

## **The Effect of Leader-Member Exchange on Psychological Entitlement and Organizational Silence: The Mediator Role of Psychological Contract Breach**

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### **Abstract**

This study investigates the impact of leader-member exchange on psychological entitlement as well as organizational silence, focusing on the mediating identity of psychological contract breach. Utilizing a correlational model within the general screening framework, an online survey was administered to 294 white-collar employees selected through convenience sampling. The results have revealed that, the leader-member exchange has a negative significant impact on psychological contract breach, the leader-member exchange has a notable negative effect on organizational silence, psychological contract breach has a positive substantial effect on psychological entitlement, and psychological contract breach has a significant negative effect on organizational silence. Psychological contract breach mediates the leader-member exchange and organizational silence relationship. Leader-member exchange does not affect psychological entitlement substantially, and psychological contract breach does not mediate the leader-member exchange and psychological entitlement relationship. As a result, the excellence of leader-member exchange and the psychological contracts made with the organization directly impact employees' behavior.

**Keywords:** Leader-member exchange, psychological entitlement, organizational silence, psychological contract breach.

### **1. INTRODUCTION**

Leader-member exchange (LMX) theory, originating in early 1970s, emphasizes the excellence of the dyadic relationships between leaders and followers, marking a shift from traditional leadership models by incorporating the follower's role in leadership processes. Positive results are linked to excellent LMX quality such as increased citizenship behavior, job satisfaction, loyalty, and performance (Gerstner and Day, 1997). The theory posits that leadership varies for each leader-follower relationship, challenging the notion of a uniform leadership style. Leaders

often form differentiated relationships within their teams, leading to the formation of in-groups and out-groups. Members of the group receive more trust as much as attention, whereas out-group members may experience formal, less personal interactions. This differentiation can influence communication patterns, with out-group members potentially exhibiting higher levels of organizational silence. Studies suggest high-quality LMX relationships can reduce organizational silence by fostering open communication (Ai-Hua et al., 2018). However, the nexus between LMX and psychological contract breach (PCB) is complex. Some research indicates that strong LMX can buffer the negative impacts of PCB. Furthermore, other studies suggest that employees may react more negatively to PCB when the quality of relationship is high with their leaders (Doden et al., 2018). Leaders serve a crucial role in forming employees' attitudes towards the psychological contract, and effective LMX can enhance these perceptions, leading to longer-term employment relationships and increased organizational efficiency (Collins, 2010).

## **2. LITERATURE REVIEW**

### **2.1 Leader-Member Exchange (LMX)**

For nearly fifty years, the Leader-member exchange (LMX) theory was the subject to many different studies and has been updated. LMX relationships employ the characteristics of shared trust, respect, as well as shared influence (i.e., high LMX or in-group) versus those that relied merely on contracts of formal employment (i.e., low LMX or out-group) (Liden and Maslyn, 1998). (1975) stated that these studies are based on two main assumptions, which need to be revised to explain Leader-member exchange. The first assumption suggests that the perceptions, comments, and reactions of team members reporting to the same leader are common. The second assumption suggests that a leader treats every team member similarly (Dansereau et al., 1973). Therefore, the leader and the work group relationships are focused on average and typical behaviors. What was initiated regarded as an option to the ordinary style of leadership (Vertical Dyad Linkage) evolved into a suggestion for creating leadership in a more efficient way in developing and sustaining advanced leadership. In the process, the theory was acknowledged for various analysis levels such as focusing on differences inside the groups (group-level effect) as well as focusing on dyads independent from groups (dyad-level effect), and much more lately, has focused on the integration of dyads within networks along with groups (Graen and Uhl-Bien, 1991; Graen and Uhl-Bien, 1995). As Dansereau, Graen, and Haga (1975) suggested, leader-member relations are diversified; the interactions inside a business unit differ, and every leader-member relationship becomes an interpersonal kind of a relationship which is one of its kind within an organizational structure. Consequently, the analysis unit in leadership is the interrelationship as a substitute of the workgroup or individual. The leader and the member are analysis units at the dyad level vertically, and all are essential for the leadership process studies.

Leader-member exchange (LMX) theory is grounded in role and social exchange theories. According to role theory, the development of roles within organizations involves interactions between leaders and members and among peers, contributing to role formation and expectations. LMX quality emerges from a negotiated rule-making process, where mutual testing of loyalty and competence is essential for establishing high-quality exchanges. This process unfolds over three stages; role taking, role making and role routinization (Dienesch and Liden, 1986).

