

MY WAY OR THE HIGH WAY: A MIXED STUDY OF CONTRACTUAL DISREGARD AND EMPLOYEE RECALCITRANT BEHAVIOR IN DETERMINING SUSTAINABILITY IN PUBLIC AND PRIVATE UNIVERSITIES OF LAHORE, PAKISTAN

Ayesha Ali

Higher Education Commission, Pakistan
22ayasha11@gmail.com

ABSTRACT

This research presents the association of contractual disregard by employer with recalcitrant behavior of employees in public or private universities of Lahore, Pakistan. The paper examines whether the contractual regard and disregard by the employer are related to the satisfaction or recalcitrant behavior in employees of an organization. The phenomenon of interest is studied through mixed methodology in a cross-sectional comparative setting by administering 355 online questionnaires and 30 interviews of the faculty. The SEM results indicate that contractual disregard and the related perceptions lead to recalcitrant behavior in the university faculty. This has significant insights for the employee turnover, retention, and performance in the universities as well as organizational performance and sustainability.

Keywords: Contractual disregard; Employee dissatisfaction; Recalcitrant behavior; Mutiny; Defiance



<https://doi.org/10.56249/ijbr.03.01.60>

* Corresponding author.

E-mail address: 22ayasha11@gmail.com (Ayesha Ali)



Copyright: © 2024 by the authors. Licensee HCBF, University of the Punjab, Lahore, Pakistan
This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

INTRODUCTION

The main theme of the paper is to discuss the association of contractual disregard or violation by employer with recalcitrant behavior of employees in higher education institutions (Aluko, 2022; Ahn Ji-Young, 2021) in Lahore, Pakistan. Whether the organization is public or private, any harm to self-interests of the employees generates feelings of displeasure amongst them which

affects organizational performance and sustainability (Yu, Yang et al. 2022). This may cause them to develop a loathing towards the management of the organization. The paper tries to examine whether the contractual regard by the employer is related to the satisfaction or performance of the employees in an organization (Adamu 2021) and whether any disregard to job contract has an effect on the employee's recalcitrant behavior. Contractual fulfillment is related to citizenship behaviors or otherwise (Yu, 2022; Lu, 2021). Recalcitrance is expressed in the form of defiance, mutinous or disobedient behavior or completely boycotting the management which is a rare phenomenon. There are two variables discussed in the paper, one independent variable and one dependent. Their brief is as follows:

Contractual violation by employer (Independent variable) includes any action by the employer that does not regard the terms committed in the job contract. For example, the intention of an employer to lay off employees before their legal right for doing so matures.

Employee recalcitrant behavior (Dependent variable) means any response in the form of mutinous, defying or disobedient behavior which is a possible outcome of the above-mentioned distasteful events. The question here is not about how effective or successful the defiance would be but the fact that it exists in any form. It can either be overt in the form of protest, demonstration, strike or legal suit, or it can be covert in the form of a slow poisoning, grapevine or bad word against the management.

The problem of sustainability of higher educational institutions, particularly public and private universities, is increasingly becoming a central issue in organizational studies. An essential yet underexplored dimension affecting sustainability is the interplay between contractual disregard and employee recalcitrant behavior. Contractual disregard refers to the neglect or non-compliance with formal agreements and obligations within an institution, while employee recalcitrant behavior involves resistance or non-cooperative conduct from staff members. Both factors have potential implications for the governance, operational efficiency and long-term sustainability of universities.

Despite the growing recognition of these issues, there is limited empirical research exploring how contractual disregard and recalcitrant behavior affect university performance, productivity and sustainability outcomes. This study seeks to address this gap by investigating the relationship

between these variables and their collective impact on the sustainability efforts of public and private universities.

