ACADEMIA International Journal for Social Sciences
Volume 4, Issue 3, 2025 ISSN-L (Online): 3006-6638

Psychological Contract and Job Performance: A Study of University Faculty in Hazara Division Pakistan

Malik Sajjad Ahmed
Maliksajjad.uoh@gmail.com
PhD Scholar, Institute of Management Sciences, The University of Haripur

Dr. Kamran Azam
Kamran.azam@uoh.edu.pk
Associate Professor, Institute of Management Sciences, The University of Haripur.

Dr. Misbah Karamat
Dr.misbahkaramat@gmail.com
Department of Psychology, GPGC(W), Haripur
Corresponding Author: * Dr. Kamran Azam Kamran.azam@uoh.edu.pk

Received: 13-05-2025 **Revised:** 26-06-2025 **Accepted:** 11-07-2025 **Published:** 09-08-2025

ABSTRACT

As academic environments evolve, understanding what motivates university faculty is crucial not only for institutional performance but for educator well-being. This study explores the psychological contract (PC) the unwritten expectations between faculty and institutions in contrast to formal agreements. These include intellectual autonomy, professional development, and fair evaluation processes. Grounded in social exchange and psychological contract theories, the research examines faculty perceptions in four universities in Pakistan's Hazara Division, a region where universities are vital yet under-resourced. Data from 300 faculty members were analyzed using structural equation modeling (SEM). Findings show a strong positive link between psychological contract fulfillment and job performance. Faculty who felt supported, respected, and professionally valued demonstrated higher motivation, effectiveness, and engagement. In resource-limited settings like Pakistan, non-financial incentives such as trust, respect, and psychological safety play a key role in faculty performance. The study highlights that academic leadership must focus not only on budgets and infrastructure but also on nurturing respectful, trust-based relationships. This research adds to the literature on faculty motivation, particularly in South Asia, offering practical insights for academic leadership and HR. Prioritizing the human aspect of academic work can lead to more committed, productive, and resilient faculty.

Keywords: *Psychological Contract; Job Performance; University Faculty Engagement; Higher Education; Hazara division*

INTRODUCTION

University teachers does not simply transmit knowledge; they act as mentors, researchers, innovators, community developers, and primary contributors of social advancement. They are not merely of service within the classroom setting but their role includes creating and sharing knowledge as well as developing a critical thinking and leadership in students, and their active involvement in societal and developmental issues. In such nations as Pakistan, where the process of higher education is rapidly and multidimensional changing, the roles and demands addressed to the academic personnel have increased and become multifold. The rise in student numbers, drive toward internationalization, improving technologies that encompass digital and blended learning and the compulsion to rise in the global ranking and research yields have transformed the academic environment. Such changes require our faculty members to adjust

constantly due to high teaching, research and service expectations that are often accompanied by an environment of resource limitations and severe administrative complexities.

It is under this changing environment that the academic staff lists their various, and sometimes competing, roles: to teach quality instruction to diverse and ever expanding groups; to do relevant and effective research in line with the development aims of the nation; to participate in the institutional governance; and serve the wider community throughout reach, consultancy and policy making. Such demands, although supporting a modernized notion of higher education, can be a source of stress, role conflict and job strain especially when the institutions support systems are lax or slack.

Under these circumstances, the psychological contract the set of felt and perceived mutually obligating reciprocities between faculty and their employing institutions stands up as an important key in determining faculty engagement, motivation, and performance. The formal employment contract might define roles, responsibilities and pay but it fails to define the subtler, underlying assumptions upon which everyday academic life is conducted. These are associated with reasonable standards of treatment, intellectual independence, respect and growth potential, recognition, employment security, and mutual dedication by the faculty and the management.

As faculty members feel that these unwritten norms are respected by their institution, they will tend to feel more valued and supported and feel empowered and as a result of this the job satisfaction, employer loyalty and the discretionary effort will increase and this together will amount to a positive teaching, research and service to the institution. In contrast, failure to meet these expectations is viewed as being flouted or ignored on the other hand say, by capricious decision-making, failure to give recognition, employing secretive appraisal procedures or ignorance in academic contributions the outcome in this instance may be psychological contract violation. The breach does have the propensity to cause sense of betrayal, demotivation, withdrawal and even active disengagement, which in this case can be in the form of reduced performance, absenteeism or wanting out of the institution altogether.

