

THE IDIOSYNCRATIC DEAL OF EMPLOYEES AND WORK OUTCOMES AT AN ACADEMIC INSTITUTION

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NOTE

The reader is reminded of the following:

- The references, as well as the editorial style as prescribed by the Publication Manual (6th edition) of the American Psychological Association (APA) were followed in this dissertation. This practice is in line with the policy of the School of Behavioural Sciences at the North-West University.
- This dissertation is submitted in the form of two research articles.

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SUMMARY

Title: The idiosyncratic deal of employees and work outcomes at an academic institution.

Key words: Employment contract, social contract, psychological contract and outcomes, violation of psychological contract, job satisfaction, well-being and intention to quit.

Every society has jobs that need to be done in order to survive and to improve its members' subjective well-being. Work is an important source of individuals' subjective well-being. Employees within higher education institutions face a complex environment and play an important role in the reconstruction and development in South Africa. Employees are experiencing more challenges in the workplace than ever before. They spend more time at work and because they have less leisure time, they have fewer opportunities of seeking meaning in their lives. These factors have an impact on the well-being and happiness of employees in higher education institutions.

The aim of this study was to investigate the relationship between employees' work experience, type of contract and work outcomes of employees at a higher education institution. A cross-sectional survey design was used with 483 employees at a higher education institution and a response rate of 62% ($N = 300$) was obtained. The measuring instruments used in this study included the Psychological Contract Across Nations (PSYCONES), Employment Contract Scale, Job Satisfaction Scale, Mental Health Continuum - Short Form and Intention to Quit Scale. Exploratory factor analyses and Cronbach alpha coefficients were computed to determine the construct validity and reliability of the measures. Pearson correlation coefficients, multivariate analysis of variance, one-way analysis of variance and hierarchical regression analyses were used to examine the relationship between the constructs in this study. Bootstrap-estimated confidence intervals were used to assess the significance of indirect effects.

The results of study 1 confirmed the validity and reliability of measures (except for the social contract). Age, tenure and gender had statistically significant effects on the fulfilment of one dimension of the psychological contract, namely work conditions. Younger people with less tenure experienced more fulfilment of the psychological contract (regarding work conditions). Tenure also impacted psychological contract violation. Type of contract

(permanent versus temporary) impacted the fulfilment of the psychological contract (specifically work conditions). Males (compared to females) experienced more fulfilment of the psychological contract (regarding work conditions) and less violation of the psychological contract. Tenure and type of contract were also related to experiences of the employment contract.

The results of study 2 showed that psychological contract violation, job dissatisfaction and lack of flourishing directly impacted turnover intention. Lack of psychological contract fulfilment indirectly impacted job dissatisfaction and languishing via psychological contract violation. The employment contract did not have a statistically significant effect on job satisfaction, flourishing and turnover intention of employees in a higher education institution. Psychological contract violation indirectly impacted turnover intention via job dissatisfaction and languishing of employees. The results of this study confirmed the important role of fulfilment of the psychological contract and non-violation of the psychological contract regarding job satisfaction, flourishing and retention of employees in a higher education institution..

Recommendations were made for future research.

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CHAPTER 1

INTRODUCTION

This dissertation is about the employment-, social-, and psychological contracts and the relationship of these concepts with employee and organisational outcomes in a higher education institution.

In Chapter 1 the problem statement is discussed. Furthermore, research objectives are formulated and the research methodology is discussed.

1.1 PROBLEM STATEMENT

Every society has jobs that need to be done in order to survive and to improve its members' lives (Gavin & Mason, 2004). Therefore, work is an important source of peoples' well-being. Employees within higher education institutions face a complex environment and play an important role in the reconstruction and development in South Africa (Cross, Mungandi, & Rouhasie, 2002; Marais, Grobbelaar, & Potgieter, 1997). Employees are experiencing more challenges in the workplace than ever before (Paz-Fuchs, 2009). They spend more time at work and because they have less leisure time, they have fewer opportunities for seeking meaning in their lives (Gavin & Mason, 2004). These factors have an impact on the well-being and happiness of employees in higher education institutions.

A need exists to explore the role of work practices in creating positive relations, positive organisations and subjective well-being (e.g. job satisfaction and well-being) (Russell, 2008, p. 128). Controversy exists on how to measure subjective well-being and studies more relied on first-person reports on numerical state (Angner, Ray, Saag, & Allison, 2009). Therefore, fundamental to the employer's survival and the employee's subjective well-being is the type of relationship that develops between employees and employers.

The employment relationship may be a fundamental source of positive social relationships and personal fulfilments, but also a source of subordination and exploitation (Paz-Fuchs, 2009). Social exchanges are predictive of employees' attitudes (job satisfaction), subjective well-being and influence their positive work behaviour (intention to quit) (Cole, Schaninger,

& Harris, 2002). According to social exchange theory (Blau, 1964), social exchanges occurring between employees and the employer go well beyond simple economic exchange and the social exchange theory is the basis for understanding employment relationships. A lack of balance in the fulfilment of obligations in this social exchange relationship might lead to negative consequences (Blau, 1964). Research on social exchange suggests that mutual high obligation relationships would yield positive attitudes, and positive experience of the exchange relationship will lead to employees repaying the employer with positive behaviour (Shore & Barksdale, 1998). A strong positive employment relationship with the employer will diminish the likelihood of employees perceiving small discrepancies between them and the organisation of what was promised as a violation of the psychological contract (Rousseau, 1995).

The employment relationship offers social relationships and personal fulfilment to employees. However, employees may experience exploitation of their rights, and inferiority in the employment relationship (Paz-Fuchs, 2009). Employees are informed about their rights and they are prepared to apply legislation to enforce their rights and it is of critical importance that employers need to manage the needs of employees or else their proliferations can undermine trust and cooperation at work (Rousseau, 2001).

The entire continuum of expectations contracting in the employment relationship consists of a combination of employment-, psychological- and social contracts (Slabbert & Swanepoel, 2001). Contracts establish and maintain the employment relationship (Barnard, 1973). Whether they are written or oral, they are promises made that legalize the exchange relationship (Farnsworth, 1982; Murray, 1974).

Rousseau (1989, p. 121) was the first researcher to focus on employees' beliefs and she defined the psychological contract as "individual beliefs in reciprocal obligations between the individual and the organisation". The exchange relationship between employees and the employer is bonded together by the employees' own subjective experiences and beliefs (Rousseau, 1990; 2001). The psychological contract is a type of promissory contract that reduces individuals' uncertainty; hence employees have a greater sense of security and it also directs employees' behaviour (McFarlane Shore & Tetrick, 1994). The key issue includes a belief that a promise has been made and a consideration offered in exchange for it, which binds the parties to some set of reciprocal obligation (Raeder, 2005).

The employment relationship is governed by what has been described as an incomplete and open-ended employment contract. Researchers in the labour law, industrial/labour relations, organisational studies and behavioural sciences fields were attracted to the concept of incompleteness of the employment contract by viewing it through the lens of the psychological contract (Keyser, 2010; Marsden, 2003). This open-endedness of the conditions in the employment relationship, which were initially bargained for by the individual employee, may be customized through an oral agreement known as the construct idiosyncratic deals (i-deals), and a shift in the original employment agreement then becomes evident (Rousseau, 2001; Rousseau 2005).

Idiosyncratic deals have been conceptualised as arrangements which are mutually beneficial in the employment relationship where the individual worker can to a great extent exercise control to accomplish personal objectives (Hornung, Rousseau, & Glaser, 2009). Employees are increasingly seeking to improve their original employment contract with personalized i-deals that include non-standard conditions which will satisfy their personal needs (Lawler & Finegold, 2000).

Negotiation of these i-deals is determined by the heterogeneous needs of employees; the final agreements will therefore differ in content and scope (Rousseau, Ho, & Greenberg, 2006). Supervisors authorize the idiosyncratic deals workers negotiate and these i-deals are more than often the rewards workers obtain because of undelivered obligations (e.g. payment, promotions, work conditions) on the part of the employer (Robinson, Kraatz, & Rousseau, 1994; Rousseau, 1995; Rousseau, 2006; Turnley & Feldman, 1999).

Idiosyncratic deals can take the form of developmental i-deals (e.g. motivating employees by promising them a special promotion) and flexible i-deals whereby employees can balance their higher engagement at work with their personal and family lives (Hornung et al, 2009). Individual flexibility in the work schedule allows employees to work preferred hours and have the rest of the time available for personal development, training and social interaction with family and friends (Thorntwaite, 2004).

Fairness and trust is the key concern of psychological contracts and good employment relations are associated with the negotiation of i-deals that meet the personal needs of the employee while it still effectively contributes to the goals of the organisation (Rousseau,

2001). I-deals, when implemented in ways that reinforce workplace justice and fairness, will be accepted by other co-workers (Rousseau, 2005). The employer is held responsible for issues such as fairness and quality of life (Donaldson & Dunfee, 2002). When employees do not experience fairness, it is seen as violation of contracts. Justice, trust and fairness are important dimensions of positive relations and subjective well-being (Gavin & Mason, 2004)

A strong positive employment relationship with the employer will diminish the likelihood of employees perceiving small discrepancies between them and the organisation of what was promised, as a violation of the psychological contract (Rousseau, 1995). Fairness is the key concern of the psychological contract of which the general view is to check whether the obligations and promises by both parties are fair and can be treated with trust by both (Jensen, Opland, & Ryan, 2010). Good employment relations are associated with a positive psychological contract based on trust and fairness, and this is expected to lead to job satisfaction, well-being and retention of employees (Guest & Conway, 1997).

A *social contract* is defined as what employees believe is fair for all parties concerned at the given time set against the norms and values of the particular community they reside in. The definition given is a narrowed view of the definitions given on social contract in the literature, but one specifically created for the South African market context and that can be applied in this context (Edward & Karau, 2007). In the employment relationship it specifically refers to what employees believe the employer should honour in order to maintain a positive, fair relationship with them (Rousseau, 1995). Mills (1996) explains that the existing social contract must have a balance of equity; it must be fair to the employee and the company. With a new social contract employees have sought job security, loyalty, good faith, to be fair to them and to be respected as human beings (Maxwell, Briscoe, & Temin, 2000).

There is a wide variety of definitions on social contract, and a number of them follow below: According to Rousseau (1995), the social contract refers to things that employees take for granted and that they assume the employer should give them. Morrison and Robinson (1997) point out that the social contract is seen by employees as assumptions, norms and beliefs about appropriate behaviour with respect to a social unit. It is interesting to note that different social contracts exist. The social contract determines the relations between employers and employees, and behaviour that is appropriate to one social contract may be taboo under

another (Clark & Waddle, 1985). Morrison and Robinson (1997) believe that it is the organisation that most significantly influences the social contract that is in existence between the employer and the employee in a particular industry and more specifically the region the employee finds him/herself in.

The nature of the contract between the employer and employee affects employees' experiences (e.g. fulfilment and violation) thereof, and impacts on individual and organisational outcomes (Keyser, 2010; Marks, 2001). Research partially supports that the psychological contract mediates the relationship between perceptions of obligation, violation and work outcomes (Cavanaugh & Noe, 1999). The employment relationship includes the behaviour, attitudes, practices, and institutions that originate from or impact the relationship (Kaufman, 2004; Latornell, 2007). The beliefs that the employer and employee hold, play a critical role in the field of employment relations and also influence employees' individual and organisational outcomes (Cantisano, Dominguez, & Depolo, 2008). Employees' perceptions of the psychological contract influence outcomes such as subjective well-being and intention to quit (Diedericks, 2012; Keyser, 2010).

Little research has been conducted on the employees' experiences of the social contract (Edwards & Karau, 2007). Although it has been researched in the early 1980s (Swanepoel & Myburg, 2004), a need exists for research regarding the social contract in South African higher education institutions. Research indicates that job dissatisfaction emerges when the employee experiences that there are differences between the ideal and the actual set of obligations as agreed with the employer. The dissatisfaction experienced by the employee can lead to absenteeism and reduced organisational citizenship and can even have an influence on the employee's intention to stay (Edwards & Karau, 2007). However, little scientific information is available regarding the relationship between experiences of the psychological contract and positive work outcomes. Studies have also failed to establish a conclusive relation between type of contract and a range of outcomes, such as job satisfaction and subjective well-being (De Cuyper & De Witte, 2006).

Employees who experience positive emotions on the job will experience positive outcomes in their work role (Staw, Sutton, & Pelled, 1994). Therefore, positive emotions yield favourable work outcomes; thus the researcher proposes that positive emotions at the workplace will experience positive work outcomes in their work roles. Positive work

outcomes lead to commitment, motivation, willing contribution, productivity and satisfaction (Patterson, West, Lawthorn, & Nickell, 1997). Therefore, the following assumptions can be made: Firstly, if employees experience fulfilment and no violation of their employment, psychological and social contracts, they will experience job satisfaction and well-being. Secondly, if they experience good contractual relations (i.e. fulfilment and non-violation of contracts) and subjective well-being, they will be less inclined to quit.

