



An exploratory study of psychological contract in the Indian academic sector

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Abstract

The paper presents an exploratory study of the content of psychological contract in an Indian higher education institution. The sample consists of teaching staff in a self-financed four year technical institution. Focus group discussion is conducted in the first phase to understand the issues and key areas helpful to develop relevant questionnaire for the survey. In the second phase, a survey is conducted on the teaching staff using a self-administered questionnaire. An exploratory factor analysis is conducted on the survey data and is identified that eight factors are relating to employer obligations towards the faculty and four factors are relating to the faculty obligations towards their employer.

Keywords: *Psychological contract, higher education, education institutions, faculty obligations, employer obligations.*

An Introduction to the Indian academic sector

India is an important and one of the largest education centers of the global academic industry. India has largest higher education system in terms of number of institutions across the globe. The Indian education system is under huge pressure to expand with more than 600 million people falling under the age of 25.

The private sector played a crucial role in the growth of the Indian academic industry during the past two decades. The concentration of growth only in the private sector rather than the public universities has led to major challenge of an immediate need to ensure quality. The education in India is a not-for-profit activity. There is an argument from the private sector that there is a low level of funding support from the government. Some of the challenges faced by the private players of higher education sector include:

- Lack of autonomy
- Complex regulatory framework
- Operating on a not-for-profit basis
- Insufficient funding
- Competition from local as well as international players.
- Faculty shortage
- Recruitment and retention of quality faculty.



A lot of initiatives are proposed by the government in the twelfth five year plan (2012-2017) to build excellence through research and innovation, faculty training and development (FICCI, 2012). With an increasing pressure to promote quality and with various major challenges, the private institutions are running through a tough phase ultimately depending on the teaching staff for key responsibilities in the institution. Teaching staff are expected to take up additional challenging tasks along with producing high quality research work. There are some unwritten expectations from the teaching staff to get adapted to the dynamic environment and contribute to the success of the institution. In this context of continuous pressure for change and productivity, there is a need to understand the perceptions and mutual expectations of the teaching staff and their employer. The perceptions of the employee about the fulfillment of mutual expectations, promises made, commitments and obligations helps to build the psychological contract of the individual employee. This paper attempts to explore these mutual obligations, expectations of the teaching staff in the private unaided academic institution.

An overview of literature

Psychological contract is defined as “a series of mutual expectations and needs arising from an organization- individual relationship” (Paterson and George, 2001). Psychological contract is the sum of mutual unwritten expectations between the organization and the employer (Schien, 1965). It is also defined as “individuals' beliefs, shaped by the organization, regarding the terms of an exchange relationship between the individual employee and the organization” (Beardwell, Holden and Claydon, 2004). Thus the psychological contract comprises an unwritten agreement between the employees and the employer based on mutually fulfilled promises and obligations among the employees and the employer.

Changing nature of psychological contract

The expectations of the employees vary considerably with the culture of the institutions. Some academic institutions continuously focus on research while some institutions focus on teaching excellence. Also with the complex changes in the academic industry within the country, the nature of academic practices gets changed. Employees with a relational psychological contract show their commitment and involvement towards the organization, with an expectation that the employer will provide growth opportunities, loyalty, a sense of community (Thompson & Bunderson, 2003).

Earlier the employees expected good pay, stable and secured job and the employer expected loyalty and commitment towards the job and profession. In the current scenario, the employees are expecting flexible jobs with autonomy and the employers are expecting their employees to be more flexible, willingness to learn new skills, perform new tasks. Thus the psychological contract is very dynamic and keeps getting redefined with the new changes in the environment which is very important to consider.

Using a critical incident technique, the content of psychological contract is studied in a New Zealand University (Tipples and Krivokapic-Skoko 1965). The psychological contract items are categorized as employee obligations and employer obligations. The employee obligations are identified as quality of job, flexibility, honesty, loyalty, number of working hours. The employer obligations identified in the study include needs, pay, benefits, training, justice, fairness, work environment, recognition and communication.

Using a mixed method approach, the content of psychological contract is studied in an Australian University (Krivokapic-Skoko and O'Neill 2008). The university obligations to the staff are identified as good management and leadership, staff development and support, fair treatment in promotion, academic life, appropriate remuneration, good workplace relations, fairness and equity, reward performance. The staff obligations to the university are identified as commitment, meet academic expectations, quality teaching.

Research methodology

Based on the literature on the psychological contract, the focus group discussions are carried on the individual perceptions, expectations, promises, beliefs and obligations of the participants. The participants are asked about their views on the content of psychological contract from their own perspective and from the perspective of their employer. The focus group participants are asked to discuss:

- a.) What do you expect from your employer which is not written in your contract?
- b.) What do you believe your employer is obliged to you?
- c.) What do you think your employer expects from you which is unwritten in your work contract?
- d.) What do you owe to your employer?
- e.) How do your employer fulfilled/failed to fulfill your expectations?

The teaching staff expressed an expectation to take up workloads specified by AICTE.

'I could hardly find time to focus on research because of extra teaching hours right from the day I joined here, might have published more papers provided my work loads are as per norms of AICTE'.

The teaching staff expected recognition of their work and performance.

'I could get consistent result for my batch of students and inspite of heavy teaching workloads, I published research papers but there is no proper recognition from the management.'

The teaching staff expected a fair appraisal and promotion systems in place. This expectation is a fundamental thing for any employee of any organization in any sector.



'Appraisals are done by my Head of the Department only. I am not sure whether he is clear about the performance goals at all'.

