



# IMPACT OF HIGH-PERFORMANCE WORK SYSTEM, PSYCHOLOGICAL CONTRACT BREACH AND EMPLOYEES' RESILIENCE ON EMPLOYEES' PERFORMANCE

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**ABSTRACT-** The higher education institutions have been considered as leading sources for managing the main educational priorities that are aligned with development of concerned countries. However, this role may be performed well when institutions remained focused on various leading parameters among with the performance management and psychological contract are the foremost. Similarly, the employees' resilience is also critical in determining the employees' readiness towards institutional tasks and leading objectives. Thus, to examine the possible relationships among these concepts, data was collected from the faculty members as detailed in methodology section and analyzed through statistical procedures to find out the information about the desired relationships among research phenomena. The results are expected to be significant for management of higher institutions concerning the leading concepts under investigations.

**Keywords:** High-Performance Work System, Psychological Contract Breach, Employees' Resilience & Employees' Performance

## I. INTRODUCTION

The role of the higher education institutions becomes indispensable for promoting higher education where this role is clearly evident as more effective in the developed countries context. The developed countries are more overwhelmed with the development of the higher education and thus spent the huge amount of their annual budget on development of the higher education (Barlett & Chase, 2013). However, this role is thus questionable in context of developing countries wherein situation is not much satisfactory due to many constraints (Walker & Boni, 2014). The education and research as imparted and practiced in developed countries are up-to-date and keeping in view the leading and burning issues of the societies. The strong linkages of higher education are evident with corporate sector in the developed context that helps concerned institutions (Amaral, Martins & Gouveia, 2015), in providing the practical guidelines and expertise to students that are vital in support to their professional development. However, role of higher education is somehow different in the context of developing countries.

In Pakistan, the role of higher education has become phenomenal due to its critical role in the socio-academic developmental process leading to higher level of transparencies as well as competencies that are vital for the different sector of economies (Zakaria, Janjua & Fida, 2016). Unlike the developed countries, the situation in Pakistan is meager due to insufficient support on the part of the government in providing sufficient financial support to the higher educational institutions in meeting their genuine demands (Jawad, Malik, Pracha & Malik, 2017). Thus, due to lack of sufficient resources, management of different institutional issue including performance management becomes exciting for higher institutions overwhelmed at limited and insufficient the institutional outcomes (Chahar & Hatwal, 2018). The other factors are critical to be considered like the psychological contract breach and employees' resilience that cannot be ignored that directly or indirectly influences entire working format of institutions including performance management leading to employees' performance and high-performance work system.

In academic research, every study is based upon the investigation of certain phenomena in relations to other phenomenon in different context to examine the purpose and objectives of research studies. This study is based on certain phenomena that are aimed to examine in the higher educational context to explore the relationships among the said phenomena. In this connection, main issues/factors are related with the high-performance work system, employees' performance, employees' resilience and psychological contract breach. These are the main concepts that are aimed to be examined in this study with the aim to explore the relationships among these research concepts in higher educational context. These variables have been

widely explored in different contexts with different outcomes, however, this study aimed to examine these concepts in the context of higher education in developing countries like Pakistan (Khyber Pakhtunkhwa) to produce new findings and develop new knowledge in particular context.

### **Problem Statement**

The HPWS is widely researched in higher educational context thereby recommending its reliability for the higher institutions. The "HPWS" is vital for the organizations in prioritizing their work values and standards leading to higher performance that is required to achieve the strategic values and desired objectives. Therefore, this study aimed at probing the relationships between employees' performance and high-performance work system in higher educational background.

### **Objectives & Hypotheses**

1. To examine the theoretical relationships among the research phenomena under consideration in this study (hypothesis # 1).
2. To examine the association between high-performance work system, employees' resilience, psychological contract breach and employees' performance (hypothesis # 2).

## **II. LITERATURE REVIEW**

The economic change is also the strong facilitator of the high-performance work system as the organizations need the economic support to implement the novel human resource system to upgrade the knowledge and skills of their workforces (Cooper, Liu & Tarba, 2014). The organizations need additional competencies for implementing the HPWS in letters and spirit for their there is a dire need to invest in new system to improve the smooth functioning of the organizational actions towards sustained competitive advantages (Cooke, Cooper, Bartram, Wang & Mei, 2016). Therefore, unique characteristics and economic operations forced the organizations to implement the new strategies concerning the implementation of high-performance work system (Riaz & Mahmood, 2017). Similarly, the quality of services is another important issue that is strongly associated with HPWS as this system allows the organizations to improve the service qualities by introducing and implementing the quality parameters in uplifting standards of organizations in diverse manners in order to improve the credibility of the organizations.