Theoretical background

The research is supported by social exchange theory (Blau 2021) which states that the employee's express reaction to the negative patterns of behavior in organizations and perceive them as a violation of psychological contract. This results in misbehavior including withdrawal, absenteeism or deviance etc. (Law and Zhou 2014) amounting to anti-citizenship behavior or frustration (Eckerd 2013, Aluko 2022)

Literature Review

The regard for contract in an organization enhances organizational productivity and employee's performance (Adamu 2021). The contractual obligations reflect organizational commitment to employees' welfare and thus trigger citizenship behaviors (Lu, Liu et al. 2021, Yu, Yang et al. 2022). Similarly, the violation of an employment contract by the employer can have very negative implications for the employee's performance and can lead to recalcitrant reaction in the employees (Ahn J. Y. 2021). According to (Jonathan L. J. Kelly 2003), employees often resort to irrational behavior if they feel that their contract has been violated by the management or their employers. The most direct influence of contract violation is seen on the productivity of the employee. Since he or she feels that the employer has not kept their side of the bargain, they also do not have to keep their end of the contract which results in disobedience. Therefore, they will either directly resign from the job or perform their jobs in such a way that it disrupts the performance of the firm instead of improving it (Aluko, 2022). Researchers states that by violating the terms of agreement of one employee, the company risks alienating all of its employees as well (Morrison 2007). The reason is that if the employees have to choose between their co-workers and their employers, majority will prefer to side with their co-workers; specifically, if they believe that their co-worker is right. Therefore, a simple contract violation may lead to a huge employee strike. However, (Robinson 2000) explains from the employers' perspective that the violation of the contract is merely a psychological belief of the employee (Pramudita, Sokoco et al. 2021, Ritz 2021). It is illustrated that sometimes employees feel impaired or betrayed by trivial things such as not getting the expected promotion and hold on to

the belief so strongly that they start thinking that it has violated their contract. In such circumstances, the employer must take firm action against the employee to curtail this disruptive behavior.

In extreme cases, the employees attempt to articulate disobedience in the context of such impediments and organize themselves to promote their interests, disrupt official routines or lobby to seize power (Staniland 2012). However, this voice depends upon the structure of the organizational system. (Murphy 2013) explain such behavior as upwards defiance which demonstrates the existence of friction between the employees and the management in displeasing situations. This is a voluntary behavior beyond the organizationally accepted bounds. The defiance is similar to organizational citizenship behavior though conceptually opposed to it (O'Brien and Allen 2007). Defiance may not always be positive as the voice is raised by the employees in the dissatisfying situations (Griffin 2007) . Scholars describe a similar concept named mutiny which is an organized effort of the employees in an organization as a reaction to the perceived existing injustice, accompanied by the synchronized extra-role conduct channelized upwards in the hierarchy (Murphy 2013). In spite of the obstructions, employees tend to challenge the order by overruling legitimate power (Ritz 2021) (Pramudita, Sokoco et al. 2021).The concept relates to defiance and misbehavior which is studied in this paper under the term 'recalcitrance or recalcitrant behavior' in the organizations.

Research Model

IV = Contractual violation by the employer,

DV = Employee recalcitrant behavior



Figure 1: Contractual Violation and Employee Recalcitrant Behavior

Methodology and sampling

The cross-sectional research design was employed with mixed methods. The questionnaires were administered by developing an online link in order to conduct this study. The questionnaire comprised of two segments: one related to demographics education, number of teaching hours, extra-curricular activities and income level. The second section consisted of items on 5-point Likert scale about contractual disregard (6 items) and employee recalcitrance (4 items). The questionnaire was originally developed therefore factor loadings, reliability and validity measures were also reported. The online links were circulated within five general public and private universities each in Lahore, Pakistan out of a total of 6 public and private universities each. Five departments were randomly chosen from each university. The data was collected through randomly chosen 5 lecturers from each of 5 departments reaching a total of 250 questionnaires. For qualitative inquiry, 30 interviews of lecturers were conducted. The unit of analysis of this research was employees of the organizations.

Research Questions

Quantitative RQ#: How does the violation of job contract by the employer lead to employee recalcitrant behavior?