This progression underscores the dynamic nature of leader-member interactions and highlights the importance of reciprocal influence in role development. Dienesch and Liden (1986)

developed the LMX model as "contribution" (the quantity, tendency, and excellence of work-focused enterprise that all members put forward for the common objectives of the relationship), "loyalty" (support provided to third parties) and "affect" (the contribution of members to each other). The emotional closeness they feel towards each other) dimensions. However, further studies have revealed that adding one more dimension to the model (professional respect) will better explain LMX (Liden and Maslyn, 1998). In many recent studies on LMX, it is observed that the framework put forward by Dienesch and Liden (1986) as well as the four-dimensional structure developed by Liden and Maslyn (1998) based on this framework are taken as a basis, and a common acceptance has begun to form on this issue (Baş et al. .2010).

## **2.2 Psychological Entitlement**

Psychological entitlement stands for a rather stable belief that people should access the desired approach along with a small regard for one's actual deservingness (Naumann et al., 2002). Psychological entitlement has been expressed as a component of narcissism in literature. However, Campbell et al. (2004), stated the psychological entitlement associated with narcissism would only include the experience of "deserving," but it is necessary to address the experience of "earning rights" as well as deserving. Both terms indicate that a reward or different desirable result is owed to the person, but the origin of the outcome is different. Particularly, deservingness is commonly mirrored by the expectation of a reward as a consequence of individuals' endeavor or character. In contrast, entitlement is usually linked to a reward expectation as a consequence of a social contract. For instance, stating that you are entitled to social security payments instead of you have received a benefit regarding social security payments would be more definite. Similarly, it would be more precise to claim that one would deserve a good salary because they work hard than to say that one would deserve a high salary because they worked hard. However, if a person in this situation claims that he or she deserves social security benefits or is meant to have a high salary, the meaning is broadly preserved. Therefore, they included both terms when creating their scales and evaluated them similarly.

Naumann et al. (2002) addressed perceptions of psychological entitlement as "rights that an individual contributing to an employment relationship expects resulting from that relationship." The scholars demonstrated that this definition would focus on expectations arising from joining in a social contract and not performing as an employee. As instance, organizational members may sense that they have insurance as well as retirement rights for being the employees of a particular organization, not due to taking how they performed as basis. With such an opinion, Naumann et al. (2002) suggested entitlement feelings would stem from skewed evaluations of give-and-take. Individuals with solid perceptions of entitlement long for organizational appraisals as well as compensation with no need to respond by reaching high level performance.

## **2.3 Organizational Silence**

Organizational silence is a new concept in the literature and was initially brought by Morrison and Milliken in 2000. Morrison and Milliken (2000) viewed organizational silence as a "collective" phenomenon. "Why silence?" In workplace sociology, they argued that silence turns into a collective behavior when most organizational members prefer to keep silence on organizational issues rather than the individual psychology of employees. Employee silence is defined as not giving any natural sense of individuals' behavioral, cognitive, and/or emotional evaluations of their organizational situation to those considered to be able to affect change (Pinder and Harlos, 2001).

Organizational silence is grouped under three headings. Employees in a state of acquiescent and defensive silence may avoid communicating even though they have information because they have already admitted the status quo. They keep to themselves the ideas, information, and opinions that will improve and improve their work and organizations, with the motivation to consent. Therefore, they are hesitant to discuss or alter the status. Opportunistic silence defines the employees that prefer to keep their beliefs, information, and opinions regarding the business to themselves for self-protection. In order to protect themselves, the employee may act as if their existing problems do not exist, hide personal mistakes, or choose not to convey different views and ideas. Pro-Social/organizational silence stands for employees hiding their work-related ideas, information, and opinions for the goodness of organization along with other employees (Van Dyne et al., 2003). They define it like employees thinking about others rather than themselves or not expressing their feelings, information, and opinions about their work and organization. In order to benefit the organization or other individuals due to collaborative reasons. In this type of silence, it is essential not to share what you know under any circumstances because it is for the organization's or others' benefit. The main reasons for silence in organizations are as follows (Shojaie et al., 2011):

- Many view silence as the speech vacancy, therefore, lack of action. When no speech exists, the absence of behavior is not noticeable and does not attract attention.
- Regarding this first point, the behavior absence is harder to examine than behavior that is more obvious and obvious (Van Dyne, 2003).
- Due to silence's latent or subjective nature, it becomes easier to determine quality or quantity with an appropriate lens to recognize or interpret it.
- The hierarchy of organizational structures and power suggests that employee silence may occur far from senior management's perception and hinder management awareness.