The high-performance work system and service quality are important to implement the vital practices related with the human resources to attain the desired standards in the concerned organizations (Riaz & Mahmood, 2017). In services sector organizations, high-performance work system allows organizations to minutely plan every segment of the industry to nurture the behavior of workforces and to attain desired standards of performances. In Pakistan, the HPWS has been widely researched in the context of different organizations with diverse outcomes that are critical in determining the success of the organizations (Chahar & Hatwal, 2018). It has been researched in the context of service sectors and well as manufacturing sectors to improve the standards of concerned organizations by implementing the HRM practices as well as HPWS to improve the existing operations of the organizations (Nadeem, Riaz & Danish, 2019). The main theme of high-performance work system is to improve the attitude and behavior of workforces by implementing the important and vital practices to improve the organizational standards.

### **High-Performance Work System**

The leading challenges that are associated with the application of high-performance work system are the nurturing behaviors of workforces and the maintenance of organizational legitimacy to sustaining the strong culture of organizations (Amjad, Sabri, Ilyas & Hameed, 2015). The culture is vital for both the formal and informal organizations indeed it drives the growth parameters and answer to the new management challenges by developing the innovative HR practices and policies (Mahmood, Khurshid, Bashir & Muhammad, 2016). The efficiency and effectiveness of human resources are vital challenges that the organizations have to manage as per the required standards and criteria to meet the leading demands of the stakeholders (Ali, Saeed, & Munir, 2018). Likewise, the innovations and creativity are also the leading challenges concerning the HPWS as this system ensures the application of new techniques in attaining organizational objectives. The responsiveness and involvement are also the leading parameters and challenges that are associated with the effectiveness of the high-performance work system (Dobija, Górska, Grossi & Strzelczyk, 2019). The high-performance work system with respect to higher education institutions are facing certain challenges that need additional care from the organizational management in order to meet the demands of the stakeholders.

### **Psychological Contract Breach**

The psychological contract breach brings along certain undesirable consequences for the concerned organizations as it demotivates employees to show their decent performance due to the non-responsive behavior of the organizations towards certain agreement that is operative behind relationships between employees and organization (Arshad, & Sparrow, 2010). The organizations need the support of their employees in attaining their strategic objectives while employees need the support of the concerned organizations in meeting their genuine demands leading to higher level of satisfaction and motivation (Bal, Kooij, & Jong, 2013). Both, employees and concerned organization are required to guarantee the agreement as it denotes critical success issues and factors for organizations in maintaining their competitive advantages (Clinton & Guest, 2014). This motivate concerned employees to show higher level of achievements with regard to the assigned responsibilities that are critical for organizations in attaining their strategic values, standards and goals achievement in competitive situations (Milanovic, Dokic, & Dordevic, 2018). In the educational context, psychological contract breach is significant phenomenon as it has direct influence on the attitude and behavior of the employees.

### **Employees Resilience**

The theoretical background of resilience offered some theories and models that are operative behind the resilient behavior of the employees towards the organizational norms and values (Fredrickson & Branigan, 2005). In this connection, the build and broaden theory indorse various advantages of positive emotions in uncertain situations and circumstances where different challenges are effective in organizational context (Masten & Wright, 2009). The positive emotions lead the employees toward the resilient behavior which is critical in determining the employees' attitude toward the prolonged strategic objectives of the concerned organization wherein different dynamic factors are responsible (Liu, Wang & Lu, 2013). The constructive emotions are accommodating in recalling the previous expectations and experiences for prolonged survival and effective learnings of the employees in diverse situations that brings along long-term emotional and physical health consequences (Lamb & Cogan, 2016). These consequences are vital for the employees and organizations in sustaining their prolonged and effective relationships in viable and competitive situations. Consequently, it provides the quest for resilience to maintain the effectiveness of resilient behavior.

### **Employees Performance**

The employees are the main source who is responsible for the smooth functioning of the organizational activities by showing their skills and knowledge towards chasing the aims and objectives of the organizations (Boselie, Dietz, & Boon, 2005). The employees have been considered as the building block for the organizational success who are responsible for all the actions and activities as per the norms and values of concerned organization (Gupta & Singh, 2010). In this connection, the organizations spent most of their revenues on human resource practices that aimed at developing the attitude and behavior of the employees to think and act only for the welfare of the concerned organization (Cooper, Liu & Tarba, 2014). In this regard, numerous factors are responsible for employees' motivation and inspiration among which the performance is leading phenomenon that pivots around all other important factors (Nadeem, Riaz & Danish, 2019). The employees' performance has been measured as most vital and significant factor in determining the organizational performance and success in modern competitive environments. The foremost responsibility of the organizations is to augment the employees, behavior to inspire them towards the higher performances sine the best performances are the significant success phenomenon for the organizations.

## **III. RESEARCH METHODOLOGY**

The procedures and methods for conducting the research studies in attaining the particular objectives in particular context has been presented in the research methodology section. It further supports the researchers in offering the particular tools and techniques as required for conducting studies on particular issues based upon the nature of research. Therefore, this section offered the prerequisite methodology (tools and techniques) to conduct the study scientifically and to reach the conclusion based upon the exploration of relationships among the research variables (Sobh & Perry, 2006). The research positivism philosophy is best suited philosophical approach to conduct the study and to reach the conclusion. The survey is elastic in interrogative procedures, about the research questions asked from respondents in measuring the research variables by covering the topic by interacting with respondents (Malhotra, Hall & Oppenheim, 2006).

