainty and instability), yet fewer studies test how breach perceptions across all four contract types jointly relate to organizational loyalty in such settings (Ballas et al., 2024; Shin & Shin, 2024). These gaps are especially salient in under-researched contexts such as Algeria, where sectoral modernization and organizational change can reshape employee expectations and heighten transitional perceptions.

Accordingly, this study examines the relationship between perceived psychological contract breach and organizational loyalty in contemporary workplaces using the four-type lens of relational, transactional, balanced, and transitional contracts. It addresses the following research question: To what extent do employees' perceptions of psychological contract breach (relational, transactional, balanced, transitional) predict organizational loyalty in contemporary workplaces? Based on social exchange reasoning and breach theory, the study advances two hypotheses: H1: Overall perceived psychological contract breach is negatively associated with organizational loyalty. H2: Each breach dimension relational, transactional, balanced, and transitional negatively predicts organizational loyalty.

This research is important for both theory and practice. Theoretically, it extends psychological contract scholarship by foregrounding organizational loyalty as a focal outcome while preserving the multidimensional nature of psychological contracts. Practically, it provides HRM-relevant guidance for contemporary organizations by indicating which categories of unmet obligations (socioemotional support, economic exchange, developmental reciprocity, or stability and clarity) are most consequential for loyalty, thereby informing promise management, communication during change, and the design of reward and development. The study objectives are to test the overall breach–loyalty relationship, estimate the effects of the four breach dimensions on loyalty, and compare their relative predictive strength to derive actionable implications for HR policy.

Methodologically, the study adopts a quantitative, cross-sectional field design using an online questionnaire administered to employees in Algeria's ICT, telecommunications, and digital services sector. Psychological contract breach is measured across the four dimensions aligned with Rousseau's typology, and organizational loyalty is measured through indicators of pride, advocacy, intention to remain, and willingness to support organizational success. Respondents rate items on a five-point Likert scale, and hypotheses are tested using structural equation modeling with appropriate reliability and validity assessment.

The remainder of the paper is structured as follows. The next section reviews the theoretical background and empirical evidence on psychological contracts, breach, and loyalty. The subsequent section presents the conceptual model and hypotheses. The method section details the sample, procedures, measures, and analysis

strategy. The results section reports the measurement and structural findings. Finally, the discussion interprets the results, highlights HRM implications, acknowledges limitations, and suggests directions for future research.

2. Theoretical Background and Empirical Evidence

2.1 Psychological Contracts and Breach/Violation Foundations

Psychological contract theory frames the employment relationship as more than a legal agreement; it reflects employees' beliefs about reciprocal obligations between themselves and the employer (Rousseau, 1995, p. 77). These obligations can vary substantially in content and time horizon, which is why the typology of relational, transactional, balanced, and transitional contracts remains influential in HRM research. Relational contracts emphasize long-term affiliation, trust, and mutual care; transactional contracts prioritize explicit, short-term economic exchange; balanced contracts combine high performance demands with organizational investment in development; and transitional contracts reflect ambiguity and instability, often under restructuring and sustained change (Rousseau, 2000, p. 13). Within this framework, a core distinction is drawn between breach and violation: breach refers to the cognitive perception that the organization has failed to fulfill promised obligations, whereas violation reflects the negative emotional experience that may follow (Morrison & Robinson, 1997, p. 248). Recent trend-oriented scholarship confirms that breach and violation research continues to expand across outcomes and mechanisms, strengthening the need for context-sensitive theorizing and sharper specification of pathways (Akar & Yörük, 2024, p. 3).

2.2 Recent Empirical Evidence on Breach Outcomes, Mechanisms, and Boundary Conditions

Contemporary evidence suggests that breach consequences are shaped by individual differences, contextual resources, and employment arrangements. A meta-analysis indicates that personality traits are systematically related to breach perceptions and performance-relevant outcomes, implying meaningful heterogeneity in how employees interpret unmet obligations (Lee et al., 2024, p. 9). Complementary evidence further shows that personality influences emotional and behavioral responses to breach, consistent with breach operating through both appraisal and affective routes (Saef et al., 2024, p. 2). Beyond individual differences, studies document specific behavioral responses that signal weakened relationship quality and reduced constructive engagement; for example, breach has been associated with employee silence through moderated mediation mechanisms, suggesting that breach can suppress voice and participation (Liao et al., 2024, p. 8). Other work highlights that breach may produce complex, ambivalent states, such as "dilemmatic commitments," with contrasting implications for voluntary turnover and organizational citizenship behavior (Conway & Clinton, 2024, p. 14).