Qualitative RQ#: How and why does contractual violation by employer influence employee's behavior?

Hypotheses

Ho: There is no relationship between contractual disregard by employer and employee recalcitrant behavior.

H 1: Contractual disregard by employer leads to employee recalcitrant behavior.

Results and Discussion

The following Table 1 presents the response rate of the questionnaire administered on the faculty of the public and private universities;

Table 1 Response Rate

| <i>Table 1: Responses Rate</i> | | |
|--------------------------------|------------------|-------------------|
| <i>Activities</i> | <i>Frequency</i> | <i>Percentage</i> |
| <i>Distributed questions</i> | 384 | 100% |
| <i>Returned questions</i> | 365 | 95 % |
| <i>Usable questions</i> | 355 | 92 % |

The total number of questionnaires distributed respondents, which is 384 in this case. It represents 100% of the questions you sent out. Out of the 384 questions distributed, 365 were returned. This indicates a response rate of 95%. A response rate of 95% suggests that the majority of respondents engaged with the questions provided. Of the 365 returned questions, 355 were deemed usable. This represents 92% of the questions that were returned.

Table 2 below shows the demographic variables pertaining to the faculty;

Table 2: Demographic Profile

| <i>Table 3: Demographic Profile</i> | | | |
|-------------------------------------|----------------------------|----------|----------|
| <i>Demographic</i> | <i>Categories</i> | <i>N</i> | <i>%</i> |
| <i>Gender</i> | <i>Male</i> | 146 | 41.1 |
| | <i>Female</i> | 209 | 58.9 |
| <i>Age</i> | <i>21-25 years</i> | 152 | 42.8 |
| | <i>26-30 years</i> | 133 | 37.5 |
| | <i>31-35 years</i> | 52 | 14.6 |
| | <i>Above 35 years</i> | 18 | 5.1 |
| <i>Employment Status</i> | <i>Lecturer</i> | 172 | 48.5 |
| | <i>Assistant Professor</i> | 126 | 35.5 |
| | <i>Associate Professor</i> | 35 | 9.9 |
| | <i>Professor</i> | 22 | 6.2 |
| <i>Sector</i> | <i>Private</i> | 265 | 74.6 |
| | <i>Public</i> | 90 | 25.4 |

These demographic breakdowns provide insight into the characteristics of the respondent sample, which can be helpful for understanding the composition of the data.

Table 3 below shows the demographic variables pertaining to the faculty;

Table 3: Factors Loading Factors Loading, Composite Reliability (rho a), Cronbach’s Alpha and (AVE)

| <i>Constructs</i> | <i>Items</i> | <i>Factors Loading</i> | <i>Items Deleted</i> | <i>Cronbach’s Alpha</i> | <i>Composite Reliability</i> | <i>Average Extracted</i> | <i>Variance</i> |
|---------------------------------------|--------------|------------------------|----------------------|-------------------------|------------------------------|--------------------------|-----------------|
| Contractual Disregard | <i>CD1</i> | 0.795 | 0 | 0.920 | 0.920 | 0.588 | |
| | <i>CD2</i> | 0.792 | | | | | |
| | <i>CD3</i> | 0.784 | | | | | |
| | <i>CD4</i> | 0.761 | | | | | |
| | <i>CD5</i> | 0.779 | | | | | |
| | <i>CD6</i> | 0.729 | | | | | |
| Employee Recalcitrant Behavior | <i>ERB1</i> | 0.797 | 0 | 0.917 | 0.919 | 0.616 | |
| | <i>ERB2</i> | 0.796 | | | | | |
| | <i>ERB3</i> | 0.834 | | | | | |
| | <i>ERB4</i> | 0.708 | | | | | |

Contractual Disregard: This construct comprises items CD1 through CD6.

The factors loading values represent the strength of the relationship between each item and the underlying construct. In this case, all items have high factor loading values ranging from 0.729 to 0.795, indicating a strong association with the Contractual Disregard construct. There are no items deleted from this construct.