There is therefore a need to learn how the psychological contract delivery or non-delivery of psychological contracts impacts the university academic performance as without such understanding university administration, policy formulation and management would become seriously impaired where official resources are short but relational and cultural capital is still relevant to use as a replacement method. With the performance of the faculty in Hazara Division in Pakistan (the key role of the universities in the context of the development of the region) is not only at the core of institutional success but also in the context of the development of society and the economy as a whole.

The aim of this study is to investigate how the aspect of psychological contract dynamics and faculty job performance in the public universities present in the Hazara Division are related. This study will be using the faculty perceptions of the fulfillment or violation of contracts, and their relationships to work engagement, motivation, and the performance outputs as parameters; to expect context-specific empirical data which will add value to the existing literature on psychological contracts in the sphere of higher education, especially the South Asian cultural settings. In addition, the research will guide institutional policies and Human Resource practices of creating a supportive, equitable, and high-performing academic and learning environment. By so doing, it brings out the strategic interests of relational management and cultural sensitivity in promoting faculty productivity and maintaining institutional excellence in the face of a changing environment facing higher education.

LITERATURE REVIEW

Understanding the Psychological Contract

According to Rousseau (1995), a psychological contract refers to an aspect held by an individual in the belief of reciprocity between him or her and his or her employer. Such obligations are not written in documentation and are therefore, subjective, dynamic, and context-sensitive in nature. Psychological contracts are not necessarily binding in nature, as legal contracts are, since they are implicit and develop during normal dealings, organizational signals and presence, leader signal and values, and cultural guidelines. These values are formed by personal values, socialization experience in the organization and expectations of the general society. Psychological contracts therefore depict not only what the employer conveys, but the anticipation of what the employee anticipates on the organizational practice and signals.

Rousseau also differentiates between the economic (transactional) and the social (relational) psychological contracts, where the former deals with the short-term, economic interactions (e.g. pay-performance, temporary work), whereas the latter involves the long-term, socio-emotional investment, mutualhat, partner loyalty, individual growth. Relational contracts are more common in a school environment and especially in universities because of the characteristics of the academic work that are bound to the process of intellectual discovery, independence, and continuous professional development (Shahnawaz & Goswami, 2022). Members of the faculty are no longer given to the exchange of labor valued by the wages as such, but they desire fulfilling activity and mental satisfaction and an esteeming of their work in an area of academic collaboration.

Faculty members in this case insist that they receive more than just financial rewards when they work in an institution. Major expectations can be intellectual independence the ability to follow research interests and communicate academic opinions without undue influence; uncorrupt evaluation systems of promotion, tenure and award; access to research funding, resources and opportunities of scientific increasing; mentorship and leadership that will help them grow occupationally; collegial and mutual agreeableness; and work security, specifically in state universities where tenure and stability has always been held trademark. Such anticipations play an important role supporting faculty motivation, job satisfactions, and commitment in the long run.

In contrast, colleges and universities ask the faculties to not only produce high-quality teaching but also to publish quality research that boosts the visibility and innovation of the organization, mentor students, take part in serving the community, and actively take part in governance and administrative duties. These mutual obligations which are at times unspoken are what forms the psychological framework that the academic employment relationship stands to be within.

Where such expectations are met, and fulfillment of the psychological contract is achieved, reciprocity, trust, and psychological safety, will be achieved. Such an atmosphere supports good performance, organizational citizenship behaviors, and professional identity (Li et al., 2023). On the other hand, failure to meet the psychological contract in terms of unfair workload distribution, failure to reward or infringement of academic freedom may lead to disengagement, dissatisfaction and the intention to leave. Such repeated violations, after some time, may cause institutional cynicism and low morale, which is not conducive to academic excellence and institutional reputation.

Healthy psychological contracts are therefore extremely important, especially in academic institutions where the psychological environment usually dominates the material incentives. To keep and inspire fine

faculty-members, institutions should invest not simply in meeting standard duties, but also in developing the psychosocial environment within which academic activity occurs. This comprises of responsive leadership, open communication, fairness and consistent support in both the professional and personal respects. Universities can also ensure that the relational aspects of academic work, which are respectful of a faculty, are put at the forefront of their institutional practice. This development can result in resilient, high functioning, and ethically based scholarly communities.