Satisfaction indicates the extent to which one's experiences match one's expectations (contract expectations); hence a high level of satisfaction will be reported if people (employee and employer) have very positive experiences (Huppert et al, 2005). Attitudes at work relate strongly to outcomes such as joy (happiness, amusement, and elation), interest (curiosity, intrigue, excitement, or wonder, contentment (tranquillity or serenity)) and love (emotion felt towards other people). Heymans (2000) asserts that gender, age, tenure and qualifications affect job satisfaction. Staw and Ross (1985) believe that it is the characteristics of the individual that determine job satisfaction. Job satisfaction is the result of a combination of environmental factors (employability, job security) and individual traits experienced by the individual (Carrim, Basson, & Coetzee, 2006).

Researchers promulgate that companies must, in order to be successful in the global competition for the best managerial talent, make a mind shift from trying to keep employees from leaving, to rather attracting them – an employability approach of tempting talented people to stay on (Craig, Pham, & Bobulsky, 2008). Employees' actual behaviour is determined by their intentions, and furthermore, it is very difficult to gain access to people who have left the organisation, in order to gain a better understanding of what led them to not stay with the organisation (Ajzen & Fishbein, 1980; Igbaria & Greenhaus, 1992). The situation in which they actually found themselves prior to the decision of leaving the organisation will give the employer insight into what aspects had a negative valence on the positive relationship that existed between them. Lack of job satisfaction was found to be a determining factor that most definitely leads to an employee's final decision to not stay on in the organisation (Moore, 2002). Afolabi (2005) believes that job dissatisfaction is the main reason why employees do not wish to stay on in their jobs and start seeking better employment conditions. The question can be asked: If higher education institution employees experience satisfaction, will they demonstrate less intention to quit?

According to social contract theory, societies rest on an agreement that binds individuals into fundamental rules and structures through social contracts (Levy, 2008). The social contract between the employer and employee is perceived when cognitively assessing the contract between him and the employer and what is actually in the employment agreement and what is actually received (Coyle-Shapiro, 2002). A definite relationship exists between the affective state of the employee and what he believes the employer has fulfilled concerning the psychological contract. Therefore, psychological contract fulfilment or non-fulfilment between the parties may lead to positive and negative fulfilment and affect the coherence within the workplace (Guerrero & Herrbach, 2008).

In an ever-changing environment there is a need to have a focused and positive approach to employment relations (Guest & Conway, 1997). Scientific information is needed on whether employees' work experiences influence their levels of agreement within the different types of contracts (i.e. the employment contract, psychological contract and social contract). It is also not clear what the relationships among employees' work experience, type of contract and work outcomes are. Scientific information is also needed to assess the extent and nature of employees' experiences of positive work outcomes such as well-being, job satisfaction, and intention to stay and how these relate to the different types of contracts.

From the above problem statement the following more specific research questions are posed:

- How are the employment contract, psychological contract, social contract, violation of contract, job satisfaction, well-being and intention to quit, conceptualised?
- How do employees' work experiences relate to their levels of agreement with the different types of contracts (employment contract, social contract and psychological contract)?
- What are the relationships between types of contracts, biographical information, job satisfaction, well-being and intention to quit?
- Do fulfilment and violation of psychological contracts result in lower job satisfaction and well-being and a higher intention to quit?

This study will make the following contribution to the field of employment relations: Firstly, reliable and valid measurement instruments will be developed. Secondly, valid models will be developed on different types of contracts and positive work outcomes. Thirdly, new

scientific information will be available regarding the relationship between employees' work experiences, type of contract (employment contract, psychological contract and social contract) and positive work outcomes, including job satisfaction, well-being and intention to stay. Lastly, it will contribute to knowledge in South Africa regarding the different types of contracts and work outcomes.

1.2. RESEARCH OBJECTIVES

The research objectives are divided into general and specific objectives.

1.2.1 General objectives

The purpose of this study is to examine whether employees' work experiences, such as violation of the contract, influence employees' levels of agreement with different types of contracts (employment contract, psychological contract and social contract), violation of the psychological contract, job satisfaction, well-being and intention to stay.

1.2.2 Specific objectives

The specific objectives of the study are to:

- Conceptualise the employment contract, psychological contract, social contract, violation of the psychological contract, job satisfaction, well-being, intention to quit, and the relationship between these constructs.
- Investigate the relationship among demographic variables, types of contracts, job satisfaction, well-being and intention to quit.
- Investigate the relationship among the fulfilment of contracts by employers and violation of the psychological contract, job satisfaction, well-being and intention to quit.
- Determine whether fulfilment and violation of contract indirectly affect job satisfaction, well-being and intention to quit.

1.3 RESEARCH METHOD

The research method for two articles submitted for purposes of this dissertation consists of a phase 1 (brief literature review) and a phase 2 (an empirical study).

1.3.1 Literature review

A literature review will be conducted regarding different types of contracts within the workplace, violation of contract, job satisfaction and intention to stay. The sources that will be consulted include peer reviewed journal articles, text books, dissertations and theses, internet sources, and reference lists of journals.

The literature review of Article 1 will focus on the relationship between demographic variables, the different types of contracts (employment contract, social contract and psychological contract), job satisfaction, well-being, and intention to quit.

The literature review of Article 2 will focus on the contractual relations (including the fulfilment of the employment and psychological contracts, violation of obligations) and the job satisfaction, well-being and turnover intention of employees at a higher education institution.

1.3.2 Empirical study

The empirical study consists of the research design, participants, data collection method and statistical analysis.

1.3.2.1 Research design

Research design is a strategic action and it is used to provide a link between the research questions and execution and implementation of the research (Durheim, 2007). The research design can enable the researcher to have a plan that will guide him in the collection and analysis of data in a way that is relevant to the research purpose.

In Articles 1 and 2, a cross-sectional survey design is used to reach the research objectives. With a cross-sectional survey design a sample is drawn from a population at a specific time to describe the population. This descriptive and exploratory design can be used to investigate the interrelationships among variables in the sample at one point in time without any planned intervention (Shaughnessy & Zechmeister, 1997).

1.3.2.2 Participants

In this study, a random sample of employees at a higher education institution will be targeted ($N = 483$). Distribution and collection of the questionnaires will be done in cooperation with the personnel assistants at the various departments at the higher education institution.

The sample will comprise participants from both gender groups and will include employees at different levels of education. The participants will also be different in terms of age, marital status and race.

1.3.2.3 Measuring instruments

The following questionnaires will be used in the empirical study:

A biographical questionnaire will be used to obtain characteristics of the participants concerning their age, race, gender, type of contract, educational level, marital status, dependants, position, union membership, years working for the institution.

The *Psychological Contract and Social Contract Measurement* (ECS; Edwards & Karau, 2007) will be used to measure employees' experiences of the psychological and social contracts. The ECS consists of 12-items. Six items focus on the psychological contract, while the other six focus on the social contract. Examples of items for the social contract are: "The ideal higher education institution should expect that employees will switch jobs frequently" and "Workers should be trusted to fulfil their work"; and for the psychological contract: "The higher education institution must realise that I may switch jobs frequently" and "My institution can trust me to fulfil my work responsibilities". The questions are rated on a Likert scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). Edwards and Karau (2007)

found Cronbach alpha coefficients between 0.81 to 0.84 for the psychological contract and 0.72 to 0.87 for the social contract.

The *Employment Contract Fulfilment Scale* (ECFS; Isaksson et al., 2003) will be used to measure the fulfilment of the employment contract. The ECFS consists of four items which are rated on a scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). An example question is “My current employment contract is the one that I prefer”.

The *Employer Obligations Questionnaire* (EOQ; Isaksson et al., 2003) will be used to measure the fulfilment of promises and commitments of employers to employees. The EOQ consists of 15 items that are arranged along a 6-point frequency-rating scale with 0 (*No*) and 5 (*Yes, and promise fully kept*). Example of questions include: “Has your organisation promised or committed itself to providing you with interesting work?”, and “Has your organisation promised or committed itself to helping you deal with problems you encounter outside work?”

The *Violation of Contract Questionnaire* (VCQ; Isaksson et al., 2003) will be used to measure violation of contracts. Examples of questions are: “Looking overall at how far this institution has or has not kept its promises and commitments, to what extent do you feel: happy, angry, pleased, violated, disappointed, and grateful?” The six items are rated on a Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Keyser (2010) obtained a Cronbach alpha coefficient of 0.89 for the VCQ.

The *Job Satisfaction Scale* (JSS; Price, 1997) will be used to measure job satisfaction. The JSS consists of four items (e.g. "I am not happy with my job" and "My organisation shows very little concern for me"). The questions are rated on a Likert scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). Isaksson et al. (2003) found an acceptable alpha coefficient ($\alpha = 0.82$) for the JSS.

The *Mental Health Continuum Short Form* (MHC-SF; Keyes, 2009) will be used to measure emotional (subjective), social and psychological well-being. The MCH-SF consists of 14 items which are rated using a scale varying from 1 (*never*) to 6 (*every day*). Three items measure emotional well-being, six items measure psychological well-being and five items

measure social well-being. Acceptable internal consistency ($\alpha > 0.80$) and construct validity of the MHC-SF have been found by Keyes (2009) and Diedericks (2012).

The *Intention to Quit Questionnaire* (ITQ; Price, 1997) is a modified commitment measure using 4 items ("These days, I often feel like quitting", "Despite the obligations I have made to this institution, I want to quit my job as soon as possible"). The questions are rated on a Likert scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). The Cronbach alpha in previous studies ranges from 0.79 to 0.82 (Isaksson, 2002).

1.3.2.4 Statistical analysis

The analysis will be carried out with the SPSS program (SPSS, 2011). Exploratory factor analyses will be used to investigate the construct validity of the measuring instruments. Cronbach's alphas will be computed to assess the internal consistency of the measuring instruments. Descriptive statistics (means and standard deviations) will be used to describe the data. Pearson correlation coefficients will be used to investigate the relationships between the variables. The level of statistical significance will be set at $p < 0.05$. Effect sizes will be used to decide on the practical significance of the findings (Steyn, 1999). The cut-off point for practical significance of correlation coefficients will be set at 0.30 (medium effect; Cohen, 1988).

Hierarchical multiple regression analyses will be used to determine the amount of variance in the dependent variables that are explained by the independent variables. The procedure to determine mediation effects, as explained by Hayes and Preacher (in press), will be followed to compute the bootstrap estimated indirect effects of the employment and psychological contract on job satisfaction, well-being and turnover intention. Two-sided 95% bias corrected confidence intervals (5000 trials), and the statistical significance of indirect effects will be computed. The significance of the indirect effects was assessed in terms of zero versus non-zero coefficients rather than in terms of statistical significance only (Preacher & Hayes, 2009).

Multivariate analysis of variance (MANOVA) will be used to investigate the significance of the differences among demographic groups' experiences of the employment-, psychological- and social contracts as well as job satisfaction, well-being and turnover intention. MANOVA

is used to explain the differences among groups on a combination of dependent variables (Albright, Winston, & Zappe, 2009; Tabachnick & Fidell, 2007). A low correlation between the dependant variables will mean that the use of MANOVA does not have any benefit. Only a single ANOVA then needs to be computed for one of those dependent variables. Use of ANOVA assumes that the correlations between the independent variables are weak (Albright et al., 2009; Kerlinger & Lee, 2000). When an effect of MANOVA is significant, one way analysis of variance (ANOVA) will be used to discover which dependent variables were affected.

1.3.2.5 Research procedure

Permission from the Directorate Research was obtained for the gathering of data. The questionnaires were given to the different Directors of the Faculties and were collected from them as agreed. The higher education institution will be provided with a report of the findings of the research conducted. The participants approached for this study were employees at a higher education institution. The major characteristics of this setting were that it will include only one higher education institution and the sample element comprised lecturers and administrative staff.

1.3.2.6 Ethical considerations

The study was approved by the Ethics Committee of the North-West University (Vaal Triangle Campus). The Directorate Research of the higher education institution was contacted and the necessary forms were completed regarding the confidential treatment of confidential data. Permission in this regard was obtained in order to conduct the research project. Participation of the sample element [administrative and academic staff] in the project was purely on a voluntary base and no one was forced to take part. The participation in answering the questionnaire was anonymous so as to further create a safe environment for participants. A letter of consent was included with each questionnaire in which issues such as confidentiality and anonymity of results were stated. Participants will be afforded an opportunity to receive feedback on the results of the study.

1.4 OVERVIEW OF CHAPTERS

The chapters in this dissertation are presented as follows:

- Chapter 1 Introduction and problem statement.
- Chapter 2 Research article 1: Contractual relationships, subjective well-being and turnover intention: the role of demographic variables.
- Chapter 3 Research article 2: Contractual relations and individual and organisational outcomes: the role of psychological contract violation.
- Chapter 4 Conclusions, limitations and recommendations.

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CHAPTER 2

ARTICLE 1

Contractual Relationships, Subjective Well-Being and Turnover Intention: The Role of Demographic Variables

ABSTRACT

The aim of this study was to investigate the differences between demographic groups' experiences of contractual relationships, subjective well-being and turnover intention. A cross-sectional survey design was used with 300 employees in a higher education institution. The State of Psychological Contract Scale, Violation of Psychological Contract Scale, Job Satisfaction Scale, Mental Health Continuum - Short Form and Intention to Quit Scale were administered. The results confirmed the validity and reliability of measures (except for the social contract). Age, tenure and gender had statistically significant effects on the fulfilment of one dimension of the psychological contract, namely work conditions. Younger people with less tenure experienced more fulfilment of the psychological contract (regarding work conditions). Tenure also impacted psychological contract violation. Type of contract impacted fulfilment of the psychological contract (work conditions). Males (compared to females) experienced more fulfilment of the psychological contract (regarding work conditions) and less violation of the psychological contract. Tenure and type of contract were also related to experiences of the employment contract.

