

Empowering Voices: Mixed Study of Decision-Making Structures, Employee Engagement and Organizational Sustainability in Public and Private HEIs

ABSTRACT

This study examines the relationship between centralized decision-making by employers and employee recalcitrant behavior in public and private universities in Lahore, Pakistan, with a focus on its implications for organizational sustainability. Utilizing a mixed-methods approach, the research incorporates data from 355 survey responses analyzed quantitatively using structural equation modeling and qualitative insights from 30 in-depth interviews. Key findings indicate a significant positive association between centralized decision-making and recalcitrant behavior ($\beta = 0.561$, $p < 0.001$), as faculty members reported dissatisfaction, non-compliance, and organized resistance to authoritarian management practices. Thematic analysis of qualitative data revealed that employees perceive exclusion from decision-making as a breach of psychological contracts, fueling frustration and defiance. These findings underscore the detrimental impact of centralization on employee morale and performance, emphasizing the need for participatory governance to foster organizational engagement and sustainability. The study is limited to education sector but contributes significantly to the literature on organizational behavior by demonstrating the psychological and practical consequences of decision-making structures and offering actionable recommendations for academic leadership. This has original insights for future research into the employee turnover, retention and performance in the universities as well as organizational sustainability and performance.

Keywords: *Centralized decision making, employee dissatisfaction, recalcitrance, disobedience, defiance.*

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Introduction

The focus of the paper is to examine the relation of the centralized decision making under one or few persons and the employee's recalcitrant behavior in higher education sector in Lahore, Pakistan. Generally, it is not considered healthy for any organization because it creates sentiments of disappointment in the employees as they lose interest in the work. The concentration of power also engenders the feelings of disobedience which in extreme cases can develop a rebellious attitude in the employees thus affecting organizational sustainability and performance. The inquiry aims to analyze the extreme consequences in shape of mutinous behavior due to the centralization of power in both public and private organizations. The defiant behavior of the employees can be in the form of non-compliance of the orders or attempts to get rid of the management of the organization (Hubbart, 2024). The paper discusses the participatory and non-participatory decision making and aspects of authoritarian attitudes in any organization.

The paper explores a critical topic in academic administration by examining how centralized decision-making impacts faculty behavior, particularly through employee recalcitrance. This issue matters since faculty are often expected to implement policies which are not often formulated by them, so it may breed dissatisfaction and resistance. The study emphasizes that centralized decision-making structures, where only a few senior figures control key choices, may lead to feelings of powerlessness, reduced creativity, and even defiance among faculty members (Bunderson, 2003; Moch, 2007). Such environments can transform faculty behavior from engagement to non-compliance or rebellion (Murphy & Coye, 2013), influencing institutional sustainability and performance (Du & Luo, 2020). The scholarly findings illustrate the need for participatory decision-making to maintain faculty morale and institutional cohesion.

Centralized decision-making, where authority is concentrated in the hands of a few individuals, is a widely practiced governance model in organizations. While it can enhance efficiency and streamline processes, this approach often neglects the critical role of employee participation, potentially leading to adverse outcomes (Altamimi et. al., 2023). In higher education institutions, particularly universities, this dynamic can influence faculty morale, behavior, and organizational sustainability. Despite extensive research on organizational behavior, there is a noticeable gap in understanding the specific relationship between centralized decision-making and employee recalcitrance -manifesting as defiance, misbehavior, or non-compliance - in the context of higher education.

Previous studies have primarily focused on the advantages of centralized decision-making or the general challenges of employee dissatisfaction. However, they often fail to capture the consequences of excluding

employees from decision-making processes in environments that rely heavily on intellectual contributions and innovation. This study seeks to address this gap by examining how centralized decision-making affects employee recalcitrant behavior in public and private universities in Lahore, Pakistan. By exploring this relationship, the research aims to shed light on its implications for organizational performance, employee retention, and institutional sustainability, thus contributing to a deeper understanding of governance dynamics in the academic sector.