The Cronbach's alpha coefficient measures the internal consistency reliability of the scale. With a value of 0.920, it indicates high reliability, suggesting that the items within the Contractual Disregard construct consistently measure the same underlying concept.

Composite Reliability, also known as rho a, assesses the reliability of a construct in terms of the ratio of true score variance to observed score variance. A value of 0.920 indicates high reliability.

Average Variance Extracted (AVE) measures the amount of variance captured by the construct relative to measurement error. With a value of 0.588, it suggests that the Contractual Disregard construct explains 58.8% of the variance shared among its items, which is above the recommended threshold of 0.5.

Employee Recalcitrant Behavior: This construct comprises items ERB1 through ERB4.

All items have high factor loading values ranging from 0.708 to 0.834, indicating a strong association with the Employee Recalcitrant Behavior construct. There are no items deleted from this construct.

Cronbach's Alpha of 0.917 indicates high internal consistency reliability for the Employee Recalcitrant Behavior construct. Composite reliability with a value of 0.919 suggests high reliability for this construct. Average Variance Extracted (AVE) of 0.616 suggests that the Employee Recalcitrant Behavior construct explains 61.6% of the variance shared among its items.

Overall, these results indicate that both constructs, Contractual Disregard and Employee Recalcitrant Behavior, have high levels of reliability and validity, suggesting that the measures used to assess these constructs are robust and consistent.

Table 4 below presents the discriminant validity of the constructs;

Table 4: Discriminant Validity

| <i>Constructs</i> | Contractual Disregard | Employee Behavior | Recalcitrant |
|------------------------------|------------------------------|--------------------------|---------------------|
| Contractual Disregard | <i>0.687</i> | | |
| Employee Behavior | <i>0.695</i> | <i>0.701</i> | |
| Recalcitrant | | | |

This table presents the results of the discriminant validity analysis between the two constructs, Contractual Disregard and Employee Recalcitrant Behavior.

Contractual Disregard:

The value of 0.687 represents the square root of the average variance extracted (AVE) for the Contractual Disregard construct. It essentially shows the correlation between the Contractual Disregard construct and itself.

This value indicates the degree to which the items within the Contractual Disregard construct are related to each other. Typically, discriminant validity is established when this value is less than 1, which is the case here.

Employee Recalcitrant Behavior:

The value of 0.748 represents the square root of the AVE for the Employee Recalcitrant Behavior construct, showing the correlation between the construct and itself. Again, this value indicates the internal consistency within the Employee Recalcitrant Behavior construct, and it's less than 1, as expected.

Correlation between Constructs:

The values off-diagonal represent the correlations between the constructs. For example: The correlation between Contractual Disregard and Employee Recalcitrant Behavior is 0.747.

This value suggests the degree of association between the two constructs. In summary, the discriminant validity analysis suggests that the Contractual Disregard and Employee Recalcitrant Behavior constructs are distinct from each other

Table 5 below presents the discriminant validity of the constructs;

Table 5: Causal Relation: Structural Equation Model

| Relationship | <i>b (SE)</i> | C.I | P Valu es | Result |
|---|---------------|--------------|-----------------|---------------|
| Contractual Disregard -> Employee Recalcitrant Behavior | 1.266(0.28) | 0.888, 0.842 | 0.000 | Supporte d |

The above-mentioned table shows that the causal relation of contractual disregard with employee recalcitrant behavior at a P value=0.000 at C.I of 0.88. By violating the contract of an employee, the organization stimulates disobedience in them. The violation of a contract is seen as a broken promise and the employees assume that since the organization has not given them what they owe, they are no longer supposed to do what they owe to the organization. Thus, **H1** is proved that contractual disregard by employer leads to employee recalcitrant behavior.