As a consequence remaining silent impacts the organization and employees negatively. The organizational consequence of silence is not benefiting from the intellectual contributions of employees, suppressing problems, and neglecting negative feedback. Such behaviors can hinder healthy decision-making, progress/recovery, and increased performance. The adverse effects of silence on employees are that employees feel weak in expressing their problems and concerns about the workplace and that their feelings of commitment to the organization, belonging and trust, admiration, and support decrease. In addition, remaining silent about issues that the employee knows and is good at causes the employee to suffer and feel helpless and worthless (Çetin, 2014).

## **2.4 Psychological Contract Breach**

In order for describing intertwining of the power of perception and the values held by both sides of the employment relationship (the organization and the individual), Argyris (1960) conjoined the term "psychological contract" (Cullinane, 2006). Significantly, this older literature illustrates that employment relations are shaped by social and economic exchange (Fox, 1974). The psychological contract was perceived as framework to explain the employment relationship and the impact from structural organizational replacements like downsizing (Parks and Kidder, 1994). The definition is provided as people's constructed understandings by the organization about the exchange agreement conditions with the organization as well as the individual (Rousseau, 1995). Levinson et al. (1962), who had significant contributions to the development of the concept initially, introduced the psychological contract like "the sum of common expectations of the employee along with the organization." Schein (1980) gives a

similar definition: "an unwritten set of mutual expectations of the employee with the organization he is in." The employee's perception framework towards what he owes to his employers and what they will receive from him forms the basis for the notion of psychological contract. Based on these definitions, defining the psychological contract as a dynamic, unwritten total of expectations based on reciprocity between the employee and the organization would be possible (Cihangiroğlu and Şahin, 2010).

Rousseau (1995) categorized psychological contracts within four types: transactional, relational, balanced, and transitional. Contracts that are transactional are characterized by limited, strictly defined agreements primarily focusing on economic exchange, lacking emotional involvement and trust. Relational contracts, conversely, encompass socioemotional elements like loyalty and support, fostering long-term, open-ended relationships between employees and organizations. Balanced contracts integrate aspects of both transactional and relational contracts, featuring open-ended arrangements concerning performance-reward contingencies. Transitional contracts denote a state where no explicit agreement exists between parties, often arising from unstable conditions such as significant organizational changes. This leads to a lack of commitment from both sides. Despite this fourfold classification, measurement challenges and overlaps between transactional-transitional and relational-balanced contracts have led researchers to focus primarily on transactional and relational types in empirical studies (Jamil et al., 2013).

Psychological contract breach, which can be defined as employee's feelings as if the organization has declined fulfilling the promises it had given (Robinson and Rousseau, 1994), is a central concept in comprehension of employment relationships and employee behavior. Through interactions and observations, employees form beliefs about common obligations with their employers (Rousseau and Parks, 1993). However, psychological contract breaches occur when organizations fail to meet these perceived obligations (Gakovic and Tetrick, 2003). Robinson and Rousseau (1994) found that 55% of managers felt their organization had not fulfilled promised obligations within the initial two years of employment. Such breaches can diminish employees' trust, job satisfaction, commitment, and performance while increasing turnover intentions. Given these potential adverse outcomes, understanding the conditions that paves the way to the perceptions of psychological contract breach is crucial (Robinson and Morrison, 2000).

### **3. METHODOLOGY**

#### **3.1 Sampling and Data Collection**

The research population consists of white-collar employees in Turkey. In order to obtain more comprehensive findings and more generalizable results by ensuring sample adequacy by examining the demographic characteristics of the participants, a survey form containing the demographic information form and scale was applied online to 294 white-collar employees who were reached online by convenience sampling method.

Participation in the study, in which the easy sampling method was chosen, was based on the participation of volunteers. Similarly, this methodology is adopted by Sedgwick (2013) as well as Kemper et al. (2003). Google form survey began with an intent message explaining the final research goal on the first page to ensure confidentiality. In this direction, the confidentiality of the study, the researcher's responsibility, and aims of the study were given, and permission of data collection was demanded. Each employee received survey link via email sent to their official electronic email address. As a result, 300 surveys were distributed, and 294 responses were received.

