

Analysis of the causes of labor opportunism in Kazan (Volga) Federal University

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Annotation

This article provides an analysis of the reasons for the occurrence of opportunism amongst staff in organizations. Using the results of a staff survey, research was carried out into correlation-regression dependencies of the factors that cause different forms of labor opportunism amongst different categories of workers: managers and their subordinates. On the basis of a quantitative assessment of the level of labor opportunism, the article estimates the inclination towards opportunism in the context of categories of staff, and ascertains conditions of stability in the occurrence of labor opportunism in the organization. The research conducted into the nature of interference of labor opportunism between managers and subordinates provides evidence that the opportunism of the staff is a response to the opportunism of their superiors.

Keywords. Labor opportunism, factors and causes of opportunism, quantitative assessment of the level of opportunism, the analysis of the flexibility factors opportunism, regression analysis.

1.Introduction

The issue of internal regulations and organizational structures of institutions, aimed at preventing and overcoming opportunistic activities of their employees (H. Mintzberg 1983) occupies a central position in modern theories of organization. This issue has recently been investigated in the context of the principal - agent relations hierarchy. Despite the fact that these hierarchical relationships are subject to a variety of opportunistic activities, publications in the economic literature have primarily aimed at curbing only one of them: collusion between managers and their subordinates (Vafai K., 2010). Researchers have analyzed conditions of stability of abuse of the power of a chief (Vafai K., 2002) and expediency of conspiracy with subordinates for manipulating information with the purpose of certain interest.¹ The main focus of these studies is reduced to a substantiation of effective formal contracts within organizations that would minimize the opportunistic activities of staff.

Opportunism in Russia has a unique national flavor in which social ties are very important. These features are most pronounced in the characteristics of an

¹ For example, Crozier and Friedberg (1977), Edwards (1979), Kofman and Lawarr'ee (1996, p. 118)

employment relationship, where there are informal norms and rules (O. Bodrov, 2007, 2008). Research conducted in Kazan University (hereinafter KFU) reveals that 44% of the total volume of tasks that staff carry out are not, in their opinion, included in their duties and are not tasks for which they are paid extra. In formal contractual relations, managers do not have a right to force workers to perform a task not covered by the contract, and subordinates can refuse to perform these tasks. However, managers successfully use informal methods of coercion, which are not specified in any contract. In this regard, the theory of efficient contracts is an unpromising direction for minimizing labor opportunism in Russia.

In the economic literature, thanks to the work of researchers such as E.V. Popov (2004) and Oliver E. Williamson (1993), an idea has been developed of the essential nature of opportunistic behavior. It relates to any violations of forms of obligations, for example when firms violate contracts during transactions.

Labor opportunism is intentional hidden infringement by the worker of the assumed obligations, stipulated by the labor contract.

The origin of opportunism is an asymmetry of information, which significantly complicates problems of economic organization. Labor opportunism seldom appears in its explicit forms, such as absenteeism (absence from the workplace on false grounds). More often, opportunism manifests itself in more covert forms. In the economic literature there are descriptions of various forms of opportunistic behavior: adverse selection, «extortion», shirking, «moral risk», carelessness (including knowingly permitting negligence), their different types and combinations. However, most of these occur under conditions in which the collection of reliable information about the behavior of employees involves great expense or is even impossible, and «only a small part of what people actually do at work amenable to detailed control» (R.R. Nelson, 1981).

Opportunism is a source of «behavioral» uncertainty, causing a lot of problems in the form of explicit and hidden losses. According to the estimates of E.V. Popov (2004), shirking leads to a decrease in performance of 34 % on average, while negligence leads to an average increase in expenses of 27.5 %. In addition, there are significant costs involved in protecting against opportunistic behavior.

The opportunism of employees, however, is closely connected to the opportunism of their managers. This article attempts to identify the nature of that relationship and provides evidence that the opportunism of lecturers at KFU is a defensive reaction to the opportunism of the authorities.

To solve this problem, regression models were built on the basis of an analysis of data from a questionnaire completed by faculty members and heads of institutions and departments of the KFU, which enables us to identify the most significant factors leading to labor opportunism for faculty members and leaders separately. Using the regression equations obtained, the level of opportunism amongst faculty members and managers was calculated, and the degree of stability of “opportunistic traps” in KFU was assessed. The results have been used to develop programs to minimize labor opportunism in the KFU.

2. Methods of research

To investigate the level of opportunism in Kazan (Volga) Federal University (hereafter KFU) a survey method was used. Two types of questionnaires were developed: the first a questionnaire for the assessment of the opportunism of employees; the second for managers of the University.