These findings were also investigated through qualitative interviews of the faculty members in the universities. One of the participants explained that the contractual disregard “causes the status quo to prevail where the employees do not take interest in the organizational functioning. The issue pertains to institutional sustainability and teaching learning process starts suffering when the employees do not deliver effectively since they feel betrayed and threatened.”

Another respondent said that the “faculty tends to stay quiet. It is more common in private universities as compared to the public universities where the employees raise their voice. But still the voice is not as strong as the regular faculty has.” Among the employees, the violation of a contract is seen as more than just the breaking of the law – it is seen as the breach of trust and the betrayal by someone to whom the employees have remained loyal. Employee defiance is

likely to increase directly as the employees consider themselves less accountable and responsible to the management. The respondents' view highlighted that the attempt to increase workload, work-hours and reduce remuneration is also seen as a hostile endeavor by the organization. All such measures lead to socio-psychological and emotional burnout among the faculty members who feel disoriented with the tasks, and disinterested in the performance and productivity, and detached from the organization. The employees tend to leave the organization as they find a better opportunity and give vent to their grievances by spreading bad word of mouth outside the institution. These factors raise a serious concern regarding organizational sustainability and viability.

Discussion

The conclusion highlights the relationship between contractual disregard by employers and recalcitrant behavior among employees in higher education institutions, particularly universities.

This suggests that when employers fail to uphold contractual obligations, it can lead to negative behaviors among employees, such as resistance or defiance, which can ultimately impact organizational effectiveness.

The paper suggests that contractual disregard reduces employee job satisfaction and performance, leading to adverse outcomes such as decreased motivation, productivity, and efficiency. This also indicates the importance of ensuring that employment contracts are respected and adhered to by employers to maintain a positive work environment and enhance employee well-being.

The conclusion underscores the serious repercussions of contractual disregard and recalcitrant behavior for institutional performance, success, and image. Negative outcomes such as increased absenteeism, turnover, and psychological trauma can adversely affect the overall productivity and reputation of higher education institutions.

Managerial Implications:

Organizations, particularly higher education institutions, should prioritize the strategic management of employment conditions to ensure that contractual obligations are fulfilled and employee rights are protected. This may involve implementing policies and practices that promote fair treatment, transparent communication, and accountability among employers.

Managers and leaders should focus on enhancing working conditions to improve employee job satisfaction and performance. Investing in resources such as professional development opportunities, supportive leadership, and work-life balance initiatives can contribute to a positive organizational culture and employee well-being.

Organizations need to consider the perspectives and interests of stakeholders, including students, parents, and competitors, in managing employment conditions and addressing issues related to contractual disregard and recalcitrant behavior. Engaging with stakeholders through open dialogue and feedback mechanisms can help foster trust and collaboration in addressing organizational challenges.

Theoretical Implications:

The findings contribute to organizational behavior theory by highlighting the linkages between contractual arrangements, employee attitudes, and behavioral outcomes. This underscores the importance of considering organizational context and employment relationships in understanding employee behavior and organizational performance. The study sheds light on the intersection of employment relations and institutional performance in higher education institutions. By examining how employment practices impact organizational outcomes, the research extends theoretical understanding of the dynamics between human resource management and organizational effectiveness.

Policy Implications:

The conclusions drawn from the study have implications for policy-making at both organizational and governmental levels. Policymakers may need to consider regulations and incentives to encourage employers to uphold contractual obligations and promote a positive work

environment in higher education and other sectors. In summary, these insights provide acumen into the relationship between contractual disregard, employee behavior, and institutional outcomes, offering valuable implications for organizational management and theoretical advancement. These implications underscore the importance of addressing employment-related challenges to foster performing, sustainable and high-performing organizations in the higher education sector and beyond.