### 3.2 Research Design

In order to reach a common sense about a setting including a large number of people in order to find answers to the research questions, the general screening model, which allows singular or relational scans over the entire setting or sample group or samples to be retrieved from there, was preferred. The correlational model, one of the quantitative re-search models, was used to assess the variables' relationship within the research scope.

### 3.3 Research Model

This article initially aimed to explore the impact of LMX on psychological entitlement and organizational silence along with the psychological contract breach's mediating role in this relationship. We investigated this mediation model of direct and indirect effects through the path analysis, as presented in Figure 1.

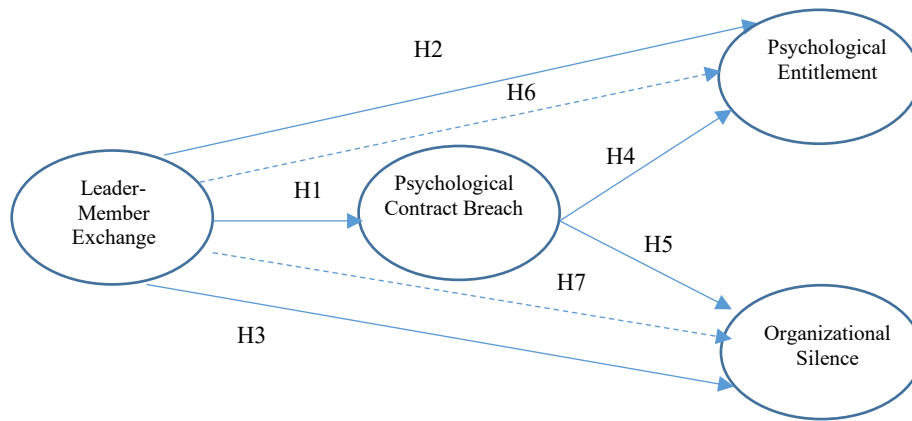


Figure 1. Conceptual model of the hypotheses

#### Hypotheses

##### Direct effects hypotheses

H1: Leader-member exchange has a significant effect on psychological contract breach

H2: Leader-member exchange has a significant effect on psychological entitlement

H3: Leader-member exchange has a significant effect on organizational silence

H4: Psychological contract breach has a significant effect on psychological entitlement

H5: Psychological contract breach has a significant effect on organizational silence

##### Hypotheses of indirect effects

H6: The relationship between leader-member exchange and psychological entitlement are mediated by psychological contract breach. Mediation of psychological contract breach eliminates that significant effect of leader-member exchange on psychological entitlement

H7: Psychological contract breach moderates the leader-member exchange and organizational silence relationship. The strong impact of leader-member exchange on organizational silence is eliminated through psychological contract breaches

#### Research question

Does psychological contract breach have a mediating role in the effect of leader-member exchange on psychological entitlement and organizational silence?



### 3.4 Scales

**Leader-Member Exchange:** Leader-member exchange was tested by the Lead-er-Member Exchange Scale developed and validated by Baş, Keskin, and Mert (2010).

**Psychological Entitlement:** Psychological entitlement was tested with the Psychological Entitlement Scale developed and validated by Kürü (2022).

**Organizational Silence:** Organizational silence was tested with the Organizational Silence Scale, developed by Knoll and Dick (2012) and adapted into Turkish and validated by Çavuşoğlu and Köse (2019).

**Psychological Contract Breach:** Psychological contract breach was measured by the Psychological Contract Breach Scale, developed by Robinson and Rousseau (1994) and adapted into Turkish by Örüçü and Bayramov (2022).

**Table 1.** Mean Scores, Standard Deviation Scores and Correlations of The Variables in The Study

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1. Effect	3,38	1,11	(0,92)										
2. Loyalty	3,32	1,04	0,740**	(0,89)									
3. Contribution	3,49	1,00	0,579**	0,594**	(0,82)								
4. Professional Respect	3,54	1,13	0,750**	0,676**	0,592**	(0,93)							
5. LMX	3,43	0,92	0,896**	0,872**	0,794**	0,883**	(0,94)						
6. Psychological Entitlement	4,54	1,31	-	-0,037	0,010	-0,049	-	(0,85)					
			0,069			0,044							
7.			-0,222**						(0,93)				
Acquiescent/Defensive Silence	2,43	0,89		-0,256**	-0,233**	-0,212**	-0,267**	0,074					
8. Opportunistic Silence	2,16	0,89	-0,115*	-0,168**	-0,153**	-0,097	-0,153**	0,094	0,654**	(0,84)			
9.ProSocial/ Organizational Silence	2,75	1,05	-0,033	-0,024	-0,003	-0,0037	-0,029	0,018	0,666**	0,526**	(0,81)		
10.Organizational Silence	2,45	0,81	-0,137*	-0,165**	-0,142*	-0,128*	-0,165**	0,069	0,890**	0,829**	0,866**	(0,94)	
11. Psychological Contract Breach	2,81	0,95	0,597**	-0,545**	-0,512**	-0,593**	-0,653**	0,157**	0,246**	0,169**	0,093	0,191**	(0,93)