The questionnaires included 31 questions that investigate different factors in the emergence and manifestation of labor opportunism in the University. The factors were identified through interviewing faculty members from various institutions within KFU, and divided into 5 aggregate groups: organizational (transaction), communication, demotivating, tangible and intangible. The results of the questionnaires were processed using a least-squares regression analysis method (OLS).

To enable a quantitative analysis of the questionnaires, the Harrington verbal / numeric scale was applied; a method that is widely and effectively used in practice for solving various tasks with expert methods (see Glotov V.A, Pavel'ev V.V., 1984)

A scattered quota sample was used for the purposes of the research. 787 faculty members from across the institutes and faculties of KFU, aged between 22 and 65 years, took part in the survey, along with 47 managers from different levels, giving a total of 834 persons.

The general population as measured by the number of staff in KFU on 1 November 2013 was 2539 people (according to information provided by the Personnel Department).

3. Results

Analysis of teacher's opportunism was conducted on the basis of the constructed regression model 1, the results of which are presented in table 1:

Table 1

Model 1: OLS, used observations 1-787

Dependent variable: X23- Level of staff's opportunism

	<i>Coefficient</i>	<i>Std. error</i>	<i>t-statistic</i>	<i>P-value</i>	
X4	0,0644142	0,0232971	2,7649	0,00583	***
X9	-0,0733331	0,030262	-2,4233	0,01561	**
X11_1	0,0488386	0,0178208	2,7405	0,00628	***
X11_2	0,19482	0,0426895	4,5637	<0,00001	***
X11_3	0,112399	0,0429122	2,6193	0,00898	***
X12_1	0,0812173	0,0350971	2,3141	0,02093	**
X20	0,0791411	0,0320606	2,4685	0,01378	**
X21_1	-0,0927578	0,0349348	-2,6552	0,00809	***
X21_3	0,118412	0,0412725	2,8690	0,00423	***
X22_1	0,429239	0,0309802	13,8552	<0,00001	***
X24	0,138223	0,0355985	3,8828	0,00011	***
X25	0,225165	0,0357831	6,2925	<0,00001	***

X27	-0,0968035	0,0410502	-2,3582	0,01861	**
X28	-0,105877	0,0348344	-3,0395	0,00245	***

The mean of the dependent variable	0,280280	The standard deviation of the dependent variable	0,241717
The sum of the square of residuals	22,54458	Std error of the model	0,170888
R-squared	0,790765	Corrected R-squared	0,786971
F(15, 772)	194,5087	P- value (F)	4,7e-250
LLR	281,2961	AIC	-532,5922
SC	-462,5688	HQ	-505,6716

To interpret the degree of impact of the revealed factors on the level of opportunism of faculty members, coefficients of elasticity were calculated according to the formula:

$$E_i = b_i \frac{\bar{X}_i}{\bar{Y}} \quad [1],$$

where b_i is a regression coefficient, E_i is the average elasticity of X1 and \bar{X}_i is the average coefficient of elasticity of factor X_i .

As a result of the regression analysis of the data contained in the questionnaires completed by faculty members, the identified indicators were ranked according to the degree of their influence on the faculty members' labor opportunism as summarized in table 2.

Table 2

Factors opportunism leaders

The rating of influence factors on staff's labor opportunism

Rank	The name of index	Flexibility
1	Encouragement by the Faculty management (financially or morally) of good work carried out by employees	0,75
2	The level of opportunism of the management	0,61
3	The independence of the wage from the results of work effort	0,51
4	A degree of control by the head of the Department a process and results of the performed works	0,50
5	Job satisfaction	0,47
6	The level of social support of employees of the KFUs management	0,47
7	The disconnection between wages and intensity and quality of work	0,35
8	The level of faculty members trust in the Faculties management	0,29
9	To do work not included in duties of employee	0,26
10	The level of support of the Faculties Management	0,24

	employees offers on improvement of the activity of KFUs Department, Faculty	
11	The level of positive changes in your faculty	0,20
12	The degree of participation in management processes	0,19
13	The unfair attitude of the Departments management to the subordinated	0,18

The maximal influences on the level of opportunism (in terms of employees) exert factors of lack of recognition and encouragement by the management of departments and faculties of a well done work. Teachers have a steady conviction of the inevitability of some form of penalties for omissions in the work. But it is necessary to maintain a balance: the same inevitability must be present and reward for success in work.

The second most important factor of teacher's labor opportunism was the level of Faculties Management opportunism. For the head is very convenient situation with «fuzzy» duties of workers because in this situation they have an opportunity to abuse of power. A manager gets a possibility to discretion type of work and level of congestion subordinates on his own. In this case, appears a wish of the head to overload one-time fixed-term orders and jobs employees who is able to do them without complaint and with high quality.