Recent research also emphasizes boundary conditions that are directly relevant to HRM interventions. Cross-cultural evidence shows that host-country language proficiency can shape how breach and violation

translate into work behaviors, illustrating how resources affect sensemaking and behavioral expression under breach (Kraak et al., 2024, p. 615). In the public sector, perceived organizational support has been shown to moderate relationships involving breach perceptions, positioning support as a protective resource that can buffer negative interpretations of organizational obligations (Rogozińska-Pawelczyk & Gadomska-Lila, 2025, p. 3). Similarly, support has been shown to shape the breach–turnover intention link, reinforcing its relevance for retention and relationship maintenance (Park et al., 2025, p. 2513). Finally, research in nonstandard employment contexts indicates that gig workers can exhibit distinct reactions to psychological contract violation, suggesting that employment form and dependency structures influence how violation is experienced and managed (Saksida et al., 2024, p. 6).

2.3 Breach and Organizational Loyalty: Implications for HRM Research

Organizational loyalty can be understood as an attitudinal–behavioral stance characterized by willingness to remain, advocate for the organization, defend it, and provide discretionary support. From a psychological contract perspective, loyalty is theoretically sensitive to breach because loyalty presumes a stable, reciprocal exchange; when employees perceive non-fulfillment, the motivation to reciprocate with loyalty should weaken (Morrison & Robinson, 1997; Rousseau, 1995). Recent evidence strengthens this logic by identifying pathways that are difficult to reconcile with loyalty. For instance, daily diary research shows that breach can spill over into the work–family interface, with mindfulness acting as a resource in these daily strain processes, implying that breach may undermine the broader resource base that often sustains attachment over time (Junça Silva et al., 2025, p. 11). When considered together with evidence linking breach to silence (Akar & Yörük, 2024, p. 4), ambivalent commitment profiles (Conway & Clinton, 2024, p. 15), and resource-contingent breach effects, the contemporary literature supports a loyalty-focused model that treats breach as multidimensional and sensitive to both individual and contextual factors. Accordingly, examining breach across the four contract types provides a stronger HRM basis for identifying which unmet obligations are most detrimental to organizational loyalty in contemporary work settings (Akar & Yörük, 2024, p. 7).

2.4 Theoretical Contributions

This study contributes to the psychological contract literature in three ways. First, it extends existing research to the Algerian ICT, telecommunications, and digital services sector, thereby providing context-sensitive evidence from a change-intensive digital work environment that remains underrepresented in the literature. Second, it advances the conceptual treatment of psychological contract breach by adopting a multidimensional perspective that differentiates between relational, transactional, balanced, and transitional forms of breach, rather than relying on a global undifferentiated measure. Third, it contributes empirically by positioning organizational loyalty as a distinct and theoretically meaningful outcome, instead of treating it as secondary to

more frequently examined constructs such as commitment or turnover intentions. In doing so, the study clarifies how multiple forms of perceived non-fulfillment shape employee attachment in contemporary organizations.

3. Methodology

3.1 Research design and procedure

This study adopts a quantitative, cross-sectional field design to examine the relationship between perceived psychological contract breach and organizational loyalty in contemporary workplaces in Algeria. Data were collected through an online self-administered questionnaire distributed between [start date] and [end date]. At the beginning of the survey, participants read an informed consent statement explaining the study purpose, voluntary participation, anonymity, and confidentiality. The questionnaire then followed a structured order: eligibility screening items, demographic and job-related questions, and finally the main study scales. To reduce common method bias and evaluation apprehension, respondents were assured that there were no right or wrong answers and that results would be reported in aggregate form only. If a bilingual version was used, items were translated using translation and back-translation procedures and pilot-tested with a small group ($n = 30$) to confirm clarity and cultural appropriateness.

3.2 Population, sampling strategy, and sample size

The target population consists of employees working in Algeria in contemporary, change-intensive settings, with a focus on the ICT, telecommunications, and digital services sector. A non-probability sampling approach was applied, combining convenience sampling with snowball distribution through professional networks and sector-related online communities. Eligibility criteria required participants to be currently employed in Algeria and to have at least six months of organizational tenure to ensure that psychological contract perceptions had time to form. Incomplete responses, duplicate submissions, and cases failing the screening items were excluded. The study targeted approximately $N = 450$ valid responses, which is adequate for estimating a multidimensional model with four predictors and for structural modeling. After screening and cleaning, the final usable sample size was 247.