As presented in Table 2, the CFA outcomes showed the indices of general goodness of fit for the hypothetical model would fit well with the data, and the evaluation of these variables given in the models has been satisfactory ( $\chi^2/df < 3$ ; GFI  $\geq 0.90$ , TL  $\geq 0.90$ , CFI  $\geq 0.90$ , NFI  $\geq 0.90$ , RMSEA  $\leq 0.08$ ). While indices of all fit exceed 0.90, the value of RMSEA is below 0.09 (MacCallum et al., 1996). Convergent validity was also supported, since all factor loadings were statistically significant (Hair et al., 2010). Also, as indicated by Fornell and Larcker (1981), the mean-variance subtracted (AVE) value for all constructs was greater than 0.50, and the composite confidence levels for each construct exceeded 0.70.

**Table 1.** Validity of Convergence of The Measurement Model

Structure	Number of Items <sup>1</sup>	X <sup>2</sup> /sd	GFI	TLI	CFI	NFI	RMSEA	AVE	CR
LMX	4	2,756	0,93	0,94	0,96	0,94	0,077	0,58	0,94
Psychological Entitlement	6	2,595	0,97	0,96	0,98	0,97	0,074	0,50	0,85
Organizational Silence	3	2,776	0,91	0,94	0,95	0,93	0,078	0,59	0,95
Psychological Contract Breach	9	2,836	0,95	0,96	0,98	0,96	0,079	0,60	0,93

<sup>1</sup>: The number of items indicates the number of dimensions in leader member exchange and organizational silence scales.

As shown in Table 3, the Chi-square values of all model pairs alter from the critical values. Thus, the measurement model discriminant validity is confirmed.

**Table 3.** Discriminant Validity of Structure

Test	Explanation	X <sup>2</sup> restricted model	X <sup>2</sup> independent model	Difference <sup>a</sup>
1	LMX → Psychological Contract Breach	143,14	2784,46	2641,32
2	Psychological Cont. Breach → Psychological Entitlement	192,07	2698,36	2506,29
3	Psychological Contract Breach → Organizational Silence	97,83	2285,12	2187,29
4	LMX → Psychological Entitlement	84,40	1408,76	1324,36
5	LMX → Organizational Silence	32,86	1046,39	1013,53

Note: <sup>a</sup> All values are significant at  $p < 0.01$ .

Hypotheses were generated to test the negotiating role of the perception of “psychological contract breach” between “leader-member exchange” perception and attitudes of both “psychological entitlement” and “organizational silence.” To scrutinize this mediating impact of psychological contract breach, we carried out path analyses of direct as well as indirect effects. The direct effect analysis scrutinizes not only for the presence of significant relationships between the independent variable (leader-member exchange) and the mediator (psychological contract breach) against the dependent variables (psychological exclusivity and organizational silence) but also for the presence of meaningful mediator relationships of the independent variables. Indirect effects analysis tests the elimination of direct effects of the independent variables on the dependent variable due to the mediator’s overshadowing effect (Baron and Kenny, 1986). According to path analysis in Table 4, the leader-member exchange and psychological contract breach relationship is statistically significant and negative. The leader member exchange and organizational silence relationship is statistically significant and negative. The leader member exchange and psychological entitlement relationship is not significant. Accordingly, the H2 hypothesis was rejected, H1 and H3 hypotheses were accepted. The psychological contract breach and psychological entitlement relationship and psychological contract breach as well as the organizational silence is statistically significant and positive. Accordingly, hypotheses H4 and H5 were accepted.