Sometimes workers are overworked, but not a full part of their work to their direct official duties, for which they receive a salary. Extra works is not extra paid and isn't motivated therefore employees perceive it as extra free load and execute it bad. This contributes to a situation in KFU independence wage from the results of work effort - the third most important factor of the teacher's labour opportunism.

Teachers opportunism as a response defensive reaction

Analysis of the causes of faculties management opportunism institutions conducted according to a survey of teachers showed that the main factor of teachers opportunism is the indicator X23, (see Model 6, table 3) the regression coefficient 0,44594; the flexibility coefficient is 0,33.

Model 6: OLS, used observations 1-787

Dependent variable: X22_1-Level of the faculty managements opportunism

Table 3

	<i>Coefficient</i>	<i>Std. error</i>	<i>t-statistic</i>	<i>P-value</i>	
X9	0,179059	0,0298999	5,9886	<0,00001	***
X21_2	0,197302	0,0464749	4,2453	0,00002	***
X24	0,274888	0,0346768	7,9272	<0,00001	***
X25	0,13424	0,0368568	3,6422	0,00029	***

X27	-0,117752	0,0409235	-2,8774	0,00412	***
X23	0,44594	0,0321707	13,8617	<0,00001	***

The mean of the dependent variable	0,388120	The standard deviation of the dependent variable	0,288426
The sum of the square of residues	23,37103	Std error of the model	0,173880
R-squared	0,872941	Corrected R-squared	0,870804
F(15, 772)	379,3422	P- value (F)	0,000000
LLR	267,1290	AIC	-506,2580
SC	-440,9028	HQ	-481,1321

The results of the regression analysis were identified and ranked the factors affecting the opportunism of managers. Results of the analysis are given in the table 4.

Table 4

Factors of manager's opportunism

Rank	The name of index	Flexibility
1	X24 The level of support of the Faculties Management employees offers on improvement of the activity KFUs Department, Faculty, University	0,34
2	X23 The level of opportunism of teacher	0,33
3	X21_2 The efficiency and rationality of the Faculties managers in the eyes of subordinates	0,20
4	X25 The level of social support of employees of the KFUs management	0,19
5	X27 The level of social justice in KFU	0,16
6	X9 Managers of the Institute (faculty) shifts their work on subordinates	0,14

In model 6 the most significant factor of manager's opportunism is teacher's opportunism. One of relevant factors of teacher's opportunism is the opportunism of faculties managers (see table 2). This coincidence points to the close interdependent links between teachers and managers opportunism. We can assume that opportunism in teachers is a response to opportunism of the heads of structural subdivisions in KFU.

To test this assumption, it was analyzed the closeness of ties between the opportunism of the teachers and their managers, which resulted is in the identified significant durable their interrelation and interaction.

For greater reliability the respective regression models were constructed according to survey of both - teachers and managers - heads of departments, deans of faculties. The following results are obtained.

1. The opportunism of the teachers is significantly influenced by the opportunism of Institutes Directors (deans) (the regression coefficient is 0.53, flexibility - 0.75). The share of influence of heads of departments opportunism proved insignificant (the regression coefficient is 0, 00093), so heads of departments were excluded of further analysis.

2. Using flexibility coefficients were calculated opportunistic reactions of teachers and heads of the demonstration of opportunism each of the parties. Workers in their assessments lowered their likely response opportunistic reaction to the opportunism of the managers and even lowered the reaction of the authorities for their own opportunism.

Managers in their assessments overestimated the opportunist reaction of their subordinates, and overstated their own. Thus, each of the parties unanimously exceeded management's opportunistic response in relation to subordinates. From the ratio of the excess data it can be estimated, which party is more inclined to opportunistic behavior, the results of calculations are given in table 5:

Assessment of propensity to engage in opportunistic behavior

Table 5

Estimation	Reaction (the coefficients of elasticity)		The propensity to engage in opportunistic behavior	
			teachers	managers
	teachers	managers	(gr2-gr3):rp3	(gr3-gr2):gr2
1	2	3	4	5
teachers	0,75	0,84	-0.107	-
managers	0,81	0,91	-	0,124

As can we see from the estimates given in the table 5, teachers have a tendency to opportunism with the sign «minus». This means that they are not the initiators of opportunistic behavior, their role is passive, subservient.