Job Performance in Academia

Campbell et al. (1993) present job performance (JP) as the aspect that defines how well an individual undertakes the duties and obligations of a particular role. Such definition will focus on both the product and practices whereas performance is not a mere outcome but it is also about quality and stability of dedication towards attaining organizational interests. JP is multidimensional and complex, in general, and in higher education. Besides teaching effectiveness in terms of student learning outcomes, pedagogical innovation, and course evaluations, it captures the research productivity, the number of emissions, grant awards, and works in scholarly discourse. As an additional faculty developmental construct, faculty members are also being assessed based on student engagement, including: mentoring, theses supervision, and academic advising, and curriculum development, including: development and renewal of course material within the current knowledge and industry requirements. Last, and least recognized, but most important to performing well in the academic arena is service to the institution and community, whether through committee work, policy development, outreach, and public scholarship.

New research (Nguyen et al., 2024; Bibi et al., 2025) has developed the scope of knowledge concerning the academic job performance determinants. These studies show that factors leading to the performance are not only structural, material inputs like availability of funding, access to research facilities, student-faculty ratios and institutional policies, but also psychological and cultural factors. The faculty perceptions of the fair appraisal and promotion systems, how well they feel their work is appreciated, quality of leadership at both departmental and institutional levels, and the organizational culture is highly exercised to build motivation, engagement and, eventually, performance. As an example, a healthy organizational culture of inclusion and encouragement can promote cooperation and innovation and self-development, and a unhealthy, hierarchical one can suppress creativity and cause demoralization.

Furthermore, faculty are under pressure, not only because psychological well-being and work-life balance are concepts that matter to performance outcomes but also because, in the era of accountability and performance measurements, additional pressure is exerted on them because of national and international ranking and measurement. Even the most resource-intensive academic environments can be destroyed by stress, burnout, and unhappiness in work due to expectations that remain unmet or injustices that seem to be perpetrated.

In that regard, any form of intervention that will lead to better performance of job related to academics must be more holistic by taking into consideration both material and immaterial conditions (e.g., resources, infrastructure, compensation, trust, autonomy, respect, and institutional values). Neither a fixation on an input nor on an output can be effective; the lived experiences of faculty members as revealed through the prism of a psychological contract and cultural context cannot be ignored and must be improved upon to achieve high-performance within an academic institution in a sustainable way. It is of special importance especially in developing nations where shortages with these resources allows the non-material reward to have an even greater consequence towards faculty motivation and performance.

Psychological Contract and Job Performance: The Link

A good body of literature points out an impressive positive connection between meeting of psychological contract (PC) and job performance (JP) (Turnley & Feldman, 2000; Conway & Briner, 2005). Faculty members are more likely to reciprocate high commitment, high performance and high levels of organizational citizenship behaviors when their perceptions of organizational acknowledgement of their contributions, and perceived honoring of organizational promises whether formal (e.g., formal benefits, promotion possibilities), or informal (e.g., respect, autonomy, support) is high. These favorable results come through the feeling of a repayment and trustfulness; employees are appreciated, and in their turn, produce more of their mental, emotional, and material resources in their work. This kind of fulfillment not only promotes task performance but also creativity, innovation and pro-social behavior and these are essential components of the academic setup.

On the other hand, psychological contract violations, which occur in the form of failure to meet expectations or be recognized, unreasonable criticism, under-development of a professional, or lack of considerations on faculty autonomy, may lead to psychological distress, a lack of motivation, and fall in work performance. Such violations do not necessarily reflect blatant neglect; the cloudier versions of perceived injustice or changes in the institutional priorities with no obvious communication can also dissolve any faculty trust and loyalty. As time goes on, multiple contract violations can lead to burnout, absenteeism, or turnover, which are deleterious effects on institutional performance and student performance.