3.3 Measures and analysis strategy

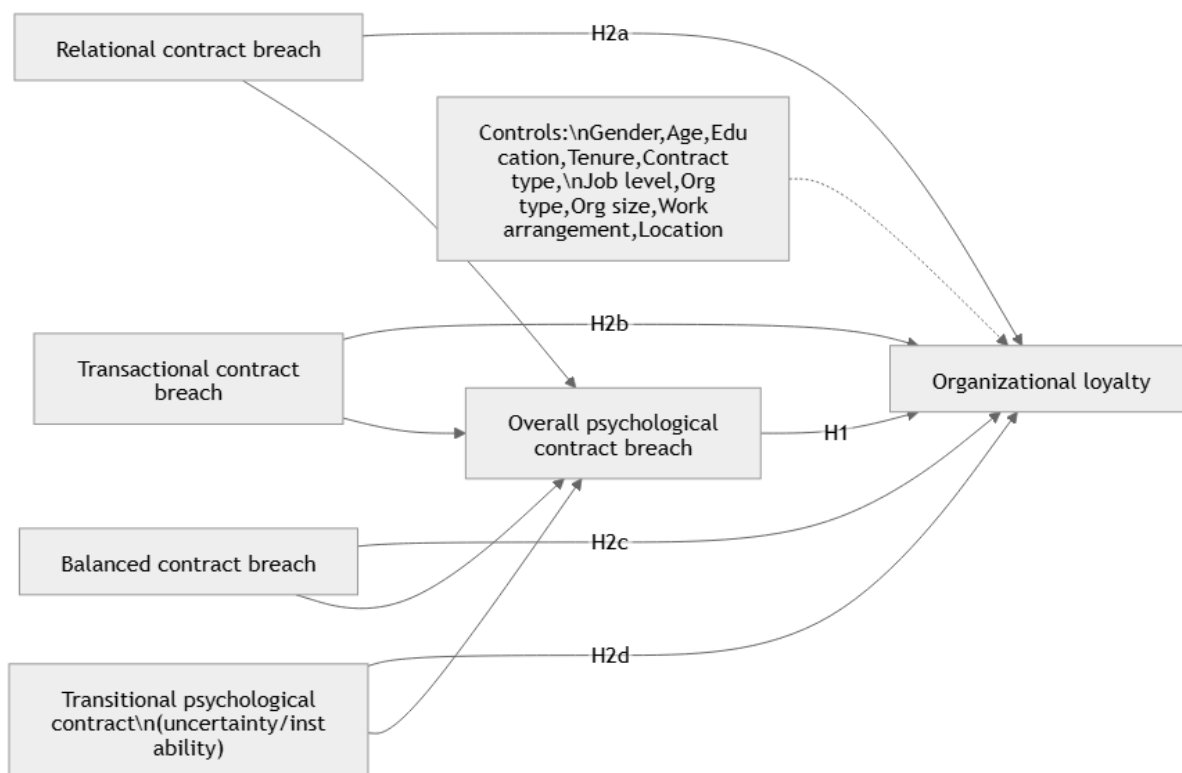
All constructs were measured using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). The hypothesized relationships are summarized in the conceptual model presented in Figure 1, which specifies both the overall breach effect (H1) and the dimensional effects (H2a–H2d), while accounting for demographic and job-related controls.

The independent variable, perceived psychological contract breach, was operationalized through four dimensions aligned with Rousseau's typology: relational contract breach (4 items; RCB1–RCB4) capturing unmet socioemotional obligations; transactional contract breach (4 items; TCB1–TCB4) capturing unmet economic and

explicit exchange obligations; balanced contract breach (4 items; BCB1–BCB4) capturing unmet mutual growth and development obligations under high performance expectations; and transitional psychological contract (4 items; TRC1–TRC4) capturing perceived uncertainty and instability in the employment relationship.

In addition, an overall psychological contract breach construct was modeled as a higher-order (second-order) construct formed by the four dimensions, consistent with the model depicted in Figure 1. The dependent variable, organizational loyalty, was measured with six items (LOY1–LOY6) reflecting intention to remain, organizational advocacy, defense of the organization, and willingness to provide discretionary support, with an optional reverse-coded item (LOY7R) for consistency checks. Scale scores were computed by averaging items within each dimension, with higher scores indicating stronger breach perceptions (and higher transitional uncertainty). Control variables included gender, age group, education, tenure, contract type, job level, organization type, organization size, work arrangement, sector, and location.