**Table 4.** Test Results of Structural Equation Modelling for Direct Effects

Hypothesis Number	Direct Effect	Standardized path coefficient ( $\beta$ )
H1 Accepted	LMX $\rightarrow$ Psychological Contract Breach	-0,698*** (t=-10,323)
H2 Rejection	LMX $\rightarrow$ Psychological Entitlement	-0,062 <sup>ad</sup> (t=-0,936)
H3 Accepted	LMX $\rightarrow$ Organizational Silence	-0,260*** (t=-4,104)
H4 Accepted	Psychological Contract Breach $\rightarrow$ Psychological Entitlement	0,173** (t=2,659)
H5 Accepted	Psychological Contract Breach $\rightarrow$ Organizational Silence	0,236*** (t=3,673)

Notes: \*p < 0,05; \*\*p > 0,01; \*\*\* p < 0,001    <sup>ns</sup>: Not significant

#### Hypothesis outcomes for direct effects:

H1 Accepted: Leader-member exchange has a significant negative impact on psychological contract breach

H2 Rejection: Leader-member exchange has no significant effect on psychological entitlement

H3 Accepted: Leader-member exchange has a significant negative effect on organizational silence.

H4 Accepted: Psychological contract breach has a significant positive effect on psychological entitlement

H5 Acceptance: Psychological contract breach has a positive significant effect on organizational silence.

It was found that the direct effect of the independent variable, that is, “leader-member exchange” on organizational silence, was negative and significant ( $\beta = -0.260$ ;  $p < 0.001$ ), whereas the direct effect of “leader member exchange” on psychological entitlement did not have a significant effect ( $\beta = -0.062$ ;  $p > 0.05$ ). We then analyzed the same independent variable (leader-member exchange) for its direct effects on psychological contract breach, and this effect ( $\beta = -0.698$ ,  $p < 0.001$ ) was found to be negative and significant. The mediator variable, perception of psychological contract breach, was found to be positively and significantly related to both psychological entitlement ( $\beta = 0.173$ ,  $p < 0.001$ ) and organizational silence ( $\beta = 0.236$ ,  $p < 0.001$ ).

Table 5 shows the SEM results examining the indirect impacts of evaluating the negotiating role of psychological contract breach in the relationships between leader member exchange, psychological entitlement, and organizational silence. 390.849  $X^2$  value and fit indices ( $X^2/\text{sd}=1,954$ ; GFI = 0,90; CFI = 0,94; NFI = 0,90; TLI = 0,94; RMSEA = 0,057) indicates compatibility. According to this model, the independent variable impact on psychological entitlement was still found not to be significant. The H6 hypothesis is not accepted. In other words, a psychological contract breach does not mediate the leader-member exchange and psychological entitlement relationship. The significant effect of the independent variable on organizational silence in the independent model is not significant in the model with mediator variables, and the H7 hypothesis is accepted. In other words, psychological contract breach is mediating the leader member exchange and organizational silence relationship.

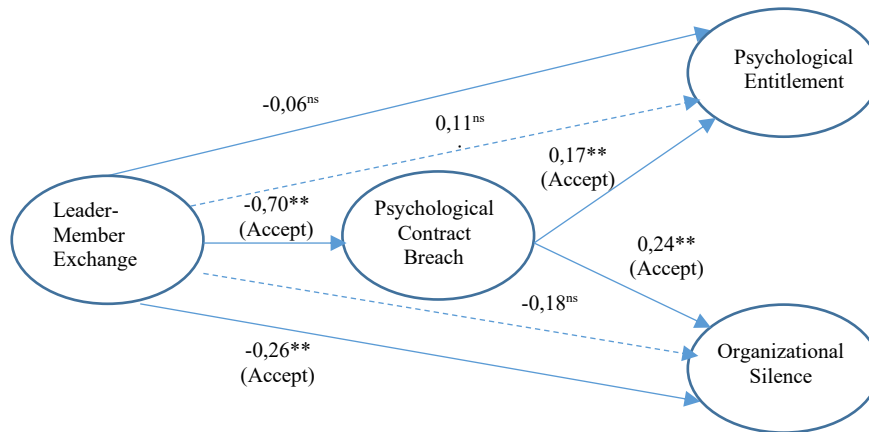
**Table 5.** Test Results of Structural Equation Modelling for Indirect Effects

Hypothesis No.	Hypothesis	Standardized path coefficient ( $\beta$ )
H6 Rejection	LMX $\rightarrow$ Psychological Entitlement	0,109 <sup>ad</sup> (t=1,110)
H7 Accepted	LMX $\rightarrow$ Organizational Silence	-0,177 <sup>ad</sup> (t=-1,887)

**Hypothesis results of indirect effects:**

H6 Rejection: Psychological contract breach does not mediate the leader- member exchange and psychological entitlement relationship.