The article focuses on exploring the relationship between centralized decision-making and faculty behavior. Specifically, the study seeks to understand how centralized administrative structures, often characterized by top-down, non-participatory decision-making, impact faculty morale, creativity, and potential recalcitrance, which includes behaviors such as non-compliance, defiance, or even rebellion. The aim of the study is to highlight the ways in which a centralized decision-making approach can negatively influence organizational outcomes in educational settings. Faculty members, who play an integral role in the teaching, research, and community engagement functions of universities, can experience disempowerment when decisions that impact their work are made without their input (Bunderson, 2003). Such systems can lead to dissatisfaction, reduced innovation, and even organizational conflict, as faculty members may feel disconnected from the institutional goals they are expected to help achieve (Moch, 2007).

This investigation is significant for several reasons. First, it sheds light on the dynamics of academic governance and the implications of decision-making structures for faculty engagement and institutional performance. Institutions with highly centralized processes risk alienating their key stakeholders - the faculty - thereby affecting retention rates, employee morale, and overall productivity (Law & Zhou, 2014; Murphy & Coyne, 2013). The study's findings underscore the need for balanced decision-making approaches that foster collaboration and inclusivity, leading to better organizational cohesion, employee satisfaction, and sustainability.

The study is framed within the social exchange theory (Blau, 1964), positing that negative experiences within professional settings - such as perceived breaches of trust or exclusion from key decision-making processes - may lead to counterproductive behavior, including absenteeism, withdrawal, and defiance (Eckerd et al., 2013). By examining how centralized systems can lead to these outcomes, this research contributes to a better understanding of effective governance and highlights the importance of participatory decision-making structures in educational institutions. The study has two variables.

Theoretical Background

The research is based on the Social Exchange Theory - SET - (Blau, 1964) which explains that the employees respond to the negative behaviors in the professional organizations and perceive them as a breach of psychological contract. This leads to misbehavior including absenteeism, withdrawal or deviance etc. (Law & Zhou, 2014) amounting to frustration and anti-citizenship behavior (Eckerd et. al., 2013). The theory explains that employees perceive certain managerial behaviors, such as centralized decision-making, as breaches of the psychological contract. These perceived breaches lead to negative reactions, such as absenteeism, withdrawal, deviance, and ultimately, recalcitrant behavior. According to this theory (SET), centralized decision-making is taken as a breach of trust and psychological contract, where employees expect reciprocity and respect in workplace relationships (Law & Zhou, 2014). When this perceived breach occurs, employees may respond with behaviors that range from withdrawal to active resistance. While SET effectively captures the transactional nature of employer-employee relationships and their impact on behavior, it is often criticized for being conceptually broad. The theory provides a general framework rather than precise predictions, which can make its application to specific contexts, like employee recalcitrance in centralized decision-making systems, less robust. The study would benefit from integrating theoretical perspectives and frameworks with results to address this limitation and strengthen the explanatory power of the findings.

Literature Review

Centralized decision-making means that employees, even the middle management, have little or no right to make decisions. In other words, they must essentially do what they are told. According to Bunderson (2003), centralized decision making is the best way to murder employee creativity and, by default, the adoption of new ideas for the firm. By centralizing the system, the environment of the workplace no longer remains lively but turns mechanical. The employees assume that their full potential is not being exploited in a centralized system and they may not pay much attention to work while doing their jobs. Empirical evidence suggests that centralized decision-making, where employees are excluded from contributing to decisions, often leads to perceptions of unfairness and alienation. This exclusion undermines employees' sense of ownership and engagement, which are critical to positive workplace behavior (Altamimi et. al., 2023).

This point of view is supported by Moch (2007) who states that centralization essentially deprives the employees and there is no excitement

left for them in their jobs but boredom. In fact, employees may feel powerless, especially if they think they can offer great insight into an idea since they believe that they are the ones actually executing the job. It is also highlighted that centralized systems stifle creativity and reduce job satisfaction, creating an environment where employees may disengage or display non-compliant behavior.

Epstein (2007) describes it differently that central decision making saves the firm from conflicts and hurts egos of the employees. He cites the example of a conflict between the production and marketing managers. If the two managers do not agree, their departments too will not. Therefore, the marketing department may end up advertising a product that is not even being produced by the production department. In this scenario, the senior management is better suited to take decisions for the subordinates. This viewpoint underscores the complexity of assessing centralized structures, as context often dictates their efficacy and consequences.