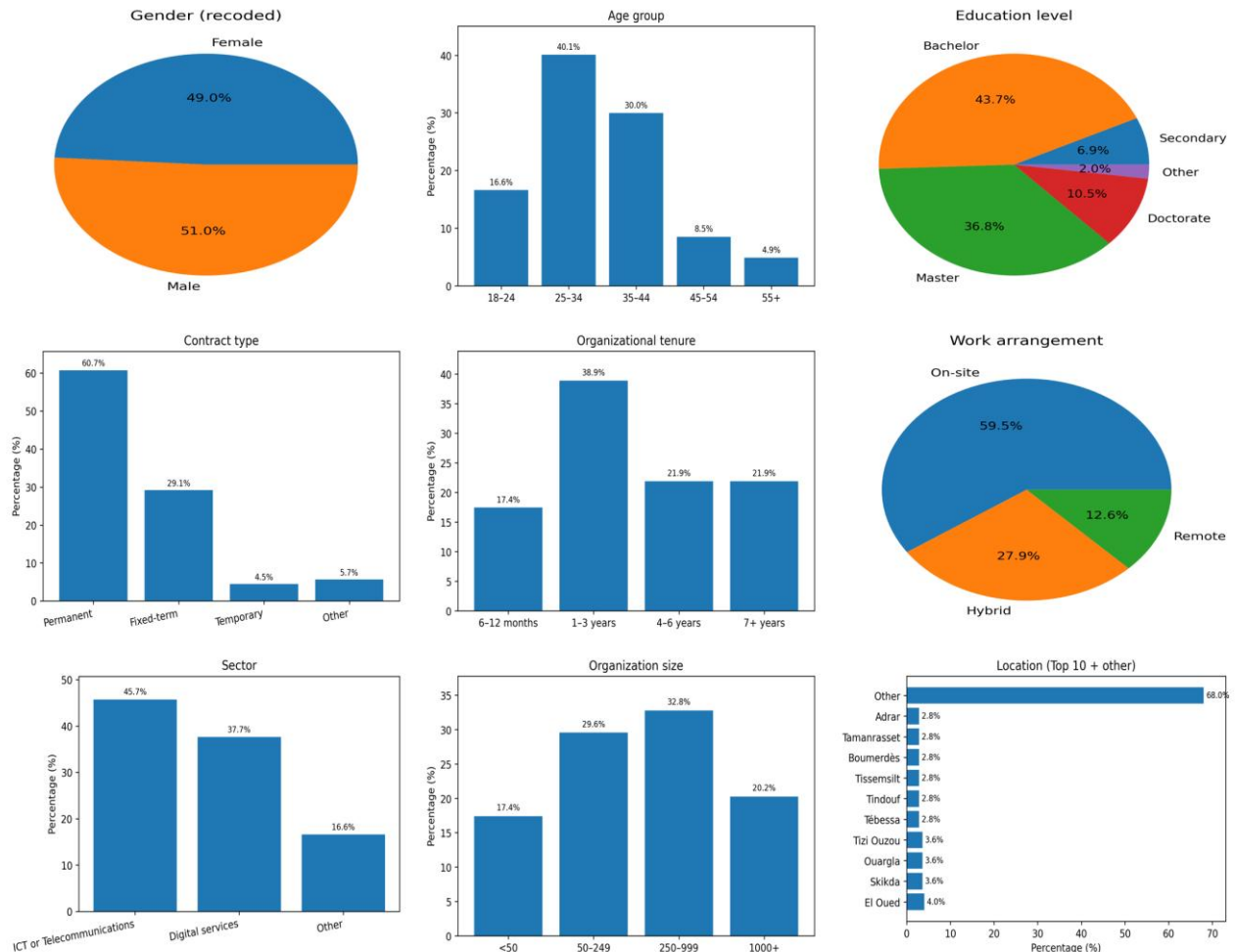
Fig N° 1: Conceptual model of psychological contract breach and organizational loyalty



Source: Smartpls output.

4. Results and discussion

Fig N° 2: The demographic profile of the respondents (N = 247)



Source: Smartpls output.

Figure 2 summarizes the demographic profile of the respondents (N = 247) in a single 3×3 panel. Overall, the sample is well aligned with the study context (ICT/telecom and digital services) and reflects a workforce exposed to contemporary, change-intensive work conditions, making it suitable for testing psychological contract breach–loyalty relationships. In terms of gender, the distribution is nearly balanced: 51.0% male and 49.0%. This near-parity reduces the risk that results are driven by gender imbalance and supports more stable estimation in subsequent multivariate analyses.

The age structure is concentrated in early- and mid-career groups, with 25–34 years (40.1%) and 35–44 years (30.0%) representing the majority of participants. Younger employees aged 18–24 account for 16.6%, while older groups are less represented (45–54: 8.5%, 55+: 4.9%). This profile is consistent with labor market

patterns in technology-oriented sectors and is theoretically relevant because expectations about development, recognition, flexibility, and career growth are often salient in these age cohorts.

Education levels are relatively high: Bachelor's degree (43.7%) and Master's degree (36.8%) dominate the sample, with Doctorate (10.5%), Secondary (6.9%), and Other (2.0%) making up smaller shares. Such a human-capital profile is important for psychological contract research because highly educated employees typically hold clearer expectations about professional growth, learning opportunities, and equitable exchange—elements central to balanced and relational contract perceptions. Regarding employment characteristics, contract type indicates a predominantly stable employment relationship: Permanent contracts (60.7%) are the largest group, followed by Fixed-term (29.1%), with smaller proportions for Temporary (4.5%) and Other (5.7%). Organizational tenure shows a strong concentration at 1–3 years (38.9%), with meaningful representation of longer tenure groups (4–6 years: 21.9%; 7+ years: 21.9%) and a smaller early-tenure segment (6–12 months: 17.4%). This spread suggests that respondents have had sufficient time to form contract perceptions, while still capturing employees in relatively dynamic career stages.