Heads of institutions (faculties) more than 2.16 times tend to opportunism (even according to its own estimates) than their subordinates. This is naturally, as long as they have administrative resource, which is easy to apply for the establishment of their unit's necessary internal informal rules. For this reason, the opportunism of the heads is a heavy burden of teachers.

Teachers for their part strengthen more their forms of labour opportunism. The process may take the form of self-reinforcing tendencies and modified in an opportunist trap.

In both cases, opportunism occurs as a result of violation of the equilibrium of conformity in labor relations. In a formalized form the condition of stability of opportunistic equilibrium can be represented as the following dependence:

$$\frac{O_{\Pi P}}{O_{\Pi \Pi \Pi C}} = 1 \rightarrow \min$$

$O_{\Pi P}$ here is an opportunism level of the heads of institutions (faculties)
 $O_{\Pi \Pi \Pi C}$ is an opportunism level of teachers.

To quantify the level of opportunism of KFUs teachers can be obtained in the result of analysis in model 1 (table 2) coefficients of the regression, which are used by building a regression equation:

$$Y = 0,064X_4 + 0,07X_9 + 0,05X_{11_1} + 0,2X_{11_2} + 0,1124X_{11_3} + 0,081X_{12_1} + 0,079X_{20} - 0,093321_{11} + 0,12X_{21_3} + 0,43X_{22_1} + 0,14X_{24} + 0,225X_{25} - 0,097X_{27} - 0,106X_{28} \quad [3]$$

Substituting in this equation, the average values of relevant variables was calculated average quantitative assessment of the level of KFUs teachers opportunism: $Y = 0,581$

This figure suggests that, ideally, productivity of teachers may be increased by 58.1 %, if you can neutralize influence of the identified factors of their opportunism.

Calculation of the level of managers opportunism was made according to coefficients of the regression model 6 (table 3), on which basis was built a regression equation opportunism of managers:

$$Y_M = 0,18X_9 + 0,2X_{21_2} + 0,28X_{24} + 0,13X_{25} - 0,12X_{27} + 0,45X_{23} \quad (4)$$

Substituting in this equation, the average values of relevant variables was calculated average quantitative assessment of opportunism level of KFUs Faculties heads:

$$Y_M = 0,18 * 0,3 + 0,2 * 0,39 + 0,28 * 0,47 + 0,13 * 0,57 - 0,12 * 0,53 + 0,45 * 0,27456 = 0,40$$

In the opinion of employees 40% of the KFUs managers activity is opportunistic in nature, i.e. 40% of managers labour activity spends not productive, not constructive. In this assessment are taken into account manifestations of manager's opportunism faced by their subordinates.

From the correlation of parties opportunism levels by the formula [2] was calculated stability of opportunistic equilibrium in KFU:

$$\frac{O_{\Pi P}}{O_{\Pi \Pi \Pi C}} = \frac{0,40}{0,581} = 0,69$$

This means when the coefficient of opportunistic equilibrium goes to 1 and there is an identified increased tendency to opportunism of the heads of institutions (faculties) in the near future we have to expect further strengthening of the level of opportunism of managers, so that the value of the fraction could be closer to 1.

Based on this analysis, reduction of teacher's opportunism seems unlikely because in KFU was formed and began to unfold growing "opportunistic trap". Existing administrative management measures without consideration of the teacher's opinion and often contrary to them makes them all the more indignation, and that starts the "flywheel" of their opportunism.

4. Conclusions

1. The analysis allows identifying the current level of staff's opportunism in KFU. The average opportunism is 58% of teachers and 40% of the heads faculties.
2. Teachers opportunism is a response to the opportunism of their heads, at the same time the heads of divisions are more prone to engage in opportunistic behavior (even according to its own estimates) than their subordinates.
3. Results of the cross-analysis of the reasons of labor opportunism testify about the homogeneity of the reasons of occurrence of opportunistic behavior of teachers and their managers. Among them the determining factor is the management style, because all the following factors, in varying degrees, are derived from this. Management style has not to remain unchanged, since changes in the external and internal environment of KFU occur continuously. Neglect of this is inevitably leading to a conflict between the aims and methods of achieving them. It is difficult to demand from teacher's creation and scientific effectiveness through manipulation.

Way out of the problem is a creation of the training system for the management it is necessary to teach them modern technologies of personnel management, based on mutual trust. For now in KFU according to teachers survey the level of subordinates trust to the management of faculties is about 59%, and trust to the KFUs management is 48%. The average level of the managements trust to subordinate is lower than 52%. According to Patrick Lencioni (2011) effective team cannot be formed at low or average level of trust. The trust cannot occur suddenly, due to the order of management. The building of trust is an ongoing, systematic process to which you want to help managers.

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