In extraordinary circumstances, the employees of the organization communicate their non-compliance despite intricacies which further leads to the reduction of their power, often by organizing themselves to perpetuate their interests. It is crucial to analyze how centralized structures specifically lead to faculty recalcitrance - a term used here to encompass a range of defiant behaviors, from subtle resistance and non-compliance to overt acts of rebellion. These behaviors may emerge particularly during "extraordinary circumstances," which include sudden policy shifts, crises requiring rapid decision-making, or situations where faculty voices are expressly silenced (Staniland, 2007).

In this context, the framework of the organization demarcates the length and width of the voice raised against the authoritarian behavior. Murphy & Coye (2013) employ the term upward defiance to indicate the friction between the management and the employees in the context of employee discontentment; where dissatisfied employees collectively organize against management, as a direct consequence of such authoritarian structures. Such contexts exacerbate tensions, pushing faculty to organize collective resistance or adopt passive-aggressive strategies to voice their dissent. Moreover, such kind of voluntary behavior of the employees goes beyond the organizational norms which are practically comparable but theoretically reverse of the citizenship behavior in organizations (O'Brien & Allen, 2008). Griffin et al. (2007) note that such breaches often lead to counterproductive work behaviors, such as disobedience or non-compliance, aligning with the concept of recalcitrance. These extra role actions may not have positive impact on the organization as they arise due to the dissatisfaction of the employees towards the management. Murphy & Coye (2013) call this defiant behavior of the employees as mutinous which is an organized attempt by the employees against the management of the organization. The employees

make a concerted effort to overpower the legal authorities to achieve their purpose. The concept is related to disobedience which is studied here under the term 'recalcitrance' in the organizations. In the context of employee recalcitrance, it is essential to clarify its role as a dependent variable directly influenced by centralized decision-making. "Recalcitrant behavior" here refers to any faculty response to perceived overreach or exclusion in decision-making. This can include overt defiance, such as protests or legal challenges, or more passive forms like reduced cooperation or diminished productivity (Du & Luo, 2020). Such behaviors reflect breaches in the psychological contract between faculty and their institutions (Law & Zhou, 2014), leading to broader organizational challenges. The relationship between centralized decision-making and employee recalcitrance underscores the need for participatory governance models to enhance engagement and reduce negative outcomes.

In the academic context, faculty members, especially in private institutions, often expect a participatory decision-making culture due to their expertise and intellectual contributions. The absence of such participation can heighten dissatisfaction and resistance. The study by Epstein (2007) shows that conflicts between management and employees, when participatory decision-making is absent, can escalate to behaviors that undermine organizational performance. Thus, centralized decision-making creates a pronounced power imbalance, which can foster dissatisfaction and resistance among employees. Employees may view centralized authority as authoritarian and react with behaviors aimed at reclaiming autonomy (Hubbart, 2024).

Research Questions

Quantitative RQ#: What is the relationship between centralized decision-making and employee recalcitrant behavior in public and private universities?

Qualitative RQ#: How and why does centralized decision-making influence faculty behavior in public and private universities?

Hypotheses

H₀: There is no relation between centralized decision making and employee recalcitrant behavior.

H₁: Centralized decision-making leads to employee recalcitrant behavior.

Research Model:

IV = Centralized decision making, DV = Employee recalcitrant behavior



Figure 1: Centralized Decision Making and Employee Recalcitrant Behavior

Centralized decision making:

This independent variable relates to the dominant role of management or employer in decision making while the employees are not enabled to contribute when it comes to decision making that directly or indirectly influences them.

Employee recalcitrant behavior:

This dependent variable is any employee response to the management in the form of defiance, misbehavior or disobedience as a consequence of the independent variable. The matter is not how far the defiant behavior is successful. The focus is to what extent the defiant behavior was visible in the form of organizing demonstrations, sending legal notices to the administration, or organizing employees against the management.