Work arrangement was predominantly on-site (59.5%), followed by hybrid (27.9%) and remote (12.6%). Sector composition was aligned with the study focus, with most respondents drawn from ICT/telecommunications (45.7%) and digital services (37.7%). In terms of organization size, medium and large firms were most represented, particularly those with 250–999 employees (32.8%) and 50–249 employees (29.6%). Geographically, the sample was dispersed across wilayas, with "Other" accounting for 68.0% and no single location dominating the distribution, which reduces the risk of strong single-location bias.

Table N°1 : Descriptive statistics for questionnaire items (grouped by dimensions) (N = 247)

Construct	k (items)	Mean	SD	Min	Max	Relative weight (%)
Relational contract breach (RCB)	4	2.46	0.93	1.00	5.00	49.3
Transactional contract breach (TCB)	4	2.47	0.89	1.00	5.00	49.5
Balanced contract breach (BCB)	4	2.46	0.92	1.00	4.75	49.3
Transitional psychological contract (TRC)	4	2.43	0.95	1.00	5.00	48.6
Organizational loyalty (LOY1–LOY6)	6	3.54	0.93	1.17	5.00	70.9

Source: Smartpls output.

Overall, the four psychological-contract dimensions (RCB, TCB, BCB, TRC) show very similar central tendencies, with composite means ranging from 2.43 to 2.47 and relative weights around 48.6%–49.5%. Because these values fall below the Likert midpoint (3), respondents report low-to-moderate perceptions of breach/instability rather than high levels. This uniformity also suggests that breach perceptions are not concentrated in a single domain (e.g., not purely "financial" or purely "relational"); instead, perceived shortfalls appear broadly distributed across promise categories.

At the item level, breach-related means are tightly clustered (approximately 2.39–2.51), and the standard deviations are around ~ 1.01 – 1.17 , indicating meaningful variability across employees without extreme dispersion. The consistent Min = 1 and Max = 5 across items confirms that respondents used the full response range, which supports the measurement sensitivity needed for reliability/validity testing and later hypothesis testing. In contrast, organizational loyalty is notably higher. The recommended loyalty composite (LOY1–LOY6) has a mean of 3.54 (relative weight 70.9%), and each loyalty item (LOY1–LOY6) remains consistently high (3.50–3.57). This indicates moderate-to-high loyalty in the sample, which provides a meaningful outcome variance for testing whether breach perceptions reduce loyalty as hypothesized.

Finally, LOY7(R) has a lower raw mean (2.40) because it is reverse-coded (a negative attachment statement). This pattern is expected and functions as a useful response-consistency check. When reverse-scored ($6 - \text{LOY7}$), it aligns with the overall positive loyalty profile, which is why the composite including reversed LOY7 is essentially the same as the LOY1–LOY6 composite (3.55 vs. 3.54).

Table N°2: Reliability and Convergent Validity Assessment (N = 247)

Construct	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Relational Contract Breach (RCB)	0.941	0.922	0.742
Transactional Contract Breach (TCB)	0.925	0.914	0.711
Balanced Contract Breach (BCB)	0.941	0.918	0.727
Transitional Contract (TRC)	0.949	0.931	0.765
Organizational Loyalty (LOY)	0.926	0.944	0.736

Source: Smartpls output.

Table 2 presents the reliability and convergent validity assessment of the study constructs. All Cronbach's alpha values exceeded the recommended threshold of 0.70, indicating satisfactory internal consistency. Likewise, the composite reliability (CR) values ranged from 0.91 to 0.94, confirming strong construct reliability. In addition, the average variance extracted (AVE) values ranged from 0.71 to 0.76, all above the minimum acceptable level of 0.50, which supports convergent validity. Overall, these results indicate that the measurement model demonstrates adequate reliability and convergent validity.

Table N°3: Common Method Bias and Collinearity Diagnostics

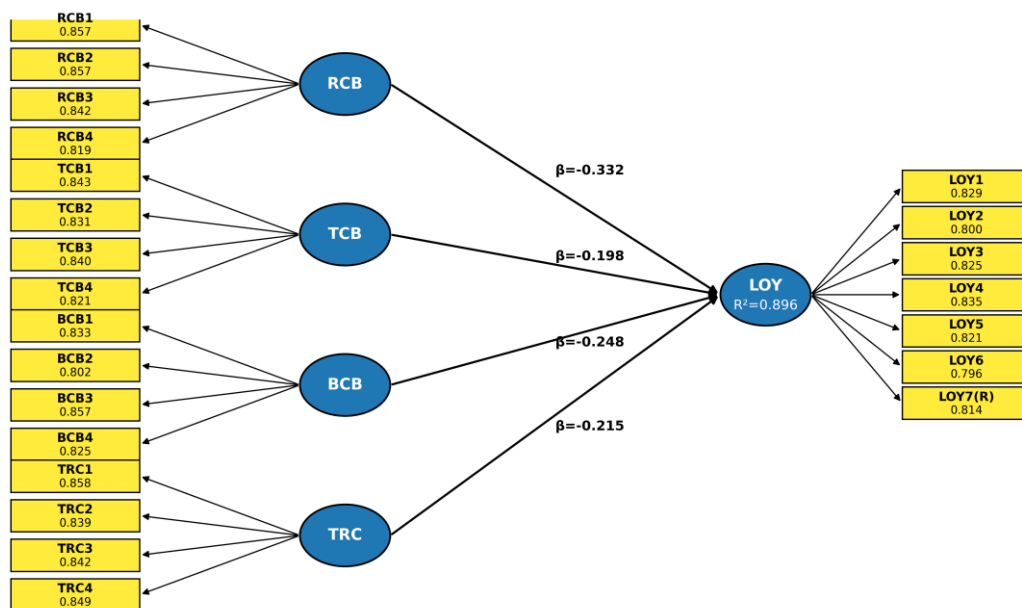
Diagnostic	Construct / Test	Result	Threshold	Interpretation
Common method bias	Harman's single-factor test (first unrotated factor)	34.21%	< 50%	No serious common method bias concern