The population of current study will include the faculty members (target population) from higher southern region educational institutions of KP, Pakistan wherein the sample has been extracted by using the statistical formula for sample-size determinations. In this connection, the most popular is convenient sampling technique under the umbrella of non-probability sampling technique wherein data is collected from those members of population who are conveniently available. Therefore, total 277 questionnaires were thus distributed among which total 260 questionnaires were recollected. The questionnaire was adopted from the previous research studies for primary data collection and was analyzed through different tools to find the answers of research questions and to reach the study conclusion more comprehensively.

#### IV. DATA ANALYSIS

The results of study are presented in this section obtained through descriptive as well as the inferential analysis thereby describing the research variables along with their relationships. The results of the study about the diverse assumptions that were chased through correlation, regression, mediation and test of significance have been offered in results section to make clear the understandings about the research objectives and the research outcomes to make clear the conclusion.

Table 1 Normality Distribution

	Kurtosis		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
High Performance Work System	-.485	.346	-.485	.346
Psychological Contract Breach	-.568	.264	-.568	.264
Employees' Resilience	-.374	.198	-.374	.198
Employees' Performance	-.519	.311	-.519	.311

Table 2 Descriptive Statistics

	N	Minimum	Maximum	Mean	SD
High Performance Work System	260	1.60	4.70	3.3573	.71906
Psychological Contract Breach	260	1.40	4.60	3.2173	.77964
Employees Resilience	260	1.70	4.60	3.3746	.53579
Employees Performance	260	1.70	4.80	3.5446	.69260
Valid N (list-wise)	260				

Table 3 Correlation Analysis

		HPWS	PCB	ERS
Psychological Contract Breach (PCB)	Pearson Correlation	-.511**		
	Sig. (2-tailed)	.000		
	N	260		
Employees Resilience (ERS)	Pearson Correlation	.698**	-.430**	
	Sig. (2-tailed)	.000	.000	
	N	260	260	260
Employees Performance	Pearson Correlation	.726**	-.552**	.681**
	Sig. (2-tailed)	.000	.000	.000
	N	260	260	260

\*\* Correlation is significant at the 0.01 level (2-tailed).

The correlation provides association with regard to the strength and direction in relationship among the research variables. The first hypothesis of present study was about association among the research variables under considerations. The results show that research variables are significantly related likewise, high-performance work system and employees' performance (.726 & .000) (positive and significant association), employees' performance and psychological contract breach (-.552 & .000) (significant & negative association), the employees' performance and the employees' resilience (.681 & .000) (positive & significant association), the high-performance work system and psychological contract breach (-.511 & .000) and high-performance work system and employees' resilience (.698 & .000). Thus, from correlation results, first hypothesis (H1) about association among research variables is thereby accepted. The study offered significant information about the relationships which has been validated through existing research studies having the similar results to some extent about the association between the variables (Restubog &

Bordia, 2006; Akhtar, Nawaz & Shahid, 2016; Riaz & Mahmood, 2017; Caniëls & Baaten, 2019; Cooper, Liu & Tarba, 2014; Shin, Taylor & Seo, 2012) and thus validated the outcomes.

## V. CONCLUSION

The conclusion of the study has been offered in this section wherein it envisioned to support the readers to comprehend why the research matters to them after reading the complete study. This current study also provides significant information in reaching the conclusion of the current study. The study was based upon the empirical relationships among the high-performance, employees' performance, employees' resilience and psychological contract breach in context of higher education institutions of Khyber Pakhtunkhwa, Pakistan thereby collecting the data from faculty members and analyzing data through different statistical procedures to reach the conclusion about the relationships among the research variables supported through existing research studies in order to support the theoretical arguments offered by relevant literature about issues under considerations. The hypothesis was about the association among research variables like high-performance work system, employees' performance, psychological contract breach and employee resilience. The results confirmed significant and positive link amid high-performance work system, employees' performance and resilience while negative relationships were found amid psychological contract breach, employees' performance and employees' resilience. Thus, due to significance association, the H1 is hence accepted and substantiated.

## VI. RECOMMENDATIONS

1. The institutions are required to provide better understanding to their employees toward the vitality of the high-performance work system, employees' resilience, employees' performance and psychological contract breach through different seminars and other programs to develop their awareness towards these issues.
2. The employees' and institutions are required to provide respect to the psychological contracts which in turn develop their behavior towards the achievement of prolonged institutional objectives. The employees in turn will show their resilience and better performance to produce better outcomes and consequences.
3. The institutions are required to provide better opportunities to their employees for the professional development thereby offering them understanding toward importance of these issues for the development of the institutions. The institutions will be more effective when utilizes these variables in effective and efficient manners.

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