Methodology and Sampling

The cross-sectional research design along with mixed methods was used to collect data. Structured questionnaires were used as the primary tool for quantitative data collection. The questionnaires were administered through email with an online link to carry out this study. The questionnaire comprised of two parts; one was related to demographics requiring education, income level, number of teaching hours and extra-curricular activities. The second part comprised of questions regarding central decision making and employee recalcitrance on a 5-point Likert scale. Random sampling was employed. The online links were shared with five general public and five private universities in Lahore, Pakistan out of a total of 6 public and private universities each. The data was collected from five lecturers from each of the five departments of ten universities which were randomly chosen. A total of 355 usable responses were collected from faculty members, out of 384 distributed questionnaires, resulting in a high response rate of 92%. The respondents included lecturers, assistant professors, associate professors, and professors. Gender representation comprised 41.1% male and 58.9% female respondents. Most respondents were from private universities (74.6%), with

25.4% from public universities. The majority of respondents were in the early to mid-career age group (21–30 years).

The questionnaire was divided into two sections: Demographic Variables: Collected data on gender, age, academic rank, employment status, and institutional type. Quantitative data were collected using a 5-point Likert scale questionnaire. The scale ranged from 1 (Strongly Disagree) to 5 (Strongly Agree), designed to measure constructs of Centralized Decision-Making (CDM) and Employee Recalcitrant Behavior (ERB). The scales used were adapted from validated instruments in prior organizational behavior research: from Bunderson (2003), focusing on the extent of managerial control and exclusion of employees in decision-making processes e.g., "I have little or no say in decisions that directly affect my work." And, "Decisions in my department are taken unilaterally by senior management." Items were adapted from Murphy & Coye (2013) with items measuring defiance and resistance toward organizational authority. Such as, "I sometimes question or challenge management's decisions openly." Also, "I avoid complying with management directives when I disagree with them." Internal consistency and reliability of the constructs were validated through statistical measures such as Cronbach's Alpha and Composite Reliability. For, CDM Cronbach's Alpha was 0.956, and Composite Reliability was 0.957. For ERB, Cronbach's Alpha was 0.917 and Composite Reliability was 0.919. The combination of adapted validated constructs and rigorous testing of reliability and validity underscores the robustness of the questionnaire as a tool for this research.

The questionnaire was administered electronically via email, ensuring accessibility and convenience for respondents in universities across Lahore, Pakistan. The Likert-scale responses allowed for quantitative analysis using structural equation modeling to explore the causal relationship between centralized decision-making and employee recalcitrance.

For qualitative data, interviews of 30 lecturers were conducted. The unit of analysis of this research was employees of the organizations. Semi-structured in-depth interviews were conducted to gain deeper insights into the phenomena under study. These interviews aimed to complement the quantitative findings with richer, context-specific details and focused on the subjective experiences of faculty members regarding centralized decision-making and its impact on their behavior. The qualitative data were analyzed using thematic analysis, which involved the following steps. Interview recordings were transcribed verbatim to capture the respondents' views comprehensively. Then the transcripts were reviewed, and open coding was applied to identify recurring themes related to centralized decision-making and employee recalcitrance. Codes were grouped into themes that highlighted common patterns, such as feelings of dissatisfaction, perceived lack of autonomy, and expressions of defiance. Later, themes were analyzed in the

context of organizational behavior to derive meaningful conclusions about the relationship between centralized decision-making and employee behavior.

The mixed-methods approach provided a comprehensive understanding of the relationship between centralized decision-making and employee recalcitrant behavior by triangulating quantitative and qualitative data.

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

Activities	Frequency	Percentage
Distributed questions	384	100%
Returned questions	365	95 %
Usable questions	355	92 %

This above mentioned table indicates that the questionnaires distributed, 384 were sent out in total, out of the 384 questions distributed, 365 were returned. This suggests that there was a 95% response rate among those who received the questionnaires. Among the questions that were returned, 355 were considered usable. This implies that 92% of the questions returned met the criteria for usability, suggesting they were complete, relevant, or otherwise satisfactory.

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

Table 1
Demographic Profile

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

The data indicates a gender distribution among respondents, with females comprising a higher percentage (58.9%) compared to males (41.1%). The majority of respondents fall within the age range of 21-30 years, with a decreasing proportion as age increases. Most respondents hold positions as Lecturers or Assistant Professors, with fewer in higher academic ranks. The majority of respondents are from the private sector (74.6%), with a smaller proportion from the public sector (25.4%).