Relational psychological contracts are of particular importance in thus collectivistic societies as Pakistan (Li et al., 2023). In this case, the relationship in the workplace is incredibly included in cultural norms that value respect, harmony, mutual support, and long-term associations instead of transactional relationships or temporary motivation. Employment relationship in Pakistani public universities is also commonly perceived through a relational prism cast in the wider net of social responsibilities, experience and communal principles. Being respected by administration, having a chance to be mentored, and being included in decision-making processes are usually prioritized as equally important to material benefits, not to mention that they have a higher priority.

These cultural nuances have empirical findings. In Pakistani universities, Ahmed and Raza (2025) discovered that the perception of faculty members on the fulfilment of the psychological contract was closely associated with the institutional leadership trust, job satisfaction, and decline of turnover intentions. In addition, they indicated that such considerations mediated the effects of contract fulfillment to the outcomes of performance and this implies that a robust relational contract contributes to the well-being of an individual and the productivity of an institution.

Thus, the PC-JP relationship on the presentation of the Pakistani higher education is not only important in academic terms, but also plays a crucial role in human resource planning and policy-making. Through the matching of institutional practices with collective expectations of faculty based both on contractual duties and cultural values the administrators will be able to create a more active, inspired and high performing academic staff. Such a strategy is favourable not only to faculty retention or morale but will also help it achieve its greater objectives of education and its quality as well as brand.

METHODOLOGY

Participants

The research sample was selected among full-time faculty members in four universities that are in the Hazara Division of Khyber Pakhtunkhwa, including University of Haripur, Hazara University, COMSATS Abbottabad, and Abbottabad University of Science and Technology. Lecturers, assistants, and associate professors, as well as professors, partook in the study, and they display a wide range of disciplines (all academic areas), and contract types (tenure-track and contractual). Diversity in gender and age had also been achieved.

Measures

Psychological Contract

The dimensions of psychological contract were assessed with the help of Rousseau (2000) psychological contract inventory where the emphasis has been on perceived obligations and perceived employer employee fulfillment. Such dimensions that were covered by the instrument included: organizational support, career development, recognition, autonomy, and job security. The strength of the scale was with Cronbach alpha of.87 which is very high.

Job Performance

An integrated self-report and managerial rating was used on a structured scale including teaching quality, research productivity (e.g., publications, grants), and institutional service (e.g., committee work, student advising) to evaluate JP. The alpha coefficient of this scale was.91, which is high in internal consistency.

Procedure

Once the institutional approval and ethical clearance was obtained, surveys were sent out both physically and electronically to the faculty. The women took part in it voluntarily and anonymously, but their informed consent was achieved. The data were coded, cleaned, and analyzed with the SPSS (v26) and AMOS (v24). In order to evaluate the hypothesized relationships, structural equation modeling (SEM) was used.

RESULTS

Table 1: Descriptive Statistics and Reliability for Key Variables

Variable	N	Mean	SD	Cronbach's α
Psychological Contract	300	3.70	0.70	.87
Job Performance	300	4.12	0.62	.91

Table 2: ***Correlation Matrix***

Variable	1	2
1. Psychological Contract	—	
2. Job Performance	.65**	—

Note: $p < .01$.

Table 3: ***Direct Effect of PC on JP (SEM Path Analysis)***

Path	B	SE	C.R.	p
PC → JP	.29	.052	5.58	< .001

Table 4: ***Model Fit Indices for SEM***

Fit Index	Value	Threshold
Chi-square (df = 100)	120.5	$p > .05$
CMIN/DF	1.21	< 3
CFI	.98	> .95
TLI	.975	> .95
RMSEA	.045	< .06

SEM model suggests that there exists a positive connection between job performance and psychological contract fulfillment that are statistically significant. The model fit indices reveal that the model is satisfactory enough with an acceptable value thus signifying the strength in the analytical model.

DISCUSSION

The results prove that the fulfillment of psychological contract has strong predictive value of positive job performance among faculty members in the University in Pakistan. When faculty feel that their colleges and universities are meeting commitments (explicit or implied) with respect to autonomy, career support, and fairness, then faculty are more engaged, highly motivational, and apparently perform better. Such

findings confirm findings across the globe (Zhao et al., 2007; Nguyen et al., 2024) and make them relevant to the South Asian educational setting.