Key terms: Employment contract, social contract, psychological contract, well-being, job satisfaction and intention to quit.

The landscape of higher education in South Africa is characterised by dramatic changes. Changes in workplace practices have been driven by changes to statute law and lead to a fundamental shift in the employment-, psychological- and social contracts (McCarthy, 2004). Transformational changes do not only lead to changes in the work environment, but also have an influence on the employment relationship (Linde & Schalk, 2006). A litigious culture has emerged at the workplace due to the rapid growth of employment legislation and management needs to develop new strategies and policies regarding the employment-, psychological- and social contracts for the future in order to stay relevant as well as ensure compliance with employment legislation (Grahl & Teage, 2009). The past three decades showed a large number of writing regarding certain aspects of the employment-, psychological- and social contracts, but limited research has been done specifically on the employment- and psychological contracts and no research on the social contract within higher education institutions.

Understanding the employment relationship requires a multilevel approach where the individual dimension reflects the individual agreements between the employee and employer which take the form of an employment contract, psychological contract and social contract (Slabbert & Swanepoel, 2001). This employment agreement between the employee and the employer is not cast in stone, because amendment of it can take place over time through negotiations known as idiosyncratic deals, and employers need to manage these idiosyncratic deals properly otherwise their proliferations can undermine trust and cooperation of employees at the workplace (Rousseau, 2001). The employment relationship may be customized through the construct idiosyncratic deals and a shift in the original employment agreement then becomes evident (Rousseau, 2005). Idiosyncratic deals (i-deals) are crafted arrangements that meet the specific needs of individual employees and the very nature of each agreement differs from that of agreements made with another employee by the employer (Ng & Feldman, 2008).

Employees are increasingly attempting to meet their individual needs by customizing their original employment agreement with personalized i-deals (Thornthwaite, 2004). Both parties in this relationship can freely amend and expand the contract without notification to the other party. It is, however, of critical importance that employers need to manage these idiosyncratic deals properly otherwise their proliferations can undermine trust and cooperation at work. Within the workplace, different deals between the employer and employee exist in the form

of employment contracts, social contract and psychological contract perspective (Rousseau, 1995). I-deals can take the form of flexible working arrangements, i.e. where the employee is allowed to balance his work and family life (Lai, Rousseau, & Chang, 2009) and developmental i-deals whereby the employee is motivated by promising him a special promotion (Hornung, Rousseau, & Glaser, 2009). I-deals when implemented in ways that reinforce workplace justice and fairness will be accepted by other co-workers (Rousseau, 2005).

Employers shape the social contract within the workplace, and these social norms must be balanced with the sometimes contradictory exigencies and expectations of employees (Taplin & Winterton, 2007). Remarkable growth in human rights is part of the industrialised world and social system which leads to changes in the social contract (Cragg, 2000). Limited research in the past decade was done on the employment contract and psychological contract, and no research was traced on social contract within higher education institutions.

The past decade was characterised by a renewed interest in having a positive focus regarding employee well-being, specifically at educational institutions (Steele & Fullagar, 2009). It is necessary to assess how employees at higher education institutions experience the contractual relations and to assess the effects thereof on job satisfaction, employee well-being and intention to stay (Coetzee & Rothmann, 2005).

The aim of this study was to investigate the relationships among the fulfilment of the employment-, social-, and psychological contracts, the violation of the contract, job satisfaction, well-being, and intention to quit. This study aims to develop a better understanding of the factors that affect the employment relationship at a higher education institution, including the type of employment contract (temporary or permanent), gender, age, tenure, qualifications, and the psychological contract (obligations), job satisfaction, well-being and intention to quit. Informed employees can adapt to human resource practices and fulfil their employment contracts (Wocke & Sutherland, 2008; Zhao, Wayne, Glibkowski, & Bravo, 2007). The study contributes to developing knowledge in the field of psychological contract theory by evaluating the differences in the psychological contracts, types of employment contracts, genders, ages, tenures, and qualifications of employees. Idiosyncratic arrangements can help employees balance their work-life on the one hand and the employer

in gaining a motivated and developed workforce on the other (Hornung, Rousseau, & Glaser, 2008).

Contractual Relationships between Employees and Employers

In South Africa, different forms of employment agreements are distinguished, namely the contract of employment (permanent employment contract and the temporary employment contract). The employment contract is a legally enforceable agreement between two parties, whereby the one party controls the services provided by the other party (Landis & Grossett, 2007). The permanent contract refers to the “normal” or “standard” work arrangement that is, for most employees, the standard practice of employment (Kalleberg, 2000). The temporary employment contract, also known as contingent work, is defined by Polvica and Nardone, (1989, p. 11) as “any job in which an individual does not have an explicit or implicit contract for long-term employment or one in which the minimum hours worked can vary in a non-systematic manner”.

A wide variety of definitions exist regarding the social contract. Rousseau (1995) defines the social contract as dealing with benefits employees take for granted and benefits they assume the employer should give them. According to Morrison and Robinson (1997), the social contract is seen by employees as assumptions, norms and beliefs about appropriate behaviour with respect to a social unit.

Edwards and Karau (2007) define the social contract as that which employees believe is fair for all parties concerned at the given time, set against the norms and values of the particular community they reside in. In the employment relationship it specifically refers to what employees believe the employer should honour in order to maintain a fair relationship with them. Situations that come to mind here, and which employees have sought after over the past few decades, are job security, loyalty, good faith, and fairness towards them as well as being respected as human beings.

Mills (1996) believes that the existing social contract must have a balance of equity; it must be fair to both the employee and the company. The social contract determines the behaviour between employers and employees. Morrison and Robinson (1997) remind us that it is the employer that mostly influences the social contract that exists between him/her and the

employee in a particular workplace and more specifically the region the employee finds himself in. Behaviour that is appropriate in one organisation and is seen to be part of the social contract may be inappropriate in another (Clark & Waddle, 1985).

In South Africa, a social contract between the employer and the employee only focuses on the implementation of policies, and the only time that social contracts had been successful thus far was when the policy was implemented on a strictly short-term basis (Preece, 1992). The social contract must be of such a nature that it is more sellable to the relevant parties and role-players within the employment relationships (Preece, 1992). Social contracts change; broad shifts of moral consensus have occurred but employees still believe in a fair relationship set against the norms and values of the particular community (Donaldson & Dunfee, 2002).

Rousseau (1990) emphasises that the employment contract (written or oral) refers to promises made between employer and employee in exchange for compensation, which are enforced by law. Gilbert (1996) points out that the new employment contract is informal and mainly unwritten and the major users are the people-driven world-class organisations. Rousseau (1989, p. 123) defined the psychological contract as “an individual is belief regarding the terms and conditions of a reciprocal exchange agreement between the focal person and the other party”. Psychological contracts include beliefs that employees hold regarding the terms and conditions of the exchange agreement between themselves and their institutions (Rousseau, 1990).

The psychological contract is a type of promissory contract that reduces individuals’ uncertainty, and employees have greater sense of security and it also directs employees’ behaviour (McFarlane Shore & Tetrick, 1994). The key issue of the psychological contract includes a belief that a promise has been made and a consideration offered in exchange for it, which binds the employee and employer to reciprocal obligations.

The state of the psychological contract refers to whether promises and obligations were fulfilled by the employer and whether they were fair. This can apply to the trust between parties (Guest & Conway, 2002). The state of the psychological contract is a relevant antecedent of variables such as job satisfaction and intention to quit (Guest, 1998). Schein (1980) states that the psychological contract will be amended over time to suit the

expectations of the employee and the employer as their needs and the external environment change.

Employees regard the promises made to them as being part of the psychological contract and violation of these promises will result in employees demonstrating negative attitudes such as cynicism and decreased job satisfaction resulting in strong and negative consequences for the employer (Johnson & O'Leary-Kelly, 2003). Research by Rousseau (1989) demonstrated that when the psychological contract is violated, there are dramatic individual consequences. The employee can for instance experience behaviour such as anger, frustration, betrayal, resentment, decreased motivation, lack of job satisfaction, and even an intention to quit as well as organisational consequences such as employee-initiated litigation and unionization efforts.

The breaking of promises by employers can be experienced by employees as a “blocking of their goals”, and employees will display behaviour to show employers that they are unhappy (Diener, 1994). This reaction and behaviour displayed by employees have severe “consequences for organisational effectiveness” (Greenhalgh & Rosenblatt, 1984). Nelson and Tonks (2007:22) found that temporary employees’ attitudes can reach a point where they display a negative disposition towards managers when violation of the psychological contract takes place. Isaksson et al. (2003) in their study found that violation of the psychological contract is associated with lower levels of employee well-being.

A positive emotional state of employees can be achieved by promoting the self-efficiency level of belief in themselves in order to accomplish set tasks and goals that give meaning, direction, well-being, and job satisfaction (Bandura, 2001). Fulfilment of obligations by the employer leads to employee behaviour that is beneficial to the organisation such as greater job satisfaction and trust in management (Turnley & Feldman, 2000).

Contractual Relationships and Subjective Well-being and Turnover Intention

Two forms of subjective well-being are relevant for this study, namely flourishing/ languishing and job satisfaction.

DeLoach and Monroe (2004) defined job satisfaction to be the amount of pleasure employees experience from their work. Job satisfaction and more specifically job dissatisfaction is mainly the reason why employees do not intend to quit and to start seeking better employment conditions (Afolabi, 2005). Fulfilment of its obligations towards the psychological contract by the employer demonstrates employee behaviour that proves to be beneficial to the organisation, and employees develop trust in the employer, as well as experience greater job satisfaction (Robinson, 1996; Turnley & Feldsman, 2000), and intention to stay (Sutton & Griffin, 2004). Employees that are experiencing decreased job satisfaction are more likely to quit the organisation (Baskin, 2007).

Turnover intention refers to an employee's own subjective estimation that he/she will most probably at some point in the near future leave the organisation (Mobley, 1982; Mowday, Porter, & Steers, 1982). It is defined as a conscious and deliberate wilfulness to leave the organisation (Tett & Meyer 1993). According to Sjöberg and Sverke (2000), intention to quit indicates an employee's desire to quit his or her job. Employees' actual behaviour is determined by their intentions just prior to the decision of leaving the organisation, and if the employer can gain access to these people it will give the employer insight into what aspects had a negative valence on the positive relationship that existed between them (Ajzen & Fishbein, 1980; Igbaria & Greenhaus, 1992). High intention of actual quitting stems from the dissatisfied employee perceiving no desirable jobs at his current organisation and not disliking only his job, but also the organisation (Vandenberg & Scarpello, 1990).

Happiness is the degree to which employees estimate the overall quality of their lives as favourable. Scholars have introduced the term *subjective well-being* in order to conceptualize the study of happiness. Subjective well-being is defined as "people's evaluations of their lives – evaluations that are both affective and cognitive" (Diener, 2000, p. 34). The cognitive dimension constitutes global satisfaction judgements of the employee's life (Diener, 1984; Diener, Suh, Lucas, & Smith, 1999). The affective dimension consists of a hedonic balance of the positive and negative emotions experienced by the employee (Diener et al., 1999). Well-being is the ability of an individual to have a positive relationship with others and the ability to work productively and to develop their potential optimally (Wadsworth, Chaplin, Allen, & Smith, 2010).

Keyes and Annas (2009) define subjective well-being as the appraisals individuals make regarding the quality of their lives, which include feeling good and functioning well. Keyes (2005) argued that mental health is regarded as a syndrome of symptoms of an individual's subjective well-being and that measures of mental health and mental illness form two distinct continua. The mental health continuum consists of complete mental health (flourishing) and incomplete mental health (languishing). Individuals' positions on the mental health continuum result from their scores on three types of well-being, namely emotional, psychological, and social well-being (Keyes, 2000). Keyes (2007) described flourishing as a pattern of positive feelings and positive functioning in life. On the opposite continuum is *languishing*, which can be defined as the absence of mental health.

The employment relationship between the employer and employee and the state of the employees' well-being in this relationship offer the employer an ideal opportunity of managerial intervention and management thereof, and employees can in this exchange relationship "excel" and achieve their goals, expectations and objectives, as it represents "a worthy objective for both organizational research and practice" (Turner, Barling, & Zacharatos, 2002, p. 725).

Changes at organisational level can cause many workers to feel insecure, and research suggests that perceptions of insecurity correlate negatively with employee well-being (Sparks, Faragher, & Cooper, 2001), a decrease in job satisfaction and a reduction in trust towards the employer, and an intention to quit (De Cuyper et al., 2008).

Contractual Relations, Subjective Well-being and Turnover Intention: Differences between Demographic Groups

Contractual relations, subjective well-being and turnover intention have been studied in relation to differences between demographic groups. According to Heymans (2002), gender, age, length of service, qualifications and job grade are the factors that affect job satisfaction. Straw and Ross (1985) assert that it is the characteristics of the individual that determine job satisfaction.