Certain variables were controlled in the study to ensure that the relationship between the independent variable and the dependent variable was accurately assessed, free from the influence of extraneous factors. These controlled variables included; gender, age, and employment Status. These factors were controlled to isolate their potential impact on employee behavior and ensure that the observed relationship is attributed to the decision-making structure, not individual differences. Further, sectoral differences in governance and management practices could influence employee behavior. Controlling for this variable allowed a more precise comparison across public and private universities.

These results demonstrate that age and rank significantly influence perceptions of involvement and levels of recalcitrant behavior.

Table 3 below shows the internal consistency measures pertaining to the faculty;

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

Constructs	Items	Factors Loading	Items Deleted	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Centralized Decision Making	CDM1	0.901	0	0.956	0.957	0.786
	CDM2	0.902				
	CDM3	0.916				
	CDM4	0.893				
Employee Recalcitrant Behavior	ERB1	0.797	0	0.917	0.919	0.616
	ERB2	0.796				
	ERB3	0.834				
	ERB4	0.708				

This construct, focusing on centralized decision making, demonstrates strong internal consistency (Cronbach's Alpha: 0.956) and reliability (Composite Reliability: 0.957). The factors loading for each item is relatively high, indicating that each item contributes significantly to measuring the construct. The Average Variance Extracted (AVE) suggests that approximately 78.6% of the variance in the observed variables is accounted for by the underlying construct.

Employee Recalcitrant Behavior (ERB):

This construct, focusing on employee recalcitrant behavior, also shows good internal consistency (Cronbach's Alpha: 0.917) and reliability (Composite Reliability: 0.919). However, the factors loading for ERB4 (0.708) is slightly lower compared to other items. The Average Variance Extracted (AVE) is 61.6%, indicating that the observed variables collectively account for approximately 61.6% of the variance in the underlying construct.

Table 4 below presents the discriminant validity of the constructs;

Table 4
Discriminant Validity

Constructs	Centralized Decision Making	Employee Recalcitrant Behavior
Centralized Decision Making	0.840	
Employee Recalcitrant Behavior	0.797	0.748

The discriminant validity between "Centralized Decision Making" and "Employee Recalcitrant Behavior" is supported by the fact that the correlations between these constructs (0.797 and 0.748) are lower than the square root of the AVE for each construct (0.840 and 0.748, respectively). This indicates that the constructs are distinct from each other and are measuring different underlying concepts.

In short, Table 4 provides evidence that the measures used for Centralized Decision Making and Employee Recalcitrant Behavior are sufficiently distinct from each other, supporting the discriminant validity of the constructs.

Table 5 below presents the causal relation of the constructs;

Table 5
Causal Relation: Structural Equation Model

Relationship	b (SE)	C.I	P Values	Result
Centralized Decision Making -> Employee Recalcitrant Behavior	0.561(0.07)	0.440, 0.681	0.000	Supported

The estimated coefficient (b) of 0.561 indicates that for every one-unit increase in Centralized Decision Making, there is a corresponding 0.561-unit increase in Employee Recalcitrant Behavior. The confidence interval (0.440, 0.681) suggests that we can be 95% confident that the true population parameter lies within this range. The p-value of 0.000 is less than the conventional significance level of 0.05, indicating strong evidence against

the null hypothesis and supporting the alternative hypothesis that there is a significant relationship between Centralized Decision Making and Employee Recalcitrant Behavior.

Overall, these results suggest that Centralized Decision Making has a statistically significant impact on Employee Recalcitrant Behavior, based on the structural equation model. Thus, the **H1** that centralized decision-making leads to employee recalcitrant behavior is proved.

Discussion

The core purpose of this study was to investigate the relationship between centralized decision-making and employee recalcitrant behavior, focusing on faculty in public and private universities in Lahore, Pakistan. The study sought to determine how centralized decision-making structures - characterized by limited employee participation - influence employee behaviors such as defiance, disobedience, and resistance. Through a mixed-methods approach, the findings provide compelling insights into the interplay between organizational decision-making practices and employee reactions.