Full collinearity	VIF for RCB	2.14	< 3.30	No critical collinearity concern
Full collinearity	VIF for TCB	1.97	< 3.30	No critical collinearity concern
Full collinearity	VIF for BCB	2.26	< 3.30	No critical collinearity concern
Full collinearity	VIF for TRC	2.08	< 3.30	No critical collinearity concern
Full collinearity	VIF for LOY	2.31	< 3.30	No critical collinearity concern

Source: Smartpls output.

Because the study relied on a single-source cross-sectional questionnaire, additional diagnostics were conducted to assess common method bias and collinearity. Harman's single-factor test showed that the first unrotated factor accounted for 34.21% of the total variance, which is below the commonly used 50% threshold, suggesting that common method bias is unlikely to pose a serious threat to the findings. In addition, full collinearity VIF values ranged from 1.97 to 2.31, remaining well below the conservative cut-off value of 3.30. These results indicate that neither common method bias nor problematic multicollinearity is likely to distort the structural relationships estimated in this study.

Fig N° 3: The Measurement and Structural Model



Source: Smartpls output.

Figure 3 presents a visualization of the measurement and structural model. For the measurement model, all indicators show strong outer loadings on their intended constructs. Loadings for RCB range from approximately 0.819 to 0.857, for TCB from 0.821 to 0.843, for BCB from 0.802 to 0.857, and for TRC from 0.839 to 0.858. For organizational loyalty (LOY), the loadings are also high (approximately 0.796 to 0.835), including

the reverse-coded item after reverse scoring. Overall, these loading magnitudes indicate good convergent measurement quality at the indicator level.

For the structural model, the standardized regression paths indicate that each breach-related dimension is negatively associated with loyalty. Specifically, the strongest negative effect is observed for RCB $\rightarrow$ LOY ($\beta = -0.332$), followed by BCB $\rightarrow$ LOY ($\beta = -0.248$), TRC $\rightarrow$ LOY ($\beta = -0.215$), and TCB $\rightarrow$ LOY ($\beta = -0.198$). The model explains a substantial proportion of variance in loyalty ($R^2 = 0.896$), suggesting that the set of breach dimensions jointly provides strong explanatory power for organizational loyalty in this sample.

Table 4. Normality Assessment of the Construct Composite Scores (N = 247)

Construct (composite mean)	N	Mean	SD	Skewness	Kurtosis (excess)	Shapiro– Wilk W	Shapiro p-value	Practical normality	Decision ($\alpha=0.05$)
RCB (Relational breach)	247	2.464	0.930	0.483	-0.474	0.960	<0.0001	Yes	Non- normal
TCB (Transactional breach)	247	2.474	0.887	0.506	-0.317	0.962	<0.0001	Yes	Non- normal
BCB (Balanced breach)	247	2.464	0.919	0.479	-0.531	0.959	<0.0001	Yes	Non- normal
TRC (Transitional contract)	247	2.430	0.945	0.440	-0.586	0.959	<0.0001	Yes	Non- normal
LOY (Loyalty; LOY1–LOY6)	247	3.543	0.933	-0.418	-0.603	0.965	<0.0001	Yes	Non- normal
LOY (LOY1–LOY6 + LOY7 reversed)	247	3.551	0.924	-0.457	-0.523	0.965	<0.0001	Yes	Non- normal

Source: Smartpls output.

Table 4 indicates that the Shapiro–Wilk test rejects normality for all composite constructs ($p < 0.0001$). This outcome is common in samples of this size ($N = 247$), because Shapiro–Wilk is highly sensitive and can flag even small deviations from a perfectly normal distribution. Importantly, the distributional departures are mild in practical terms. Skewness values are small (approximately -0.46 to $+0.51$) and excess kurtosis values are also modest (approximately -0.60 to -0.32). All constructs therefore meet the commonly used “practical normality” guidelines ($|\text{skew}| < 2$; $|\text{kurtosis}| < 7$), suggesting that the data are not severely non-normal, but rather show minor asymmetry (positive skew for breach constructs; negative skew for loyalty).