Studies (Shore & Barksdale, 1998; Tsui, Pearce, Porter, & Triploi, 1997) showed that psychological contract fulfilment is positively related to trust and employees' perceptions of

fairness, and negatively related to intention to quit. According to Turnley and Feldman (1995), psychological contract fulfilment is negatively associated with intention to quit. When employees do not trust the employer and hold the opinion that the future relationship with the organisation is not promising, they perceive a stronger intention to quit (Maharaj, Ortlepp, & Stacey, 2008).

Van Dyne and Ang's (1998) study showed that temporary employees, in view of the social exchange perspective, adopt a more transactional view regarding their employment relationship. Temporary employees expect less from their employer regarding their psychological contract than do permanent employees. Guest (2004) and Rousseau (1995) found that due to the type of contract (temporary or permanent), individual employees' formation of the psychological contract is different. Guest (2004) asserts that temporary employees mostly experience a less fulfilled psychological contract, probably due to the fact that they have fewer opportunities for promotion. Conway and Briner (2002) reported that temporary employees perceive their psychological contract to be more favourable because of the fact that the employer expects less from them.

Isaksson (2005) reported slightly higher levels of job satisfaction for temporary employees compared to permanent employees. De Cuyper and De Witte (2006) found that when the autonomy of permanent employees is reduced, they perceive a violation of their psychological contract and this leads to reduced levels of job satisfaction experienced by these employees, while temporary employees' levels were not influenced.

Stable employment and low turnover are characteristics of firms with a strong culture (Cooke & Rousseau, 1988). Rousseau (1990), points out that such firms make substantial investment into employees, especially regarding long-term employment, but they do expect loyalty in exchange from the employees and even commitment in as far as the organisation's culture and values are concerned. Guest and Conway (2002) reported that temporary employees reported a better state of psychological contract than permanent employees. McDonald and Makin (2000) found no significant difference regarding the state of the psychological contract between that of temporary and permanent employees.

De Beer (2010) found that permanent employees were more inclined to quit than temporary employees. However, De Cuyper and De Witte (2006) showed that contract type was

unrelated to subjective well-being and turnover intention. Maharaj et al. (2008) found that in the case of temporary employees the employees' obligations are short term and narrowly focused on the economic exchange. These employees displayed a higher intention to quit when they felt that the future employment relationship was not promising. Guest and Conway (2002) found the state of the psychological contract of temporary employees to be better than that of permanent employees.

De Cuyper and De Witte (2005) reported that employees with a longer tenure have a lower psychological level of state contract than younger employees and this depends largely on the fact that the trust or perceptions of fairness employees have over time erode as the employer does not honour his/her obligations. De Beer (2010) found that employees with less than a year's tenure have a higher state of psychological contract than employees who have been working for longer periods of time.

Employees indicate perceived violation when employers do not fulfil the obligations they agreed to (Morrison & Robinson, 1997). Turnley and Feldman (1999b) demonstrated that younger employees respond less strongly to violation of the psychological contract. Rousseau (2001) and Bal, De Lange, Jansen, and Van der Velde (2008) found that older employees react stronger than their younger counterparts to violation of the psychological contract, because they have built up a more stable employment relationship with the employer. The expectations and obligations of younger employees have of the employer differ from those of older employees (Bal, 2009; Schein, 1980).

Meitzen (1986) and Smithson and Lewis (1999) reported that women experience a higher intention to quit. De Beer (2010) found that females have a significantly higher intention to quit than their male counterparts. De Beer (2010) found that males experience a significantly higher state of psychological contract than females. Steyn (2009) reported that females experience higher levels of state of the psychological contract than males. Heymans (2002) is convinced that gender, age, length of service, qualifications and job grade are the factors (biographical determinants) that affect job satisfaction.

Carrim, Basson, and Coetzee (2006) propose that job satisfaction is the result of a combination of environmental factors (employability, job insecurity) and individual traits. Isaksson, Johansson, Lindroth, and Magnas (2006) found that women are more likely to be

employed on temporary bases. Statistically significant differences were found between permanent and temporary employees and males and females' psychological contract (Freese & Schalk, 1996; Millward & Hopkins, 1998).

Different studies showed that women experience a higher intention to quit than male employees (De Beer, 2010; Meitzen 1986, Smithson & Lewis, 1999). Leontaridi and Ward (2002) found that older employees are significantly less likely to quit than those younger than 25 years of age. Campbell, Carruth, Dickerson, and Green (2007) found that age is negatively associated with intention to quit, probably because older employees have difficulty in finding new jobs.

Fox (1974) found that different levels of qualifications influence the state of the psychological contract and employees with higher qualifications have more perceived feelings of power. Smithson and Lewis (1999) found that younger, less skilled employees see the employment relationship as flexible and lack the trust their older counterparts have in the employer. Meyer and Allen (1984), in their study, found that employees' expectations increase with longer years of tenure regarding what they believe their employers' obligations towards them should be, because they have put more into the organisation and should receive more than their younger counterparts.

Tekleab, Taylor, and Lepak (2002) reported that with longer years of tenure employees generally expect more from the employer than what is generally expected of the employer at the beginning of tenure. Battu, Mchaster, and White (2002) reported that with longer tenure the match between employee obligations and employer obligations is most likely to be similar. Battu et al. (2002) found that longer tenure influences the employment contract to a point that the initial characteristics of the employment contract might change. Lee and Faller (2005) found that the relational aspects of the psychological contract are subject to change with longer tenure and this continues to change as time goes on. Isaksson et al. (2006) found that older employees are less likely to agree with employers on what they believe the obligations between them should be due to the extended period of employment and furthermore, that their expectations are higher than those of younger employees because of the years of loyal service.

De Beer (2010) showed that employees with higher qualifications expect more of their employer regarding obligations than do employees with grade 12 and less. Isaksson et al. (2006), in their study, found that temporary employees' level of qualifications seems to be slightly higher than that of permanent employees. A study by Probst (2005) showed that the level of qualification was positively related to a greater intention to leave. Level of qualification is associated with better labour market alternatives. Nelson and Tonks (2007) found that when the needs of temporary employees regarding their relational contract with the employer are not met, i.e. obligations are violated, they will experience a low level of job satisfaction.

Coyle-Shapiro and Kessler (2002) found that temporary and permanent employees hold different expectations regarding their employment relationship. Van Dyne and Ang's (1998) study showed that temporary employees expect less from their employer than permanent employees expect from their psychological contract. Guest (2004) and Rousseau (1995) found that hence the type of contract (temporary or permanent), individual employees' formation of the psychological contract is different. Conway and Briner (2002) found that temporary employees perceive their psychological contract to be more favourable because the employer expects less from them.

Nelson and Tonks (2007) found that when the needs of temporary employees regarding their contract with the employer are not met, i.e. obligations are violated, they will experience a low level of job satisfaction. Violation of the psychological contract is likely to have many negative consequences such as reduced job satisfaction and turnover intention (Turnley & Feldman, 2000).

De Cuyper and De Witte (2006) found that when the autonomy of permanent employees is reduced, they perceive a violation of their psychological contract and this leads to reduced levels of job satisfaction experienced by these employees; while temporary employees' levels were not influenced. Lack of job satisfaction was found to be a determining factor that most definitely leads to an employee's final decision to quit the organisation (Moore, 2002). Mauno, Kinnunen, Mäkikangas, and Nätti (2005) found no association between temporary and permanent employees and job satisfaction, because temporary employees trust the employer to provide a permanent job for them in the future, and such positive future

expectations may enhance a positive perception of the work and the employer (Connelly & Gallanger, 2004).

In a study undertaken by Johnson and O’Leary-Kelly (2003), employees regarded the promises made to them to be part of the psychological contract, and violation of these promises resulted in a strong and negative attitude towards the job and organisation. Bal et al. (2008) reported that older employees respond differently from younger employees when the organisation violates its obligations regarding the psychological contract. Older employees respond by showing a strong decrease in job satisfaction and younger employees respond by lowering their levels of trust and becoming less engaged in the organisation.

Change has a dramatic impact on the well-being of academic and administrative staff at higher education institutions. It does not only have an effect on employees’ well-being, but the once secure employment relationship becomes rather insecure and uncertain when obligations are not honoured and this has a direct influence on the attitudes as well as behaviour displayed by employees towards the organisation (Sverke, Hellgren, & Näswall, 2002).

Different views exist regarding temporary employment and well-being. Temporary employment, because of the insecure nature thereof, is often associated with the phenomenon that it produces unfavourable attitudes and impaired well-being (Näswall & De Witte, 2003). Guest and Clinton (2006) found that temporary employees experience higher levels of well-being than do permanent employees.

Maharaj et al. (2008) found that because of a positive relationship between the psychological contract and intention to quit, employees who had a strong belief that the future relationship with their organisation is not promising had a strong intention to quit. Employees who feel that they want to quit and support the organisation because they feel obligated to do so also had a low intention to quit. Shore and Barksdale (1998) and Tsui et al. (1997) found that the psychological contract is positively related to trust and employees’ perception of fairness and negatively related to intention to quit.

Hypotheses

Contractual relations, job satisfaction, flourishing and turnover intention differ between different age groups (hypothesis 1), groups with different service years (hypothesis 2), different genders (hypothesis 3), qualification groups (hypothesis 4), and types of contracts (hypothesis 5).

Method

Research Design

A cross-sectional survey design was used to reach the research objectives. The research approach was quantitative, descriptive and exploratory (Field, 2009). The survey technique gathers data from the target population primarily through the use of questionnaires, and the information obtained can be used to describe, predict and interpret aspects associated with correlative research.

Participants

The sample included individuals working at a higher education institution in the Vaal Triangle and 483 academic and administrative employees were targeted. The sample included employees from all levels, ranging from unskilled blue collar employees to management. The lowest level employees had a grade 10 education level and consequently a sufficient literacy level enabling them to accurately complete the questionnaire. A response rate of 62% ($N = 300$) was obtained. The population included all genders, races, ages, qualifications and tenures.

A total of 65.6% of the participants have permanent contracts. Regarding the gender of the participants, 58.2% were female and 31.8% were male. The majority of the participants (62%) have been employed by the Institution for different periods of less than 10 years. Employees with tertiary education comprised 70.33% of the studied population while the remaining 30.33% was divided equally between employees who had grade 12 and 10 certificates.

Table 1

Characteristics of the Participants (N=300)

Item	Category	Frequency	Percentage
Classification of job	Unskilled blue collar worker	41	11.6
	Skilled blue collar worker	13	3.7
	Lower level white collar worker	96	27.3
	Intermediate white collar worker	30	8.5
	Upper white collar worker	114	32.4
	Management or director	6	1.7
Type of Contract	Temporary employee	69	19.6
	Permanent employee	231	65.6
Gender	Female	205	58.2
	Male	95	27.0
Age	20 - 25 years	29	9.7
	26 - 31 years	48	16.0
	32 - 37 years	74	24.7
	38 - 43 years	48	16.0
	44 - 49 years	41	13.7
	50 – 55 years	35	11.7
	56 - and older	25	8.3
Tenure	0 - 1 years	46	15.3
	2 - 3 years	62	20.7
	4 - 5 years	38	12.7
	6 - 10 years	56	18.7
	11 - 15 years	47	15.7
	16 – 20 years	30	10.0
	21 - and longer	21	7.0
Qualifications	Grade 10	43	12.2
	Grade 11 or 12	46	13.1
	Diploma	58	16.5
	Bachelor's degree	50	14.2
	Postgraduate degree	103	29.3

Measuring Instruments

A biographical questionnaire was used to obtain characteristics of the participants concerning their age, race, gender, type of contract, educational level, marital status, dependants, position, union membership, years working for the higher education institution.

The *Psychological Contract and Social Contract Measurement* (ECS; Edwards & Karau, 2007) was used to measure experiences of the psychological- and social contracts. The ECS consists of 12-items. The questionnaire consists of the following items: the first six items focus on measuring the psychological contract and the latter half the social contract. Examples of questions for the social contract are “The higher education institution should expect that employees will switch jobs frequently” and “Employees should be trusted to fulfil their work”; and for the psychological contract “The institution must realise that I may switch jobs frequently” and “My institution can trust me to fulfil my work responsibilities – Reverse question”. The questions are rated on a scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). In different studies, Edwards and Karau (2007) found Cronbach alpha coefficients between 0.81 to 0.84 for the psychological contract and 0.72 to 0.87 for the social contract.

The *Employment Contract Fulfilment Scale* (ECFS; Isaksson et al., 2003) was used to measure the fulfilment of the employment contract. The ECFS consists of four items which are rated on a scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). An example question is “My current employment contract is the one that I prefer”.

The *Employer Obligations Questionnaire* (EOQ; Isaksson et al., 2003) was used to measure the fulfilment of promises and commitments of employers to employees. The EOQ consists of 15 items that are arranged along a frequency-rating scale with 0 (*No*) and 5 (*Yes, and promise fully kept*). Examples of questions include “Has your organisation promised or committed itself to providing you with interesting work?”, to “Has your organisation promised or committed itself to helping you deal with problems you encounter outside work?”