Central decision making may elicit different reactions in employees in respect of obedience. In some cases, employees may not bother about lesser control over decisions. These employees would actually do better in a centralized environment since they would know exactly what they have to do. And, how to do it? how much time it will take? and when will they be able to head home? Such employees will not even want any powers. The other type of employees is those who are creative, enthusiastic and authoritarian. Such employees will feel it necessary to add their own flair to decisions and may not be very obedient in centralized atmospheres. They might not like being controlled and being told what to do. Their behavior can become hostile and even disruptive in certain cases. They try to make the bosses listen to what they have to say and if that does not work, they may try to rally other employees against the management which influences sustainability and performance of organizations. The strong reliability and validity of the constructs of Centralized Decision Making and Employee Recalcitrant Behavior indicate that the measures used are robust and accurately capture the intended concepts. This suggests that the survey items effectively assess the underlying constructs and provide a valid basis for drawing conclusions about the relationships between variables.

The mixed-methods approach allowed for a richer understanding of the issue: the quantitative findings provided statistically significant evidence of the relationship between centralized decision-making and employee recalcitrant behavior, and the qualitative data enriched this by uncovering personal experiences, such as feelings of powerlessness among junior faculty

and the adaptive strategies used by senior faculty to navigate centralized systems. This integration highlights the complementary strengths of the mixed-methods design, offering both breadth and depth in exploring the dynamics of decision-making and employee behavior.

The results indicate a statistically significant positive relationship between centralized decision-making and employee recalcitrant behavior. The regression coefficient ($\beta = 0.561$, $p = 0.000$) highlights that increased centralization correlates with higher levels of recalcitrant behavior among employees.

The quantitative results are supported by qualitative findings. Interviews revealed that faculty members often feel excluded and undervalued when their inputs are not considered in decision-making processes. This exclusion fosters resentment, which can manifest as resistance or disengagement. Many respondents agreed that centralized decision-making leads to *unrest among the employees*. Few respondents also emphasized that *employees feel annoyed since they execute management's policies and plans, however they are not taken on board when it comes to deciding*. Further, the respondents highlighted that *employees have a right to speak since they act as a part of an organization. The organization can't survive without them. They should do everything to make them heard*. These views indicate that employer-employee relations are influenced by organizational communication and decision-making patterns. The respondents expressed frustration about being excluded from decision-making, emphasizing that they were often tasked with implementing policies without any input in their formulation. This qualitative evidence complemented the quantitative findings by illustrating the emotional and practical consequences of centralized decision-making on faculty morale and engagement.

The study's findings align with Social Exchange Theory (Blau, 1964), which posits that organizational practices perceived as unfair or exclusionary can lead to negative employee behaviors. Centralized decision-making, as evidenced in this study, breaches the psychological contract between employers and employees, resulting in behaviors that challenge organizational norms.

The findings resonate with Murphy and Coyne (2013), who describe "upward defiance" as a common reaction to exclusionary practices in centralized systems. Employees often resist directives when they perceive an imbalance in power and participation.

Studies by Bunderson (2003) and Moch (2007) highlight that centralized decision-making stifles creativity and reduces job satisfaction, corroborating the observed link between centralization and disengagement in this study. Faculty members' intellectual contributions are undervalued in centralized systems, leading to dissatisfaction and recalcitrant behavior.

Managerial Implications

Managers should be cognizant of the influence of decision-making processes on employee behavior. Centralized decision-making may inadvertently lead to increased resistance or recalcitrant behavior among employees. There's a need to balance centralized decision-making with mechanisms for employee involvement and empowerment to mitigate the negative effects of resistance. The high response rates indicate that employees are willing to participate in organizational initiatives. Managers can leverage this willingness to solicit feedback, gather insights, and foster a culture of open communication and engagement.

Paying attention to the quality and relevance of questions posed can enhance the effectiveness of data collection efforts. Managers should ensure that questions are clear, concise, and aligned with organizational objectives to elicit meaningful responses.

Theoretical Implications

The study contributes to the understanding of the relationship between centralized decision-making and employee behavior. It provides empirical evidence supporting the notion that decision-making structures can influence employee reactions and attitudes. These findings add to the body of literature on organizational behavior and decision-making processes, offering insights into potential mechanisms driving employee behavior. This study contributes to the literature on organizational behavior by providing empirical evidence that centralized decision-making fosters recalcitrant behavior, particularly in knowledge-driven sectors like higher education. It validates the relevance of SET in understanding employee-employer dynamics within centralized governance systems.