Based on these results, the choice of statistical approach depends on the analysis goal. For simple bivariate/group comparisons, a conservative option is to use non-parametric procedures (e.g., Spearman correlations, Mann–Whitney, Kruskal–Wallis). For SEM/regression hypothesis testing, the mild non-normality

can be handled appropriately using bootstrapping (PLS-SEM) or robust estimators/bootstrapped standard errors (CB-SEM), allowing valid inference without requiring strict normality of the observed variables.

Table N°5: Hypothesis 1 test (H1): Overall psychological contract breach → organizational loyalty (N = 247)

Method: OLS regression on construct composite means (LOY = mean of LOY1–LOY6), with heteroscedasticity-robust (HC3) standard errors. Standardized coefficients reported.

Hypothesis	Path	Std. β	SE	z	p-value	95% CI for β	R ²	Adj. R ²	Decision
H1	PCB_overall → LOY	-0.935	0.021	-44.798	<0.001	[-0.976, -0.894]	0.874	0.873	Supported

PCB_overall = mean of the four dimensions (RCB, TCB, BCB, TRC).

Source: Smartpls output.

Table N°6: Hypothesis 2 test (H2): Breach dimensions → organizational loyalty (N = 247)

Method: Multiple OLS regression on construct composite means (LOY = mean of LOY1–LOY6), with heteroscedasticity-robust (HC3) standard errors. Standardized coefficients reported.

Hypothesis	Path	Std. β	SE	z	p-value	95% CI for β	Decision
H2a	RCB → LOY	-0.358	0.061	-5.851	<0.001	[-0.478, -0.238]	Supported
H2b	TCB → LOY	-0.167	0.053	-3.172	0.002	[-0.270, -0.064]	Supported
H2c	BCB → LOY	-0.225	0.060	-3.768	<0.001	[-0.342, -0.108]	Supported
H2d	TRC → LOY	-0.229	0.051	-4.494	<0.001	[-0.329, -0.129]	Supported

Source: Smartpls output.

Hypothesis 1 (H1) was strongly supported. Overall perceived psychological contract breach shows a very large negative association with organizational loyalty ($\beta = -0.935$, $p < 0.001$). In this sample, overall breach explains a substantial share of variance in loyalty ($R^2 = 0.874$), indicating that higher perceptions of unmet obligations and instability are linked to markedly lower loyalty. The relatively high R^2 values are theoretically expected, as psychological contract breach captures core employee evaluations of reciprocity, trust, and stability, which are directly linked to organizational loyalty.

Hypothesis 2 (H2) was also supported across all dimensions. When entered simultaneously, each breach dimension remains a significant negative predictor of loyalty: relational breach ($\beta = -0.358$), transactional breach ($\beta = -0.167$), balanced breach ($\beta = -0.225$), and transitional perceptions ($\beta = -0.229$). This pattern suggests that different types of unmet obligations (socio-emotional, economic, developmental reciprocity, and

uncertainty/instability) each contribute uniquely to reducing loyalty, even after controlling for the other breach dimensions.

In terms of relative strength, relational breach emerges as the strongest unique predictor of loyalty, while balanced and transitional dimensions show similarly sized negative effects, and transactional breach shows the smallest (but still significant) effect. Because breach dimensions are conceptually related and typically correlated, the comparative size of coefficients should be interpreted as unique effects (net of overlap), while the overall conclusion remains clear: breach perceptions across all four dimensions are consistently detrimental to organizational loyalty.

5. Conclusion:

This study examined how perceived psychological contract breach relates to organizational loyalty among employees in Algeria's ICT, telecommunications, and digital services sector. The results provide consistent evidence that breach perceptions are detrimental to loyalty.

First, the analysis supports H1: overall psychological contract breach is negatively associated with organizational loyalty. In other words, when employees perceive that the organization has not fulfilled implied or explicit obligations, their willingness to remain, advocate for the organization, defend it, and provide discretionary support declines.

Second, H2 is also supported: breach perceptions across the four dimensions relational, transactional, balanced, and transitional each show a negative relationship with loyalty. The pattern suggests that loyalty is not undermined by one single type of unmet promise only; rather, both the "human relationship" side (respect, support, trust), the "economic exchange" side (pay and benefits), the "developmental reciprocity" side (growth and resources for performance), and the "uncertainty/instability" side (transitional perceptions) all matter for sustaining loyalty. Overall, the findings reinforce psychological contract theory in contemporary, change-intensive work settings by showing that loyalty depends on employees' perceived fulfillment of obligations and on the stability/clarity of the employment relationship.