'Providing a feedback of my appraisals will help me understand the areas which need improvement'.

'I focus on my work and my students. I don't focus on manipulations in support of my HOD, ultimately my appraisals get affected. I believe my management will introduce a fair system of appraisal soon'.

The teaching staff expected prompt payment of salary. *'unless we get prompt payment every month, our concentration is diverted towards payment of monthly bills'.*

'My first question to my colleague when I joined here is whether we get salaries on time every month'.

SURVEY

A survey is conducted on the teaching staff using a self administered questionnaire where there was a response rate of 63% with the sample size finally being 113. A total of 29 items were generated from the focus group discussions to measure the employer obligations and a total of 18 items were generated to measure the employee obligations. An eight factor solution is indicated for the employer obligations and a four factor solution is indicated for the employee obligations.

Employer obligations

- 1.) **Transparency:** This factor summarizes the employer obligations to appraisals and promotion. The variables with highest loading are the transparency and communication about appraisals and the promotion.
- 2.) **Faculty development and support:** This factor emphasizes on the items related to training and developmental opportunities in the institution. The support provided for the faculty for their career and professional development is explored.
- 3.) **Job security:** This factor contained items related to job security and flexible working.
- 4.) **Work life:** This factor emphasized the balance between personal and academic life, work environment, concerns of the employer etc.
- 5.) **Respect:** This factor covers items related to the respect given for the faculty and respect towards their profession.
- 6.) **Appropriate pay:** The factor summarized the pay related items in comparison with the skills, qualification, and experience and with other similar institutions.
- 7.) **Recognition:** This factor contained items related to the recognition of employees work, in particularly the recognition of teaching excellence, research work, and industry experience.

8.) **Leadership**: This factor summarized the dynamic leadership and management style of the employer in times of change.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.773
Approx. Chi-Square	502.121
Bartlett's Test of Sphericity	Degrees of freedom
	190
	Significance.
	.000

This factor analysis is found to be appropriate as the KMO was 0.773 (which is above 0.5). Also the Bartlett's test is significant at 0.000 indicating the adequacy and appropriateness of the analysis.

Table1: Employer obligations to the faculty: Exploratory factor analysis

Items	Loading							
	1	2	3	4	5	6	7	8
Communicates the criteria for appraisals	0.84							
Involves me while designing the appraisal system	0.74							
Appraisals conducted by trained people								
fair and equitable treatment in promotions	0.82							
Provides opportunities for promotions		0.69						
Provides training opportunities periodically		0.76						
Provides sponsorship for pursuing PhD.,		0.73						
Provides sponsorship for attending conferences, workshops.		0.76						
Provides OD leave for attending conferences, workshops etc.		0.78						
Provides job security			0.68					
The college is safe and comfortable to work			0.60					
Provides flexible working hours			0.86					
Faculty are given due respect for the work				0.62				
Provides support to balance work and personal life				0.69				
Allows freedom to act as academic professional				0.66				
My salary is based on my performance					0.84			
My salary is compatible with my skills, qualification and experience					0.81			
My salary is reasonable compared to other similar colleges					0.56			
Acts with integrity, stay true to the values						0.79		
Recognition of excellence in teaching							0.62	
Recognition of research work							0.79	
Recognition of industry experience							0.56	
Manage change and provides strategic direction								0.57
Provides enough resources to carry out my role								0.66
Creates environment in which people work in teams								0.68
Provides rewards of value to the staff					0.66			
Provides feedback on performance								0.69

Express support for employees								0.70
Provides dynamic leadership and motivation								0.69

Faculty Obligations

- 1.) **Professional Ethics:** This factor emphasizes on the items related to the work ethics and professionalism in the institution and student related matters.
- 2.) **Commitment:** This factor summarized the items related to the employee commitment in terms of extra hours of work when needed.
- 3.) **Participation:** This factor contained items related to the employee active participation in the trainings conducted.
- 4.) **Good Workplace Relations:** This factor emphasized the relations with the colleagues.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.764
Approx. Chi-Square	1130.9
Bartlett's Test of Sphericity	Degrees of freedom
	28
Significance.	.000

Table2: Faculty obligations to the employer: Exploratory factor analysis

Item	Loading			
	1	2	3	4
To be professional in all the operations	0.74			
To act ethically at work	0.66			
To work extra hours when needed		0.66		
To take up additional work load when needed		0.77		
To participate in all trainings provided			0.73	
To apply the knowledge learned through training in the daily work				
To pursue career development opportunities			0.61	
To impart quality teaching		0.68		
To protect the image of the institution everywhere		0.70	0.79	
To contribute to the success of the institution		0.71		
To keep employer informed, share knowledge		0.72		
To treat colleagues equitably				0.61
To remain adaptable to the role requirements		0.57	0.51	
To be committed to the teaching profession		0.82		
To show loyalty towards the institution		0.78		
To maintain a balance between work and personal				
To develop research interest and produce quality research				
To develop network and support student development				

The factor loadings below 0.5 were not shown.



Conclusion

This research paper focused on exploring the content of psychological contract developed by the teaching staff in an Indian academic institution. The focus group discussion provided in depth information about the faculty views and understanding of their psychological contract with the employer. The exploratory factor analysis conducted on the survey data gave an eight factor solution for the employer obligations and a four factor solution for the faculty obligations. The analysis of these factors gave an understanding of the content of psychological contract in academic institution in the Indian context from the perspective of the employees. The perspective of the employer can be studied in the future research to get an understanding of both the perspectives in framing the psychological contracts.

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