The research makes significant contributions to both theory and practice. From a theoretical standpoint, it extends the application of Social Exchange Theory (SET) by demonstrating its relevance in explaining employee recalcitrant behavior in centralized decision-making contexts. The findings validate SET's proposition that employees respond to perceived inequities or psychological contract breaches with behaviors such as defiance and resistance. This research also enriches the literature on organizational behavior by emphasizing the implications of decision-making structures on employee attitudes and actions, particularly in knowledge-driven sectors like higher education. The incorporation of qualitative insights further strengthens the theoretical understanding of how exclusionary practices can trigger dissatisfaction and counterproductive behaviors.

Practical Implications

Institutions should consider adopting more participatory decision-making models to foster engagement and reduce resistance among faculty.

Centralized systems that ignore employee contributions risk increasing turnover and reducing organizational performance. Practically, the study highlights the need for organizations, particularly universities, to rethink their governance structures. Centralized decision-making models that marginalize employees can inadvertently lead to higher levels of dissatisfaction, defiance, and turnover, thereby affecting overall institutional sustainability and performance. Managers and administrators can mitigate these risks by adopting more participatory decision-making practices that actively involve employees in the process. Engaging employees in decision-making not only fosters a sense of ownership but also enhances creativity and commitment, contributing to better organizational outcomes. Additionally, tailored training and leadership development programs can help equip managers to balance control with inclusivity, creating environments that minimize resistance and maximize employee engagement.

Limitations and Future Research Directions

The study has several limitations that should be acknowledged. First, its scope is limited to universities in Lahore, Pakistan, which may constrain the generalizability of the findings to other regions or organizational contexts. The unique cultural and organizational dynamics of the region might influence the observed relationships between centralized decision-making and employee recalcitrant behavior. Second, the cross-sectional research design captures data at a single point in time, limiting the ability to infer causal relationships or observe changes over time. Third, while the study employs a mixed-methods approach, the qualitative data primarily focuses on interviews with a limited number of respondents, which might not fully capture the breadth of experiences across diverse university settings. Lastly, potential moderating factors such as organizational culture, leadership styles, or employee personality traits were not explored, which could provide a more nuanced understanding of the phenomena. The research focused on the educational sector only. While the findings are robust, they are limited to the context of universities of one city. Its limitations also include the control of variables like age, gender, ranks and sector etc. Research on these can lead to valuable insights.

Future research could explore the underlying mechanisms through which centralized decision-making affects employee behavior. Investigating mediating and moderating variables could provide a deeper understanding of this relationship such as organizational culture or leadership styles, in moderating the relationship between centralization and recalcitrance. Cross-sectoral studies can be conducted to validate these findings across different industries and regions. Future research should consider expanding the geographic and sectoral scope of similar studies to validate the findings across different regions and industries. Longitudinal research designs could

be employed to observe how changes in decision-making structures influence employee behavior over time, offering deeper insights into causal dynamics and assess how changes in decision-making structures impact employee outcomes. Researchers could also examine the mediating or moderating roles of factors like organizational culture, leadership approach, or employee personality traits to uncover the mechanisms that strengthen or weaken the relationship between centralized decision-making and recalcitrant behavior. Additionally, comparative studies between public and private sector organizations across different countries would help uncover broader patterns and contextual differences. Lastly, employing advanced analytical techniques such as multilevel modeling could provide a more comprehensive understanding of how individual and organizational factors interact to shape employee behaviors in centralized systems. Research may focus on how institutions should consider adopting more participatory decision-making models to foster engagement and reduce resistance among faculty. Also, centralized systems that ignore employee contributions risk increasing turnover and reducing organizational performance could be another avenue for research.

Conclusion

The results of the data analysis offer valuable insights for both practitioners and researchers, highlighting the importance of decision-making practices in shaping employee behavior and organizational dynamics, sustainability and performance. Managers can use these insights to refine their decision-making processes and foster a more engaged and productive workforce, while researchers can build upon these findings to advance theoretical frameworks in organizational behavior.

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