Several explanations emerge

1. Trust as a Mediator: Trust in leadership and institutional processes plays a crucial mediating role between PC and JP. When faculty trust their administration, they are more likely to invest emotionally and intellectually in their work.
2. Emotional Investment: Psychological contracts carry a strong emotional component. Fulfillment promotes emotional well-being, which translates into better classroom experiences, innovative research, and institutional loyalty.
3. Cultural Influence: In Pakistani universities, relational aspects like respect, inclusion in decision-making, and mentorship matter more than short-term monetary rewards. Breaches in these areas can lead to faculty disillusionment and exit intentions.
4. Burnout Buffer: Faculty members under pressure (due to high teaching loads or low research funding) may cope better if their psychological contracts are honored. Perceived institutional support can act as a buffer against burnout.

Implications for University Management

This research is well-grounded on policy and practice. The human resource departments need to go beyond contract and have systems to check on faculty moods and expectations. Psychological theme management aspects like getting timely feedbacks, participatory governance and communication of promotion lists should be involved in leadership training programs.

Additionally, frequent communication between the faculty and administration, management, and evasion of expectations, as well as matching of institutional culture with those of faculty values can help to alleviate contract violations.

CONCLUSION

As this study shows, the concept of the psychological contract fulfilment is a proficient and meaningful indicator of job performance in Pakistan universities and colleges. It insists that in addition to the material resources, the other elements like trust, fairness, autonomy, and employee growth equally play a crucial role in building engaged and productive faculty.

The university of Pakistan has to reconsider the way they deal with the expectations, construct their policies, and the career of their faculty. Such a transition in transactional HR to relational psychological contracts has the potential to achieve sustainable performance, faculty retention, and excellence in educational performance.

FUTURE DIRECTIONS

While this study provides foundational evidence, several areas warrant further investigation:

- Longitudinal studies are needed to assess how psychological contracts evolve over time.
- Mediating variables such as job satisfaction, organizational commitment, and leadership style should be explored.

- Comparative studies between public and private institutions may offer richer insights.
- Qualitative interviews can help uncover deeper faculty narratives around trust and fulfillment.

Ultimately, understanding and managing psychological contracts can bridge the gap between institutional goals and individual aspirations key to educational reform in Pakistan and beyond.

REFERENCES

Ahmed, R., & Raza, M. (2025). Psychological contract fulfillment and faculty engagement in Pakistani universities. *Asian Journal of Educational Management, 15*(1), 34-47.

Bibi, S., Khan, M. I., & Zahid, S. (2025). Factors influencing job performance among academic staff in Pakistan. *Higher Education Quarterly, 79*(2), 156-173.

Campbell, J. P., McCloy, R. A., Oppler, S. H., & Sager, C. E. (1993). A theory of performance. In N. Schmitt & W. C. Borman (Eds.), *Personnel selection in organizations* (pp. 35–70). Jossey-Bass.

Conway, N., & Briner, R. B. (2005). *Understanding psychological contracts at work: A critical evaluation of theory and research*. Oxford University Press.

Li, X., Zhang, Y., & Yang, L. (2023). Psychological contract fulfillment and job performance: A meta-analysis across cultures. *Journal of Organizational Behavior, 44*(1), 89–108.

Nguyen, T. T., Pham, L. T., & Tran, H. Q. (2024). Academic performance and psychological contract in emerging economies. *International Journal of Educational Research, 123*, 101879.

Robinson, S. L., & Rousseau, D. M. (1994). Violating the psychological contract: Not the exception but the norm. *Journal of Organizational Behavior, 15*(3), 245–259.

Rousseau, D. M. (1995). *Psychological contracts in organizations: Understanding written and unwritten agreements*. Sage.

Shahnawaz, M. G., & Goswami, S. (2022). Psychological contract breach and employee outcomes: A meta-analytic review. *Human Resource Management Review, 32*(2), 100839.

Turnley, W. H., & Feldman, D. C. (2000). Re-examining the effects of psychological contract violations. *Journal of Organizational Behavior, 21*(1), 25–42.

Zhao, H., Wayne, S. J., Glibkowski, B. C., & Bravo, J. (2007). The impact of psychological contract breach on work-related outcomes: A meta-analysis. *Personnel Psychology, 60*(3), 647–680.