The *Violation of Contract Questionnaire* (VCQ; Isaksson et al., 2003) was used to measure violation of contracts. Examples of questions are: “Looking overall at how far this institution has or has not kept its promises and commitments, to what extent do you feel: happy, angry, pleased, violated, disappointed, and grateful”. The six items are rated on a Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Keyser (2010) obtained a Cronbach alpha coefficient of 0.89 for the VCQ.

The *Job Satisfaction Scale* (JSS; Price, 1997) was used to measure job satisfaction. The JSS consists of four items (e.g. "I am not happy with my job" and "My organisation shows very

little concern for me"). The questions are rated on a scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). Isaksson et al. (2002) found the reliability of job satisfaction to be $\alpha = 0.82$ in previous studies.

The *Mental Health Continuum Short Form* (MHC-SF; Keyes, 2009) was used to measure emotional, social and psychological well-being. The MCH-SF consists of 14 items which are rated using a six-point scale varying from 1 (*never*) to 6 (*every day*). Three items measure emotional well-being, six items measure psychological well-being and five items measure social well-being. Acceptable internal consistency ($\alpha > 0.80$) and construct validity of the MHC-SF have been found by Keyes (2009) and Diedericks (2012).

The *Intention to Quit Questionnaire* (ITQ, Price, 1997) is a modified commitment measure using 4-items ("These days, I often feel like quitting", "Despite the obligations I have made to this institution, I want to quit my job as soon as possible"). The questions are rated on a Likert scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). The Cronbach alphas in previous studies range from 0.79 to 0.82 (Isaksson, 2002).

Research Procedure

The research project has been approved by the Ethics Committee of the North-West University. The participants were briefed about the research project and afforded the opportunity to ask questions before considering participation. A clear outline of the roles and responsibilities of all the parties involved was given. Participation in the project was voluntary and anonymous and participants completed a consent form. The survey questionnaire was delivered to the target group by hand in April 2011. The questionnaire had a covering letter explaining the purpose of the research. The trust of the participants was obtained by ensuring them that all information they give will be dealt with confidentially and not be given to anyone. Participants were assured that their participation is voluntary and that they can participate anonymously. The participants had until 20 May 2011 to complete the questionnaires. The data was captured on an Excel spread sheet.

Statistical Analysis

The analysis was carried out with the SPSS 19 program (SPSS, 2011). Exploratory factor analyses were used to investigate the factor structure of the measuring instruments. First, a principal component analysis was used to assess the number of components in the data (Tabachnik & Fidell, 2001). The eigenvalues (> 1) and scree plot were used to determine the number of factors (Field, 2009). If more than one component were extracted, principal factor analysis with a direct oblimin rotation was used,

Cronbach's alpha coefficients were used to determine the reliability of the measuring instruments. Descriptive statistics (means and standard deviations) were computed to describe the data. Pearson product-moment correlation coefficients were used to specify the relationships between the variables. The level of statistical significance was set at $p < 0.05$. Effect sizes were used to decide on the practical significance of the findings (Steyn, 1999). A cut-off point of 0.30 (medium effect) was set for the practical significance of correlation coefficients (Cohen, 1988).

Multivariate analysis of variance (MANOVA) was used to determine the significance of the differences between the employment-, psychological- and social contracts, job satisfaction, well-being and turnover intention of the demographic variables (Albright, Winston, & Zappe, 2009; Tabachnick & Fidell, 2007). When an effect of MANOVA was significant, a one way analysis of variance (ANOVA) was used to investigate which dependent variables were affected. ANOVA was used to assess the significance of differences between groups if one dependent variable was analysed.

Results

Construct Validity of the Measuring Instruments

Exploratory factor analysis was used to investigate the construct validity of the various measuring instruments. First, a principal component analysis was conducted for each measuring instrument to determine the number of components that could be extracted. The eigenvalues and scree plot were inspected to determine the number of components. Second, if

applicable, a principle factor analysis with a direct oblimin rotation was used to extract factors (if inter-correlations of factors were higher than 0.25).

A principle component analysis was conducted on the four items measuring aspects of the fulfilment of the employment contract. The results showed that one component with an eigenvalue = 2.16 could be extracted. This component explained 54.09% of the total variance. Table 2 shows the component loadings and communalities for the items of the Employment Contract Fulfilment Scale.

Table 2

Component Loadings and Communalities for the Employment Contract

Item	Description	Component 1	h^2
1	My current employment contract is the one that I prefer.	0.90	0.81
2	The employment contract I have today is the one I want to have in the future.	0.90	0.81
3	My present employment contract suits me for the time being.	0.70	0.49
4	I would prefer a different kind of employment contract to the one I have now	-0.24	0.06
	Eigenvalue	2.16	.
	Percentage of variance	54.09	

The results in Table 2 showed that one item did not load significantly on the component (loading = -0.24, $h^2 = 0.06$). This component is labelled Employment Contract and describes the extent to which employees feel that the current employment contract suits them and is preferred.

A principle component analysis was conducted on the 12 items measuring aspects of the social- and psychological contracts. The results showed that four components with eigenvalues larger than one could be extracted (see Table 3). These components explained 62.30% of the total variance. A principle Factor analysis with a direct oblimin rotation was carried out on the 12 items. Table 3 shows the factor loadings and communalities for the social- and psychological contract items.

Table 3

Factor Loadings and Communalities for the Social Contract and Psychological Contract

Item	Description	F1	F2	F3	F4	h^2
1	The ideal company should expect that employees will switch jobs frequently	0.82	0.01	0.00	-0.14	0.21
2	The ideal company should provide long-term job security for its members (R)	0.67	-0.43	0.17	-0.13	0.37
3	The ideal company could be trusted to take care of its employees (R)	0.52	-0.43	-0.03	0.28	0.41
4	People should leave their current job if they get a better job offer	0.45	-0.07	0.09	0.15	0.43
5	Workers should be responsible for their own long-term employment	0.23	-0.77	0.15	-0.21	0.52
6	Workers should be trusted to fulfil their work responsibilities (R)	0.02	-0.60	0.02	0.20	0.42
7	My company realises that I may switch jobs frequently	-0.12	-0.22	0.70	-0.05	0.50
8	My company provides me with long-term security (R)	0.08	0.34	0.59	0.03	0.40
9	I trust my company to take care of me (R)	0.24	0.24	0.46	0.18	0.74
10	I will leave my job if I get a better offer	0.07	-0.16	0.39	0.06	0.48
11	I am responsible for my own long-term employment	0.08	-0.29	-0.08	0.62	0.63
12	My company can trust me to fulfil my work responsibilities (R)	-0.07	0.00	0.15	0.59	0.26
Eigenvalues		2.97	1.66	1.50	1.34	
Percentage variance		24.73	13.87	12.51	11.20	

The results in Table 3 showed four factors had eigenvalues larger than one. These factors explained 62.31% of the total variance. However, the items did not load on the expected factors. Looking at the results of the exploratory factor analysis in Table 3, it seems that the ECS as developed by Edwards and Karau (2007) is not a construct valid measure of the social contract in the current sample. Although different factor solutions were tried, none of these solutions were in line with the conceptualisation of the social contract. Considering the poor construct validity of the ECS, it was decided to exclude the measure from further analyses in this study.

A principle component analysis was conducted on the 12 items measuring fulfilment of the psychological contract. The results showed that two factors with eigenvalues larger than one could be extracted (see Table 4). These components explained 59.09% of the total variance. A principle factor analysis with a direct oblimin rotation was carried out on the 12 items. Table 4 shows the factor loadings and communalities for the items.

Table 4

Factor Loadings and Communalities for the Fulfilment of the Psychological Contract

Item	Description	F1	F2	h^2
PC10	Provide possibilities to work together in a pleasant way	0.82	0.04	0.50
PC14	Provide an environment free from violence and harassment	0.78	-0.11	0.69
PC7	Provide a good working atmosphere	0.73	0.08	0.52
PC12	Provide you with a safe working environment	0.73	-0.03	0.65
PC8	Ensure fair treatment by managers and supervisors	0.67	0.05	0.64
PC9	Be flexible in matching demands of non-work roles with work	0.66	0.13	0.59
PC15	Help you deal with problems you encounter outside work	0.59	-0.13	0.65
PC13	Improve your future employment prospects?	0.44	0.04	0.55
PC2	Provide you with a reasonably secure job	-0.17	0.87	0.60
PC4	Provide you with a job that is challenging	0.03	0.75	0.72
PC6	Provide you with a career	-0.02	0.72	0.55
PC5	Allow you to participate in decision-making	0.08	0.71	0.58
PC3	Provide you with good pay for the work you do	0.07	0.62	0.59
PC11	Provide you opportunities to advance and grow	0.32	0.48	0.61
PC1	Provide you with interesting work	0.33	0.43	0.42
	Eigenvalue	7.05	1.81	
	Percentage variance	47.02	12.07	

The results in Table 4 showed that two factors were extracted. Factor one (labelled Psychological Contract Fulfilment: Work Conditions) refers to aspects that make the job environment and atmosphere more pleasant for employees. Factor two (labelled Psychological Contract Fulfilment: Job) contains aspects that were related to the job itself.

A principle component analysis was conducted on the 6 items measuring aspects of the violation of the psychological contract. The results showed that four components with eigenvalues larger than one could be extracted (see Table 5). These components explained 49.49% of the total variance. A principle factor analysis with a direct oblimin rotation was carried out on the 6 items. Table 5 shows the factor loadings and communalities for the violation of the psychological contract items.

Table 5

Factor Loadings, Communalities (h^2) and Percentage Variance for the Principle Component Analysis on Violation of the Psychological Contract Items

Item	Description	F_1	h^2
1	Happy	0.81	0.73
2	Angry	-0.63	0.68
3	Pleased	0.75	0.80
4	Violated	-0.62	0.66
5	Disappointed	-0.70	0.66
6	Grateful	0.71	0.77
	Eigenvalue	2.97	
	Percentage of variance	49.49	

The results in Table 5 showed that only one factor was extracted. This factor explains how employees currently feel towards the employer due to the violation of the psychological contract.

A principle component analysis was conducted on the 4 items on the job satisfaction scale. The results showed that four components with eigenvalues larger than one could be extracted (see Table 6). These components explained 54% of the total variance. A principle Factor analysis with a direct oblimin rotation was carried out on the 4 items. Table 6 shows the factor loadings and communalities for job satisfaction items.

Table 6

Factor Loadings, Communalities (h^2) and Percentage Variance for the Principle Component Analysis on JS (Job Satisfaction) Items

Item	Description	F_1	h^2
1	I am <u>not</u> happy with my job	0.77	0.52
2	I am often bored with my job	0.74	0.51
3	Most days I am enthusiastic about my job	-0.72	0.54
4	I find enjoyment in my job	-0.71	0.59
	Eigenvalue	2.16	
	Percentage of variance	53.99	

The results in Table 6 showed that only one factor was extracted. This factor explains how satisfied employees currently feel with their jobs.

A principle component analysis was conducted on the 4 items measuring aspects of turnover intention. The results showed that four components with eigenvalues larger than one could be extracted (see Table 7). These components explained 59.25% of the total variance. A principle factor analysis with a direct oblimin rotation was carried out on the 4 items. Table 7 shows the factor loadings and communalities for the turnover intention items.

Table 7

Factor Loadings, Communalities (h^2) and Percentage Variance for the Principle Component Analysis on IQ (Intention to Quit) Items

Item	Description	F ₁	h^2
1	These days, I often feel like quitting	0.76	0.58
2	Despite the obligations I have made to this organisation, I want to quit my job as soon as possible	0.84	0.70
3	At this moment, I would like to stay with this organisation as long as possible	-0.69	0.47
4	If I could, I would quit today	0.79	0.62
	Eigenvalue	2.37	
	Percentage of variance	59.25	

The results in Table 7 showed that only one factor was extracted. This factor explains how employees currently feel towards staying on in the organisation.

Descriptive Statistics, Alpha Coefficients and Correlations

Next, descriptive statistics, alpha coefficients and Pearson correlations were computed. The results are shown in Table 8. The minimum and maximum values are included to make it possible to interpret the mean scores. Furthermore, internal consistencies and correlations of the scales are reported to assist in forming reliable dimensions that could be used when comparing demographic groups. Yet furthermore, the correlations between dimensions were computed to assess whether multivariate analysis of variance (MANOVA) or one-way analysis of variance (ANOVA) should be used to study differences between demographic groups. MANOVA is recommended when the scales are at least moderately related (Tabachnick & Fidell, 2007).

Table 8

Descriptive Statistics, Cronbach Alpha Coefficients and Correlations of the Measuring Instruments

Scale	Mean	<i>SD</i>	Min	Max	α	1	2	3	4	5	6
Employment Contract	3.76	1.08	1.00	5.00	0.79	-	-	-	-	-	-
PC: Job	2.18	1.39	0.00	5.00	0.79	0.17**	-	-	-	-	-
PC: Job Conditions	2.35	1.38	0.00	5.00	0.89	0.04	0.63**	-	-	-	-
PC: Violation	3.39	0.83	1.33	5.00	0.79	0.06	0.47**	0.48**	-	-	-
Job Satisfaction	3.84	0.85	1.00	5.00	0.71	0.05	0.31**	0.30**	0.57**	-	-
Intention to Quit	2.15	0.98	1.00	5.00	0.77	-0.06	-0.16**	-0.22**	-0.48**	-0.61**	-
Flourishing	3.20	0.91	0.71	5.00	0.84	-0.03	0.20**	0.24**	0.35**	0.42**	-0.43**

** $p < 0.01$

The results in Table 8 show that the Cronbach alpha coefficients of all the scales were higher than the recommended value of 0.70 (Nunnally & Bernstein, 1994). Therefore the internal consistencies of all the scales were acceptable.