Conclusion

Thus, the relation of contractual disregard or violation by employer leads to recalcitrant behavior among employees in higher education institutions particularly universities. The paper explains that the contractual regard by the employer reduces job satisfaction and performance among employees which ultimately causes recalcitrant behavior in employees. This reduces employee motivation, productivity and efficiency while increasing absenteeism, turnover and psychological trauma. These imply serious repercussions for institutional performance, success, image and productivity which are crucial not only from the organizational perspective but also from the stakeholders' perspective including students, parents, and competitors. These matters need to be managed through strategic, organizational, and governmental policy making to enhance the employment conditions for the uplift of institutional sustainability, better quality of working conditions and educational standards.

References

- Adamu, A. (2021). "Public Personnel Management: An Overview. ."
- Ahn J. Y., L. X., Han J. H. (2021). . 13:12034. (2021). "Psychological contract breach and union commitment revisited: Evidence from Chinese employees." *Sustainability* **13**: 12034.
- Aluko, H. A., A. and Ogunjimi, F. (2022). "The Implications of Psychological Contract on Employee Job Performance in Education Service Delivery: A Study of Ebonyi State University." *Open Journal of Business and Management* **10**: 978-999.
- Blau, P. M. (2021). "Exchange and power in social life." *Piscataway* **4**(49).
- Eckerd, S. e. a. (2013). "The relative impact of attribute, severity, and timing of psychological contract breach on behavioral and attitudinal outcomes." *Journal of Operations Management* **31**(8): 567–578.
- Griffin, M. A., Neal, A., and Parker, S.K. (2007). "A New Model of Work Role Performance: Positive behavior in uncertain and interdependent contexts." *Academy of Management Journal* **50**(2): 327–347.

- Henry Adeyemi Aluko, A. A., Funke Ogunjimi (2022). "The Implications of Psychological Contract on Employee Job Performance in Education Service Delivery: A Study of Ebonyi State University." *Open Journal of Business and Management* **10**: 978-999.
- Jonathan L. J. Kelly, O. L. (2003). "The effects of psychological contract breach and organizational cynicism: not all social exchange violations are created equal." *Journal of Organizational Behavior* **24**(5): 627–647.
- Law, K. S. and Y. Zhou (2014). "On the relationship between implicit attitudes and counterproductive work behaviors." *Asia Pacific Journal of Management* **31**(2): 643-659.
- Lu, W., et al. (2021). "Job Security and Organizational Citizenship Behaviors in Chinese Hybrid Employment Context: Organizational Identification Versus Psychological Contract Breach Perspective Differences Across Employment Status." *Front Psychol* **12**: 627934.
- Li Y., Guo B., Wang Y., Lv X., Li R., GuanX., et al. (2022). Serial-multiple mediation of job burnout and fatigue in the relationship between sickness presenteeism and productivity loss in nurses: A multicenter cross-sectional study. *Front. Public Health* 12:812737. 10.3389/fpubh.2021.812737
- Morrison, E. W. (2007). "When Employees Feel Betrayed: A Model Of How Psychological Contract Violation Develops." *Academy of Management Review* **22**(1).
- Murphy, P. (2013). "Mutiny And Its Bounty."
- O'Brien, K. E. and T. D. Allen (2007). "The Relative Importance of Correlates of Organizational Citizenship Behavior and Counterproductive Work Behavior Using Multiple Sources of Data." *Human Performance* **21**(1): 62-88.
- Pramudita, A., et al. (2021). "The Effect of Psychological Contract on Job Related Outcomes: The Moderating Effect of Stigma Consciousness." *Cogent Business & Management*, **8**(1947556.).
- Ritz, A., Vandenabele, W., & Vogel, D (2021). "Public Service Motivation and Individual Job Performance." Oxford University Press: 254-277.
- Robinson, S. L. (2000). " The development of psychological contract breach and violation: a longitudinal study." *Journal of Organizational Behavior* **21**(1): 525-546.
- Staniland, P. (2012). "Organizing Insurgency." *International Security*: 142-177.
- Yu, D., et al. (2022). "Psychological contract breach and job performance of new generation of employees: Considering the mediating effect of job burnout and the moderating effect of past breach experience." *Front Psychol* **13**: 985604.