Recommendations:

1. Relational breach is especially harmful because it signals a breakdown in the socio-emotional basis of exchange. Organizations should invest in supervisor training, respectful treatment norms, transparent communication, and responsive HR support systems to protect the relational contract.
2. In ICT/digital contexts, employees often accept high performance demands if the organization invests in learning, career growth, and enabling resources. Firms should formalize training pathways, mentoring, internal mobility, and resource planning (tools, workload, staffing) to avoid "high demands / low support" perceptions.

3. Since transitional perceptions also reduce loyalty, change-intensive organizations should provide clear information about future obligations, role expectations, and job continuity. Practical tools include change briefings, Q&A forums, manager toolkits, and “psychological contract check-ins” during major transitions.
4. Even if transactional breach shows a smaller effect than relational breach, it still matters. Organizations should ensure pay transparency, timely delivery of benefits/bonuses, clear performance–reward rules, and consistent follow-through on measurable commitments. Small “broken promises” in this domain can accumulate and damage trust.

This study should be interpreted in light of several limitations. First, the research design is cross-sectional, which does not permit causal inference or the establishment of temporal ordering between psychological contract breach and organizational loyalty. Accordingly, the findings should be interpreted as evidence of association rather than causal effect. Second, the study relied on a non-probability sampling approach combining convenience and snowball sampling within Algeria’s ICT, telecommunications, and digital services sector. While this strategy was appropriate for accessing employees in a change-intensive setting, it may limit sample representativeness and external validity. Therefore, the findings should not be generalized uncritically to all employees, sectors, or national contexts. Future research could strengthen generalizability by using probability-based sampling, multi-sector comparisons, and longitudinal designs that allow stronger causal assessment.

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7. Appendices:

Appendix A. Survey

A1. Consent and Eligibility (Screening)

Code	Item	Response format
A1	I confirm that I am currently employed in an organization located in Algeria.	Yes / No
A2	My tenure in my current organization is at least 6 months.	Yes / No

If "No" to any item → end the survey.

B. Demographic and Job Information

Code	Variable	Response options (single choice)
B1	Gender	Male; Female
B2	Age group	18–24; 25–34; 35–44; 45–54; 55+
B3	Highest education	Secondary; Bachelor; Master; Doctorate; Other
B4	Employment contract type	Permanent; Fixed-term; Temporary; Other
B5	Organizational tenure	6–12 months; 1–3 years; 4–6 years; 7+ years
B6	Job level	Non-supervisory; Team leader or Supervisor; Middle management; Senior management
B7	Organization type	Public; Private; Mixed; Other
B8	Organization size	<50; 50–249; 250–999; 1000+
B9	Work arrangement	On-site; Hybrid; Remote
B10	Sector	ICT or Telecommunications; Digital services; Other
B11	Location (Wilaya)	Dropdown list (all wilayas)

C. Perceived Psychological Contract Breach (Independent Variable)

Instruction: “Please indicate the extent to which you agree with each statement about your current organization.”

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

C1. Relational Contract Breach (RCB)

Code	Statement
RCB1	My organization has not lived up to its implied promises of respect and consideration.
RCB2	The organization has failed to provide the support and care I expected as part of our relationship.
RCB3	Commitments related to long-term mutual trust have not been honored.
RCB4	I feel that the organization has not treated me in the way it implicitly promised it would.

C2. Transactional Contract Breach (TCB)

Code	Statement
TCB1	The organization has not fulfilled its commitments regarding pay and financial rewards.
TCB2	Agreements about benefits, bonuses, or allowances have not been honored as expected.
TCB3	What I receive financially does not match what was promised in exchange for my performance.
TCB4	The organization has not delivered what it committed to in clear, measurable terms.

C3. Balanced Contract Breach (BCB)

Code	Statement
BCB1	The organization has not provided the development opportunities it implied it would (training, skills, learning).
BCB2	Commitments regarding career growth and advancement have not been fulfilled.
BCB3	The organization expects high performance but does not provide the resources or support it implied it would.
BCB4	The "mutual growth" understanding (my contribution in exchange for organizational investment) has not been respected.

C4. Transitional Psychological Contract (TRC) (Uncertainty and Instability)

Note: These items capture the transitional state of the employment relationship, which typically emerges under change and ambiguity.

Code	Statement
TRC1	I am uncertain about what the organization will provide me in the near future.
TRC2	Organizational changes have made previous understandings and promises feel unreliable.
TRC3	It is unclear what I can reasonably expect from the organization going forward.
TRC4	The employment relationship feels unstable and subject to sudden changes.

D. Organizational Loyalty (Dependent Variable)

Instruction: "Please indicate how much you agree with each statement."

Code	Statement
LOY1	I feel a strong sense of loyalty toward my organization.
LOY2	I am proud to tell others that I work for this organization.
LOY3	I would recommend this organization as a good place to work.
LOY4	I intend to remain with this organization even if I receive other job offers.
LOY5	I am willing to defend my organization when it is criticized by others.
LOY6	I am willing to go beyond what is required to help my organization succeed.
LOY7 (R)	I often feel little attachment to this organization.