Table 8 shows that the fulfilment of the psychological contract (job expectations) is statistically significantly related to the job conditions (large effect), non-violation of the psychological contract (medium effect), job satisfaction (large effect), low turnover intention and flourishing. Fulfilment of the psychological contract (expectations regarding work conditions) is statistically significantly related to non-violation of the psychological contract (medium effect), job satisfaction (medium effect), low turnover intention and flourishing. Non-violation of the psychological contract is statistically significantly related to job satisfaction (large effect), low intention to quit (medium effect) and flourishing (medium effect). Job satisfaction is statistically significantly related to low intention to quit (large effect) and flourishing (medium effect).

Given the small correlations between the Employment Contract and other scales, it was decided to use ANOVA rather than MANOVA for analysing differences between demographic groups' experiences of the employment contract. MANOVA is then used for analysing differences between demographic groups for the remaining scales.

Differences between Demographic Groups

Next, MANOVA and ANOVA analyses were done to determine the relationships between scores of individual characteristics, the type of contract, psychological contract and social contract, violation of contract, state of contract and job satisfaction and employee well-being.

Table 9

MANOVA of the Differences between Demographic Groups' Experiences of Contractual Relations, Job Satisfaction, Flourishing and Turnover Intention

Variable	Value	<i>F</i>	<i>df</i>	<i>p</i>	η
Age	0.78	2.00	36.0	0.00*	0.04
Tenure	0.73	2.63	36.0	0.00*	0.05
Type of contract	0.89	6.27	6.00	0.00*	0.11
Gender	0.96	2.27	6.0	0.04	0.05
Qualification	0.79	2.96	24	0.00*	0.06

$\eta^2 > 0,25$ = large effect

* Statistically significant difference: $p < 0.05$

Because multiple ANOVAs are included, a Bonferroni type of adjustment was made for inflated Type 1 error. The adjusted α level was computed using the following formula (Tabachnik & Fidell, 2001):

$$\alpha = 1 - (1 - \alpha_1) (1 - \alpha_2) \dots (1 - \alpha_6)$$

Therefore an alpha level of 0.001 was set for each dependent variable (resulting in an overall alpha level of 0.01). In the case of multiple ANOVAs in this study, the statistical significance after the Bonferroni adjustment is shown.

Table 9 reflects the statistically significant effect of age on the combined dependent variable (state of the psychological contract, violation of the psychological contract, job satisfaction, flourishing and turnover intention), $F_{(36, 1258)} = 2.00$, $p < 0.01$; $\eta^2 = 0.04$. ANOVA showed that age had a statistically significant effect on one of the dependent variables, namely state of the psychological contract: work conditions, $F_{(6, 291)} = 3.13$, $p < 0.01$; $\eta^2 = 0.06$. Although the effect size was small (6% of the variance explained), the results showed that people in the age group 20-25 experienced more fulfilment of the state of the psychological contract as far as work conditions are concerned (Mean = 2.89, $SD = 1.49$) compared to the 44-49 age group (Mean = 1.85, $SD = 1.31$) and the older than 56 age group (Mean = 1.75, $SD = 1.37$).

Hypothesis 1 is therefore accepted for one dimension (work conditions) of the fulfilment of the psychological contract.

Tenure had a statistically significant effect on the combined dependent variable (state of the psychological contract, violation of the psychological contract, job satisfaction, flourishing and turnover intention), $F_{(42, 1340)} = 2.78, p < 0.01; \eta^2 = 0.04$. ANOVA showed that tenure had a statistically significant effect on state of the psychological contract: work conditions, $F_{(6, 291)} = 3.90, p < 0.01; \eta^2 = 0.07$, and psychological contract violation, $F_{(6, 291)} = 5.38, p < 0.01; \eta^2 = 0.10$. The results showed that people with one year or less work experience showed more fulfilment of the psychological contract as far as work conditions are concerned (Mean = 2.99, $SD = 1.27$) compared to 2-5 (Mean = 1.84, $SD = 1.19$) and 15-20 years' experience (Mean = 1.97, $SD = 1.50$). People with one year or less (Mean = 3.55, $SD = 0.71$) and 2-3 years' (Mean = 3.74, $SD = 0.74$) work experience showed statistically significantly higher scores on psychological contract non-violation compared to those with more than 20 years' work experience (Mean = 3.42, $SD = 0.76$) and 15-20 years' experience (Mean = 2.77, $SD = 0.92$). Hypothesis 2 is therefore accepted for two dimensions, namely psychological contract fulfilment: work conditions and psychological contract violation.

Gender had a statistically significant effect on the combined dependent variable (state of the psychological contract, violation of the psychological contract, job satisfaction, flourishing and turnover intention), $F_{(6, 291)} = 2.27, p < 0.05; \eta^2 = 0.05$. ANOVA showed that gender had a statistically significant effect on state of the psychological contract: work conditions, $F_{(1, 296)} = 8.51, p < 0.05; \eta^2 = 0.03$, and non-violation of the psychological contract $F_{(1, 296)} = 7.67, p < 0.05; \eta^2 = 0.03$. The results showed that males showed more fulfilment of the psychological contract as far as work conditions are concerned (Mean = 2.69, $SD = 1.21$) compared to females (Mean = 2.20, $SD = 1.41$). Males also showed less violation of the psychological contract (Mean = 3.58, $SD = 0.79$) compared to females (Mean = 3.29, $SD = 0.84$). Hypothesis 3 is therefore accepted for two dimensions, namely psychological contract fulfilment: work conditions and psychological contract violation.

Qualification had a statistically significant effect on the combined dependent variable (state of the psychological contract, violation of the psychological contract, job satisfaction, flourishing and turnover intention), $F_{(24, 1005)} = 2.96, p < 0.01; \eta^2 = 0.06$. However, after the

Bonferroni adjustment, none of the dependent variables were statistically significant. Hypothesis 4 is therefore rejected.

Type of contract had a statistically significant effect on the combined dependent variable (state of the psychological contract, violation of the psychological contract, job satisfaction, flourishing and turnover intention), $F_{(42, 1340)} = 6.27, p < 0.01; \eta^2 = 0.11$. ANOVA showed that type of contract (permanent or temporary) had a statistically significant effect on state of the psychological contract: work conditions, $F_{(6, 291)} = 21.71, p < 0.01; \eta^2 = 0.07$. The results showed that employees with temporary contracts showed more fulfilment of the psychological contract as far as work conditions are concerned (Mean = 3.02, $SD = 1.06$) compared to permanent contracts (Mean = 2.16, $SD = 1.39$). Hypothesis 5 is therefore accepted regarding psychological contract fulfilment: work conditions.

Table 10 shows the differences between demographic groups' experiences of contractual relations, job satisfaction, flourishing and turnover intention

Table 10

ANOVA of the Differences between Demographic Groups' Experiences of the Employment Contract

Variable	<i>F</i>	<i>df</i>	<i>p</i>	η
Age	1.16	1, 6	0.33	-
Tenure	3.97	1, 6	0.00*	0.08
Type of contract	96.56	1, 1	0.00*	0.24
Gender	2.00	1, 1	0.16	-
Qualification	1.21	1, 4	0.31	-

$\eta^2 > 0,25$ = large effect

* Statistically significant difference: $p < 0.05$

Table 10 indicates that tenure and type of contract have statistically significant effects on experiences of the employment contract. The type of contract (permanent versus temporary) had the largest effect on experiences of the employment contract.

Tenure had a statistically significant impact on experiences of the employment contract: employees in the age category 20-25 obtained lower scores than employees in age groups older than 38 years. The type of contract also has a statistically significant effect on the experiences of the employment contract. Temporary employees (Mean = 2.79; *SD* = 1.15) obtained lower scores on experiences of the employment contract compared to permanent employees (Mean = 4.04; *SD* = 0.87). These results provide support for hypotheses 2 and 5.

Discussion

The aim of the study was to investigate the differences between demographic groups' experiences of contractual relationships and individual and organisational outcomes of employees at a higher education institution. The results confirmed the validity and reliability of measures (except for the social contract). Age, tenure and gender had statistically significant effects on the fulfilment of one dimension of the psychological contract, namely work conditions. Younger people with less tenure experienced more fulfilment of the psychological contract (regarding work conditions). Tenure also impacted psychological contract violation. Type of contract (permanent versus temporary), impacted fulfilment of the psychological contract (specifically work conditions). Males (compared to females) experienced more fulfilment of the psychological contract (regarding work conditions) and less violation of the psychological contract. Tenure and type of contract were also related to experiences of the employment contract.

The results showed that age had a significant effect on perceptions of state of the psychological contract: work conditions. People in the age group 20-25 experienced more fulfilment of the state of the psychological contract as far as work conditions are concerned, compared to the 44-49 age group and the older than 56 age group. The expectations and obligations of younger employees differ from those of older employees (Bal, 2009; Schein, 1980). Turnley and Feldman (1999b) found that younger employees respond less strongly to violation of the psychological contract. Rousseau (2001) and Bal et al. (2007) found that older employees react stronger than their younger counterparts to violation of the psychological contract because they have built up a more stable employment relationship with the employer.

Tenure had a significant effect on state of the psychological contract: work conditions, and psychological contract violation. The results showed that people with one year or less work experience showed more fulfilment of the psychological contract as far as work conditions are concerned, than those with 2-5 and 15-20 years' experience. People with one year or less and 2-3 years' work experience showed statistically significantly higher scores on psychological contract non-violation compared to those with more than 20 years' work experience. De Cuyper and De Witte's (2005) study found that employees with a longer tenure have a lower level of fulfilment of the psychological contract than younger employees, and this was attributed to the fact that the employees' levels of trust and perceptions of fairness have over time eroded as the employer does not honour his obligations. De Beer (2010) found that employees with less than a year tenure have a higher state of psychological contract than employees who have been working for longer periods of time. Meyer and Allen (1984) suggest that longer-tenured employees believe that they should receive more in return from the organisation for what they have put in over the years because they have done more for the organisation than younger employees. This may be because employees who have longer tenure believe that they have built up a certain amount of trust in the relational contract with the employer against those employees who have only been working for the organisation for a few years. Shore and Barksdale (1998) and Tsui et al. (1997) found that the psychological contract is positively related to trust and employees' perception of fairness, and negatively related to intention to quit.

Type of contract had a statistically significant effect on state of the psychological contract: work conditions. The results showed that employees with temporary contracts showed more fulfilment of the psychological contract as far as work conditions are concerned compared to those with permanent contracts. According to Anderson and Schalk, (1998), the type of contract is based on reciprocity and is something implicit. Rousseau (1995) state that a psychological contract can only exist if both the employee and employer believe that an arrangement between them exists by accepting to honour the obligations thereof.

Guest and Conway (2002) as well as Keyser (2010) found that temporary employees reported a better state of psychological contract than permanent employees. The treatment employees receive from the employer will, to a great extent, reflect their commitment to the organisation. If employees believe that the employer is fulfilling his obligations, they will

feel compelled and obligated to honour their obligations to the organisation and try their utmost best not to cause the organisation any harm (Gouldner, 1960).

Gender had a statistically significant effect on the state of the psychological contract: work conditions and non-violation of the psychological contract. Males showed more fulfilment of the psychological contract as far as work conditions are concerned, compared to females. Males also showed less violation of the psychological contract, compared to females. De Beer (2010) found that males experience a significantly higher state of psychological contract than do females. Steyn (2009) reported that females experience higher levels of state of the psychological contract than do males. Keyser (2010) found that female employees experience higher state of psychological contract levels than do male employees.

Tenure and type of contract have statistically significant effects on experiences of the employment contract. Employees in the age category 20-25 obtained lower scores compared to employees in age groups older than 38 years. The type of contract also has a statistically significant effect on the experiences of the employment contract. Temporary employees obtained lower scores on experiences of the employment contract compared to permanent employees. Coyle-Shapiro and Kessler (2002) found that temporary and permanent employees hold different expectations regarding their employment relationship. Conway and Briner (2002) found that temporary employees perceive their psychological contract to be more favourable because of the fact that there are lower expectations from the employer. Van Dyne and Ang's (1998) study showed that temporary employees, in view of the social exchange perspective, adopt a more transactional view regarding their employment relationship. Temporary employees expect less from their employer than do permanent employees expect from their psychological contract. Guest (2004) found that temporary employees mostly experience a less fulfilled psychological contract, probably due to the fact that they have fewer promotion opportunities.

Limitations

This study had various limitations. Firstly, permanent employment contract employees dominate the 1 sample of temporary employment employees. Secondly, the sample size was relatively small compared to the number of variables used and it was also relatively homogeneous regarding gender and cultural groups. Thirdly, this study was based on

correlation data and this makes it impossible to prove causality of relationships. Fourthly, the research relied on self-report instruments to measure target variables. Lastly, a longitudinal research design is preferred to a cross-sectional design in that it can aid future researchers to establish causal relationships with long-term consequences in the employment relationship in order to develop organisational interventions.