H7 Acceptance: Psychological contract breach is mediating in the leader- member exchange and organizational silence relationship. The notable effect of leader- member exchange on organizational silence was eliminated by the mediation of psychological contract breach (The significant effect of leader-member exchange on organizational silence is not significant in the mediator variable model).



**Figure 2.** Structural Equation Modeling Results

LMX has a significant negative effect on psychological contract breach and organizational silence. Psychological contract exchange has a positive significant effect on organizational silence. Psychological contract breach mediates the leader- member exchange and organizational silence relationship. The mediation of psychological contract breach eliminated the significant effect of LMX on organizational silence (The significant effect of LMX on organizational silence is not significant in the mediator variable model). Hypotheses H2 and H6 were rejected. LMX exchange does not affect psychological entitlement significantly, and psychological contract breach does not have a mediating role in the LMX and psychological entitlement relationship.

Although employees accept different parties in the organization as responsible for providing specific incentives, they hold the entire organization responsible in psychological contracts (Shore et al., 2004). For example, while prioritizing the organization's responsibility in health services, salary system, and fringe benefits, they recognize that their managers are responsible for fair control, autonomy, and recognition. As a result, many researchers have suggested that employees have a psychological contract with the organization as a whole and their direct managers (Baccili, 2001; Shore et al., 2004; Griep et al., 2016). Our research results support research (Restubog et al., 2010; Chen and Wu, 2017; Erkutlu and Chafra, 2013; De Ruiter, 2017) showing that psychological contracts made with managers decrease the adverse impacts of other psychological contract breach elements, high quality leader- member exchange, it affects the perspective of the organization positively. Therefore, the impact of leaders on employee commitment, performance, productivity, and turnover intentions may be more effective than other factors in the organization as a whole.

Research results show that LMX is perceived differently between the in-group and the out group and that the group that is considered the in-group and communicates more closely with the leader feels relatively more entitled, and their motivation increases (Vidyarthi et al., 2010;

Henderson et al., 2009; Hu and Liden, 2013), our study concluded that the leader- member exchange excellence did not have a significant impact on psychological entitlement. It can be thought that the lack of distinction between in-group and out-group results in this result. However, in some cases, the high excellence of leader-member exchange may negatively affect performance and perception of justice by causing an entitled status perception (Matta and Van Dyne, 2015; Scandura and Lankau, 1996). An employee who sees himself as entitled may reduce his effort, and other employees may perceive that they are working with an unfair leader. This situation may cause a loss of performance for the individual, the entire group, and the organization over time.

Our other important finding is LMX has a negative significant effect on organizational silence, goes in line with previous research results (Çöp and Öztürk, 2017; Ai-Hua et al., 2018; Koçak and Çınar, 2020). According to this result, it can be stated that if the quality of LMX increases, organizational silence will decrease. The leader's active listening, trusting relationship with the employees, and attitude toward solving problems will cause the employees to be more sensitive to the problems and act with a participatory approach that will benefit the organization.

Positive answers to the questions reveal that the level of breach is low or does not exist. Therefore, questions evaluated positively by employees show that the level of breach is low, and when evaluated according to H4, a low or no psychological contract breach situation positively affects the perception of psychological entitlement. The perception of psychological entitlement, which is expressed as seeing oneself as superior to others and believing that they deserve high levels of reward and praise, regardless of the person's actual performance, is a source of concern for managers (Campbell et al., 2004; Harvey and Harris, 2010). We found a finding that supports research (Priesemuth and Taylor, 2016; Hobfoll, 2001) showing that employees with a high perception of psychological entitlement respond more negatively to psychological contract breach. In conclusion, this positive evaluation increases. The perception of psychological entitlement of an employee who accepts his psychological contract as positive and positions himself differently from others.

Psychological contract breach, when the employee believes the organization does not fulfill its promises, is one of the most critical factors affecting the work relationship and employee behavior (Robinson and Rousseau, 1994). When employees voice their concerns and feel unable to correct a contract breach committed by their organization, they may stop speaking out (Morrison and Milliken, 2000). According to our research results, organizational silence decreases when psychological contract breach is low or absent. This result supports other research on the subject (Sepahvand et al., 2020; Bari et al., 2020; Tomprou and Bankins, 2019; Varma and Sivarajan, 2023).