Recommendations

It is recommended that more attention be given to the establishment of a fair psychological contract that will benefit both the employee and the employer at the higher education institution. The employer must pay attention to the changing needs of the individual employees as time goes by and establish a channel of communication whereby the individual employee can renegotiate the existing psychological contract between them. This negotiation must be dealt with in such a manner that it establishes a balanced relational contract between the role-players. Sensitivity demonstrated by the immediate line managers when communicating with employees can help to detect and be an early indication of an employees' need to adjust his or her psychological contract. To achieve this, it is eminent that line managers should receive training and information regarding the psychological contract as an organisational phenomenon. This will establish a platform and show commitment from the employer to ensure that the psychological contracts of individual employees at the higher education institution are maintained on a continuous basis. The on-going analysis of employee perceptions and establishment of a positive psychological contract approach will guarantee, to a great extent, the prevention of mistrust (Silla, Gracia, & Peiro, 2005).

An institution that supports the psychological needs of employees through managers that are attentive to their ideas, questions and initiatives and that promote the training and competence of employees as well as instil a sense of belonging in them, are on a path of creating a healthy positive work environment in which employees can flourish (Deci & Ryan, 2008).

Research on the social contract is lacking in South Africa and it will be interesting to see whether future studies also report similar findings regarding the validity and reliability of the social contract, as is the case in this study. Future research should further the development of building a theoretical framework that gives a true reflection and account of the labour relations situation as it is in the South African situation. To obtain larger samples, future

studies at other higher education institutions can be conducted by making use of an electronic survey questionnaire so that it can be more representative in terms of gender and cultural groups in South Africa. Future studies at higher education institutions can also explore the relationship between psychological contract fulfilment, basic psychological need satisfaction and flourishing and the impact of violation of the psychological contract on individual and organisational outcomes of these employees. Future studies should also focus on the experiences of academic employees specifically regarding their idiosyncratic relationships within the higher education institution; and also the violation of the psychological contract and effects thereof on this relationship; and the influence thereof on individual outcomes, life satisfaction, job satisfaction, job insecurity, work engagement and organisational outcomes and employee well-being.

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CHAPTER 3

ARTICLE 2

Contractual Relations between Employers and Employees in a Higher Education Institution: Individual and Organisational Outcomes

ABSTRACT

The aim of this study was to investigate the relationship between experiences of contractual relations and job satisfaction, flourishing and turnover intention of employees in a higher education institution. A cross-sectional survey design was used with 300 employees in a higher education institution. The State of the Employment and Psychological Contract Scales, Violation of Psychological Contract Scale, Job Satisfaction Scale, Mental Health Continuum – Short Form and Intention to Quit Scale were administered. The results showed that psychological contract violation, job dissatisfaction and low flourishing (emotional, psychological and social well-being) directly impacted turnover intention. Lack of psychological contract fulfilment indirectly and negatively impacted job satisfaction and flourishing via psychological contract violation. Psychological contract violation indirectly impacted turnover intention via job dissatisfaction and low flourishing of employees in a higher education institution. The results confirmed the importance of psychological contract fulfilment and non-violation for the job satisfaction, flourishing and retention of staff in higher education institutions.

Key words: Psychological contract, fulfilment, violation, well-being, turnover intention

Employees within higher education institutions face a complex environment and play an important role in the reconstruction and development in South Africa (Cross, Mungadi, & Rouhani, 2002). Fundamental to the success of higher education institutions, effective talent management and employees' subjective well-being is the type of exchange relationship that develops between employees and employers (Armstrong, 2006). According to Blau (1964), social exchange theory can be used to understand the employment relationship. A lack of balance in the fulfilment of obligations in social exchange relationships leads to negative consequences, while mutual high obligation relationships yield positive attitudes and positive experiences of exchange relationships (Shore & Barksdale, 1998). Social exchanges are associated with employees' attitudes (job satisfaction), subjective well-being and work behaviour (e.g. intention to quit) (Cole, Schaninger, & Harris, 2002).

The employment relationship offers social relationships and personal fulfilment to employees. However, employees may experience exploitation of their rights, and inferiority in the employment relationship (Paz-Fuchs, 2009). Employees are informed about their rights and are prepared to use legislation to enforce these rights. It is vital that employers manage the needs of employees; if not, their proliferation can undermine trust and cooperation at work (Rousseau, 2001). A need exists to explore the role of contractual relations in creating positive relations, positive organisations and subjective well-being (Russell, 2008, p. 128).

The entire continuum of expectations in the employment relationship consists of a combination of the employment- and psychological contract (Slabbert & Swanepoel, 2001). Contracts establish and maintain the employment relationship (Barnard, 1973). The employment relationship is governed by what has been described as an incomplete and open-ended employment contract. This open-endedness of the conditions in the employment relationship, which were initially bargained for by the individual employee, may be customised through an oral agreement known as the construct idiosyncratic deals (i-deals); a shift in the original employment agreement then becomes evident (Rousseau, 2001). Idiosyncratic deals refer to arrangements that are mutually beneficial in the employment relationship, where the employee can, to a great extent, exercise control to accomplish personal objectives (Hornung, Rousseau, & Glaser, 2009). Employees are increasingly seeking to improve their original employment contracts with personalised i-deals, including non-standard conditions aimed at satisfying their personal needs (Lawler & Finegold, 2000).

Supervisors authorise the idiosyncratic deals employees negotiate. These i-deals are often granted to employees to make amends for undelivered obligations (e.g. payment, promotions, and work conditions) on the part of the employer (Robinson, Kraatz, & Rousseau, 1994; Rousseau, 2006; Turnley & Feldman, 1999).

Fairness and trust are the key concerns of psychological contracts, and good employment relations are associated with the negotiation of i-deals that meet the personal needs of the employee but still contribute to the goals of the organisation (Rousseau, 2001). The employer is held responsible for issues such as fairness and quality of life (Donaldson & Dunfee, 2002). A strong, positive employment relationship with the employer will diminish the likelihood of employees perceiving small discrepancies between their and the organisation's notion of what was promised as a violation of the psychological contract (Rousseau, 1995).

Good employment relations are associated with a positive psychological contract based on trust and fairness, and this is expected to lead to job satisfaction, well-being and retention of employees (Diedericks, 2012; Guest & Conway, 1997). The nature of the contract between the employer and employee affects employees' experiences (e.g. fulfilment and violation) thereof, and impacts on individual and organisational outcomes (Marks, 2001). Psychological contract violation mediates the relationship between psychological contract fulfilment and work outcomes (Cavanaugh & Noe, 1999; Diedericks, 2012). The beliefs held by employers and employees play a critical role in the field of employment relations and also influence employees' individual and organisational outcomes (Cantisano, Dominguez, & Depolo, 2008).

When employees perceive differences between the ideal and the actual set of obligations as agreed with the employer, they become dissatisfied with their jobs. Such dissatisfaction can affect the employee's intention to stay (Edwards & Karau, 2007). However, little scientific information is available regarding the relationship between experiences of the psychological contract and positive work outcomes. Studies have also failed to establish a conclusive relation between type of contract and a range of outcomes such as job satisfaction and subjective well-being (De Cuyper & De Witte, 2006). Employees who experience positive emotions on the job will experience positive outcomes in their work role (Staw, Sutton, & Pelled, 1994). If employees experience fulfilment and non-violation of their employment and

psychological contracts, they will experience job satisfaction and well-being. If they experience good contractual relations (i.e. fulfilment and non-violation of contracts) and subjective well-being, they will be less inclined to quit (Diedericks, 2012).

The aim of this study was to investigate whether psychological contract fulfilment and violation predict employees' job satisfaction, well-being and intention to quit. The current research contributes to a better understanding of the role and importance of the psychological contract in maintaining a healthy employment relationship in higher education institutions in a developing country context.

Employment and Psychological Contract Fulfilment and Violation

Different types of contracts are found within the workplace, namely the employment contract and the psychological contract. The employment contract consists of two types of contracts: a permanent and a temporary contract. A permanent contract is defined by Kalleberg (2000) as normal or standard work arrangements; it forms the basis of labour law and collective bargaining structures in most industrialised nations. Standard work arrangements are characterised by the fact that employment (a) was performed full-time, (b) would continue indefinitely, and (c) was performed at the employer's place of business under his supervision. Temporary work can be defined as jobs in which individuals do not have an explicit or implicit contract for long-term employment or in which the minimum hours worked vary in a non-systematic manner (Polivka & Nardone, 1989).

Rousseau (1990, p. 390) defines the psychological contract as "[t]he individual's beliefs and perceptions about the mutual obligations between the employer and the employee regarding the terms of their exchange agreement". For the purposes of this study, the psychological contract's definition is similar to the definition by McLean Parks, Kidder, and Gallagher (1998, p. 698) where it is conceptualised as an "idiosyncratic set of reciprocal expectations held by employees concerning their obligations (i.e. what they will do for their employer) and their entitlements (i.e. what they expect to receive in return)".

Robinson et al. (1994) found that the reactions demonstrated by employees may vary, depending on the contract that is violated. Part-time employees' violation of obligations is experienced mostly in the form of an inequity in economic exchange. Employees will

perceive it as a reduction of employer obligation and will experience feelings of injustice and betrayal. When obligations of permanent employees are violated, it is regarded as serious to employees and they are strongly affected. The social relationship may even be in jeopardy and a total destruction of the employment relationship may occur, e.g. the employee may feel that the employer no longer values the relational contract and experience a loss of job security, and then demonstrate less engagement (not perform extra-role behaviours) because he/she does not feel obligated to do so.

Robinson and Rousseau (1994) assert that violation of the psychological contract can result in anger and a decrease in trust. According to Rousseau (1989), violations of expectations result in experiences of anger, resentment, a sense of injustice and wrongful harm. Psychological contracts are based on trust and the violation thereof can lead to strong reactions and feelings of betrayal in employees (Robinson & Rousseau, 1994), while less severe violations can have consequences such as a decrease in employee job satisfaction (Anderson & Schalk, 1998) and a higher turnover (Guzzo, Noonan, & Elron, 1994). When violation is perceived, employee's withdraw from the employment relationship and pay more attention to economic aspects such as remuneration, thus converting the once relational psychological contract into a more transactional one (Robinson et al., 1994). Gakovic and Tetrick (2003) found the fulfilment of organisational obligations to be positively related to job satisfaction. As mentioned by Robinson and Morrison (1995), the more embedded the promises are between the parties, the more intense violation will be experienced.

Contractual Relations, Subjective Well-being and Turnover Intention

Subjective well-being, according to Keyes (1998, p. 121), is “the absence of negative conditions and feelings, the result of adjustment and the adaptation to a hazardous world”. Two forms of subjective well-being are relevant for this study, namely flourishing/languishing and job satisfaction. Keyes and Annas (2009) define subjective well-being as the appraisals individuals make regarding the quality of their lives. Keyes (2005) argues that mental health is regarded as a syndrome of symptoms of an individual's subjective well-being and that measures of mental health and mental illness form two distinct continua. The mental health continuum consists of complete mental health (flourishing) and incomplete mental health (languishing). Keyes (2007) describes flourishing as a pattern of

positive feelings and positive functioning in life. On the opposite continuum is *languishing*, which can be defined as the absence of mental health.

Individuals' positions on the mental health continuum result from their scores on three types of well-being, namely emotional-, psychological- and social well-being (Keyes, 2000, 2007). Emotional well-being includes positive affect (being energetic, cheerful, and good-spirited) and satisfaction with life (showing general satisfaction and happiness with life overall). Psychological well-being includes self-acceptance (holding positive attitudes towards the self), personal growth (being ambitious and seeking to maximise own potential), purpose in life (having meaning and purpose in life), environmental mastery (managing the personal environment to suit own needs), autonomy (having socially acceptable internal standards and values as guidelines in life), and positive relations with others (establishing trusting interpersonal relationships). Social well-being includes social acceptance (being positive towards and accepting of diversity in people), social actualisation (believing in the potential of others), social coherence (finding society and social life meaningful and comprehensible), social contribution (regarding own daily activities as adding value to society and others), and social integration (experiencing sense of relatedness, comfort, and support from community).

Research by Gracia, Silla, Peiró, and Fortes-Ferreira (2007) showed that when employees perceive the state of the psychological contract as being good, the employee will experience greater psychological well-being. The results clearly showed that if one wishes to understand employee behaviours and maintain their well-being, it is necessary to consider the state of the psychological contract and not only the content of the psychological contract. Conway, Guest, and Trenberth (2011) found that the violation of obligations had a negative impact on the job satisfaction of employees, while fulfilment of obligations had a lesser impact in that it merely maintained the effect on well-being and attitudes of the employee. Eisenberger, Huntington, Hutchison, and Sowa (1986) found that when obligations associated with the psychological contract are not met, employees may feel that the organisation does not value their contributions and does not care about their "well-being" and the "social relationship" that exists between them.