In testing our H2 hypothesis, we concluded that, unlike past research, leader- member exchange does not have a notable effect on psychological entitlement. Similarly, when the H6 hypothesis was tested, it was determined that psychological contract breach did not have a mediating role in given relationship. As far as these results are concerned, the conclusion could be made as the interaction with the leader of an employee who already sees himself as privileged does not have a significant effect on his positive perception of himself, but the excellence of his relationship with the leader in his relationship with the organization causes organizational silence (H3 hypothesis). However, in the H7 hypothesis, the negative effect of leader-member exchange on organizational silence is not related to psychological contract breach significantly. It was concluded that the excellence of the leader and the member relationship prevents organizational silence, but breach

of the psychological contract made by the member with the whole organization may cause organizational silence.

Mean scores, standard deviation scores, coefficients of reliability (indicated in brackets), and zero-order correlations regarding the total of constructs are shown in Table 1. The scales operated in this article exceed the proposed reliability level (Cronbach, 1951); leader- member exchange is not significantly related to psychological entitlement. There is a negative and significant relationship between leader- member exchange, organizational silence, and psychological contract breach. Psychological entitlement and organizational silence are not significantly related, but psychological entitlement and psychological contract breach are positively and significantly related. Organizational silence and psychological contract breach have a positive significance.

Fornell and Larcker's (1981) criteria and the double-step approach by Anderson and Gerbing (1988) were adopted to assess discriminant validity. Once the constructs were validated and psychometric properties were obtained, confirmatory factor analysis (CFA) was conducted to measure reliability and validity using AMOS 22 on all testing tools operated in this article. CFA results showed that each factor loading was relatively strong and significant, providing proof of the validity of convergence (Bagozzi and Yi, 1988).

In following stage, path analysis was scrutinized to test the hypothesized model. To put it another way, leader-member exchange and psychological contract breach (mediating variable) were related to psychological exclusivity and psychological contract breach. To evaluate model fit, as recommended by Hu and Bentler (1999), the indices of multiple fit were preferred. Particularly for this context, to scrutinize the goodness of fit, model goodness of fit index (GFI), normalized fit index (NFI), comparative fit index (CFI), Tucker-Lewis index (TLI), root mean square errors of approximation (RMSEA) and correct-ed X2 (X2). /degrees of freedom) was implemented (Hu and Bentler, 1999; Marsh et al., 1988; Marsh et al., 1996; Medsker et al., 1994; Tucker and Lewis, 1973).

#### 4.CONCLUSION

As a result, the excellence of leader-member exchange along with psychological contracts made with the organization directly impact employees' behavior. Therefore, organizations need to analyze in detail, at individual and organizational levels, the psychological contracts they make with employees, which they often need to be made aware of, in addition to their written employment contracts. Understanding which factors affect employees organizationally and cause silence and minimizing these factors will contribute to the free transfer of ideas within the organization and increase performance. Taking into account the personal characteristics of employees and the factors that motivate each of them by managers and monitoring the level of psychological entitlement perceptions before and after joining the organization can be an essential control mechanism to retain exceptionally talented employees.

Although studies examine the leader member exchange relationship with organizational silence and leader-member exchange and psychological contract breach, since there is no research examining these relationships holistically, a pioneering study has been conducted to guide subsequent studies. According to the results, the excellence of leader member exchange impacts how the perception of the psychological contract with entire organization is perceived. First-line managers significantly impact behavioral outcomes like employee commitment, organizational citizenship behavior, job performance, job satisfaction, and silence. However, the strength of this relationship may also have negative consequences in some cases. An employee who considers himself entitled even before joining the organization can expect different praise and rewards from the leader. Our research shows that this relationship with the leader does not affect the employee's perception much and that the employee's perception

of himself is only negatively affected when his expectations from the entire organization are unmet. In future research, personality tests regarding employees' personalities performed at the recruitment stage can also be implemented to evaluate the leader member exchange and psychological entitlement relationship. Our findings show that personality, the perception of feeling entitled, may be related to the person himself rather than the leader. Additionally, the level of psychological entitlement perception can be examined in more detail. When the perception of psychological entitlement is at a low or medium level, it can be examined how effective the interaction with the leader will be and what effect this level of personal entitlement perception has in psychological contracts where the whole organization is evaluated.

The research sample consists only of white-collar employees in Turkey and focuses on the leader member exchange, psychological contract breach, psychological entitlement, and organizational silence relationship. In future research, the number of samples can be increased, sector level comparisons can be made, different behavioral dimensions can be examined, personality structure can be added as a variable, gender factors can be taken into account, non-white-collar employees can also be included, and different demographic characteristics can be examined.

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