De Cuyper and De Witte (2006) assert that violation of the psychological contract has an influence on permanent employees. When the autonomy of permanent employees is reduced, they will experience reduced levels of job satisfaction. Too high levels of work load will

reduce life satisfaction for permanent employees. It is suggested that clear communication to clarify mutual expectations be implemented by the organisation in order to maintain employees' positive attitudes and behaviour. Robinson and Rousseau (1994) reported that contract violations were negatively related to satisfaction and to employees' intention to quit.

Sutton and Griffin (2004) showed that the pre-entry expectations of participants positively correlated with job satisfaction. Post-entry experiences regarding supervision predicted psychological contract violation and the post-entry experiences as well as psychological contract violations were found to jointly predict job satisfaction. The findings jointly reinforce a positive relationship between job satisfaction and turnover intention of the employees. Turnley and Feldman (2000) found that unmet expectations indirectly impact turnover intention via job dissatisfaction. The study also showed that violation of the psychological contract is strongly related to employees' intention to quit (Turnley & Feldman, 2000).

An exploratory study by Maharaj, Ortlepp, and Stacey (2008) showed that there is a significant relation between the experiences of the psychological contract and intention to leave, especially when the consequences of organisational change are influencing a previously established employment arrangement influencing the very essence of the agreement that leaves employees with mistrust and uncertainty. Suazo, Turnley, and Mair-Dalton (2005) found that psychological contract violation fully mediated the relationship between psychological contract breach (i.e. lack of fulfilment) and intention to quit.

Locke (1976, p. 1300) defines job satisfaction as "a pleasurable or emotional state [affect] resulting from the appraisal [cognition] of one's job or job experiences". Aydogdu and Asikgil (2011) state that job satisfaction is an attitude employees have towards their jobs, a summary evaluation of their work, of which the level of satisfaction can vary from employee to employee as a result of individual or job-related factors that the employee uses when determining his level of satisfaction. Employees compare the actual satisfaction gained from the job with what they perceive the satisfaction in relation to certain job factors (such as pay or autonomy) should be (Matthewman, Rose, & Hetherington, 2009).

Lack of job satisfaction was found to be a determining factor leading to an employee's final decision not to stay on in the organisation (Moore, 2002; Shahnawaz & Jafri, 2009; Sillamäe,

2010). Social exchange relationships characterised by trust between employees and employers predict positive work behaviour (e.g. lower intention to quit) as well as positive attitudes of employees, e.g. job satisfaction (Cole et al., 2002). Changes in employment agreements and a failure of senior management to appreciate how these changes are experienced by those lower in the organisation can lead to perceptions of employees that promises made to them have been broken, resulting in experiences of psychological contract violation (Henry & Jenkins, 1997).

Knights, Kennedy, and Cook (2005) found a strong negative relationship between psychological contract violation and job satisfaction. They argued that violations contributed to employees' feelings of job dissatisfaction through non-delivery of knowledge and skills that may have enabled employees to feel less pressure and stress in their jobs, thus resulting in the given empirical relationship between violation and job dissatisfaction in this study. Aydogdu and Asikgil (2011) found that when employees are treated well, they develop a positive attitude towards the organisation. These employees will also experience a high job satisfaction and will stay on in the organisation.

Hypotheses

The following hypotheses are formulated:

Hypothesis 1: Psychological contract fulfilment is positively associated with job satisfaction.

Hypothesis 2: Psychological contract fulfilment is positively associated with flourishing.

Hypothesis 3: Psychological contract fulfilment is negatively associated with turnover intention.

Hypothesis 4: Psychological contract violation is negatively associated with job satisfaction.

Hypothesis 5: Psychological contract violation is negatively associated with flourishing.

Hypothesis 6: Psychological contract violation is positively associated with turnover intention.

Hypothesis 7: Psychological contract fulfilment indirectly affects job satisfaction, flourishing and turnover intention via psychological contract violation.

Hypothesis 8: Psychological contract violation indirectly affects turnover intention via job dissatisfaction and low flourishing.

Method

Research Design

A cross-sectional survey design was used to gather data at a particular point in time from a target population primarily by using questionnaires (Shaughnessy, Zechmeister, & Zechmeister, 2011).

Participants

The sample included individuals working at a higher education institution in the Vaal Triangle. A population of 483 academic and administrative employees was targeted. The sample included employees from all levels, ranging from unskilled blue-collar employees to management. The lowest-level employees had a grade 10 education level and consequently a sufficient literacy level to accurately complete the questionnaire. A response rate of 62% ($N = 300$) was obtained.

A total of 65.6% of the participants had permanent contracts. Regarding the gender of the participants, 58.2% were female and 31.8% male. The majority of the participants (62%) had been employed by the institution for different periods of less than 10 years. Employees with tertiary education comprised 70.33% of the studied population, while the remaining 30.33% were divided equally between employees with grade 12 and those that possessed a grade 10 certificate.

Table 1

Characteristics of the Participants (N=300)

Item	Category	Frequency	Percentage
Classification of job	Unskilled blue-collar worker	41	11.6
	Skilled blue-collar worker	13	3.7
	Lower-level white-collar worker	96	27.3
	Intermediate white-collar worker	30	8.5
	Upper white-collar worker	114	32.4
	Management or director	6	1.7
Type of Contract	Temporary employee	69	19.6
	Permanent employee	231	65.6
Gender	Female	205	58.2
	Male	95	31.8
Age	20 - 25 years	29	9.7
	26 - 31 years	48	16.0
	32 - 37 years	74	24.7
	38 - 43 years	48	16.0
	44 - 49 years	41	13.7
	50 - 55 years	35	11.7
	56 and older	25	8.3
Tenure	0 - 1 year	46	15.3
	2 - 3 years	62	20.7
	4 - 5 years	38	12.7
	6 - 10 years	56	18.7
	11 - 15 years	47	15.7
	16 - 20 years	30	10.0
	21 and longer	21	7.0
Qualifications	Grade 10	43	12.2
	Grade 11 or 12	46	13.1
	Diploma	58	16.5
	Bachelor's degree	50	14.2
	Postgraduate degree	103	29.3

Measuring Instruments

A *biographical questionnaire* was used to obtain characteristics of the participants concerning their age, race, gender, type of contract, educational level, marital status, dependants, position, union membership, and number of years working for the higher education institution.

The *Employment Contract Fulfilment Scale* (ECFS; Isaksson et al., 2003) was used to measure the fulfilment of the employment contract. The ECFS consists of four items which are rated on a scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). An example item is “My current employment contract is the one that I prefer”.

The *Employer Obligations Questionnaire* (EOQ; Isaksson et al., 2003) was used to measure the fulfilment of promises and commitments of employers to employees. The EOQ consists of 15 items that are arranged along a frequency-rating scale varying from 0 (*No*) to 5 (*Yes, and promise fully kept*). Example of questions include “Has your organisation promised or committed itself to providing you with interesting work?”, to “Has your organisation promised or committed itself to helping you deal with problems you encounter outside work?” A principal factor analysis showed that two internally consistent factors could be extracted on the EOQ, namely Psychological Contract: Job and Psychological Contract: Work Conditions (see Table 4, p. 42).

The *Violation of Contract Questionnaire* (VCQ; Isaksson et al., 2003) was used to measure violation of contracts. An examples of a question is: “Looking overall at how far this institution has or has not kept its promises and commitments, to what extent do you feel: happy, angry, pleased, violated, disappointed, and grateful?” The six items are rated on a five-point scale ranging from one (*strongly disagree*) to five (*strongly agree*). Keyser (2010) obtained a Cronbach alpha coefficient of 0.89 for the VCQ in a sample of employees in the petrochemical industry in South Africa.

The *Job Satisfaction Scale* (JSS; Price, 1997) was used to measure job satisfaction. The JSS consists of four items (e.g. “I am not happy with my job” and “My organisation shows very little concern for me”). The questions are rated on a scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). Isaksson et al. (2003) found the reliability of job satisfaction to be $\alpha = 0.82$ in previous studies.

The *Mental Health Continuum Short Form* (MHC-SF; Keyes, 2009) was used to measure emotional, social and psychological well-being. The MCH-SF consists of 14 items which are rated using a six-point scale varying from 1 (*never*) to 6 (*every day*). Three items measure emotional well-being, six items measure psychological well-being and five items measure social well-being. Acceptable internal consistency ($\alpha > 0.80$) and construct validity of the

MHC-SF have been found by Diedericks (2012) in a sample of information technology professionals in South Africa.

The *Intention to Quit Questionnaire* (ITQ, Price, 1997) is a modified commitment measure using four items (“These days, I often feel like quitting”; “Despite the obligations I have made to this institution, I want to quit my job as soon as possible”). The questions are rated on a Likert scale varying from 1 (*strongly disagree*) to 5 (*strongly agree*). The Cronbach alphas in previous studies range from 0.79 to 0.82 in different samples (Isaksson, 2002).

Research Procedure

The study has been approved by the Ethics Committee of the North-West University. The participants were briefed about the research project and afforded the opportunity to ask questions and raise issues before considering participation. A clear outline of the roles and responsibilities of all the parties involved was given. Participation in the project was voluntary and anonymous, and participants completed a consent form. The survey questionnaire was delivered to the target group by hand in April 2011. The questionnaire had a covering letter explaining the purpose of the research. The trust of the participants was obtained by assuring them that all information would be treated as confidential and not be disclosed to anyone. Participants were assured that their participation was voluntary and that they could participate anonymously. The raw data was captured and converted to an SPSS dataset.

Statistical Analysis

The analysis was carried out with the SPSS 20.0 program (SPSS, 2012). Descriptive statistics were used to analyse the data. Cronbach alpha coefficients (α) were used to assess the internal consistency of the measuring instruments. Pearson correlation coefficients were used to specify the relationships between variables. The level of statistical significance was set at $p \leq 0.05$. A cut-off point of 0.30 (medium effect, Cohen, 1988; Steyn, 2002) was set for the practical significance of correlation coefficients.

Hierarchical multiple regression analyses were used to assess the amount of variance in the dependent variables explained by the independent variables. The procedure to determine mediation effects, as explained by Hayes and Preacher (in press), was followed to compute the bootstrap estimated indirect effects of contractual relations on job satisfaction, flourishing and turnover intention. Two-sided 95% bias-corrected confidence intervals (5000 trials) and the statistical significance of indirect effects were computed. The significance of the indirect effects was assessed in terms of zero versus non-zero coefficients rather than in terms of statistical significance only (Preacher & Hayes, 2009).

Results

Descriptive Statistics, Alpha coefficients and Correlations

Next, descriptive statistics, alpha coefficients and Pearson correlations were computed. The results are displayed in Table 2.

Table 2

Descriptive Statistics, Cronbach Alpha Coefficients and Correlations of the Measuring Instruments

Scale	Mean	SD	α	1	2	3	4	5	6
1. Employment Contract	3.76	1.08	0.79	-	-	-	-	-	-
2. PC: Job	2.18	1.39	0.79	0.17*	-	-	-	-	-
3. PC: Work Conditions	2.35	1.38	0.89	0.04	0.63 ⁺⁺	-	-	-	-
4. PC: Violation	3.39	0.83	0.79	0.06	0.47 ⁺	0.48 ⁺	-	-	-
5. Job Satisfaction	3.84	0.85	0.71	0.05	0.31 ⁺	0.30 ⁺	0.57 ⁺⁺	-	-
6. Intention to Quit	2.15	0.98	0.77	-0.06	-0.16*	-0.22*	-0.48 ⁺	-0.61 ⁺⁺	-
7. Flourishing	3.20	0.91	0.84	-0.03	0.20*	0.24*	0.35 ⁺	0.42 ⁺	-0.43 ⁺

* $p < 0.01$

+ $r > 0.30$ (practically significant, medium effect)

++ $r > 0.50$ (practically significant, large effect)

Compared to the guideline of 0.70 provided by Nunnally and Bernstein (1994), Table 2 shows acceptable Cronbach alpha coefficients varying from 0.71 to 0.89 for all the scales. Therefore all the scales showed sufficient reliability to be used for the subsequent analysis. Table 2 shows that the fulfilment of the psychological contract (job expectations) was statistically significantly related to the perception of the employment contract non-violation

of the psychological contract (medium effect), job satisfaction (large effect), low intention to quit and flourishing. Fulfilment of the psychological contract (expectations regarding work conditions) was statistically significantly related to non-violation of the psychological contract (medium effect), job satisfaction (medium effect), low intention to quit and flourishing. Non-violation of the psychological contract was statistically significantly related to job satisfaction (large effect), low intention to quit (medium effect) and flourishing (medium effect). Job satisfaction was statistically significantly related to low intention to quit (large effect) and flourishing (medium effect).

Multiple Regression Analyses

Table 3 shows the results of multiple regression analyses with biographical variables, type of contract (temporary or permanent), employment contract, fulfilment of the psychological contract and violation of the psychological contract as independent variables; and job satisfaction and flourishing as dependent variables.

Table 3

Regression Analyses with Biographical Variables, Type of Contract, State and Violation of the Psychological Contract as Independent Variables and Job Satisfaction and Flourishing as Dependent Variables

Variable	Job Satisfaction				Flourishing			
	Step 1	Step 2	Step 3	Step 4	Step 1	Step 2	Step 3	Step 4
(Constant)	3.67**	3.74**	3.16**	1.87**	3.13**	3.40**	2.99	2.19
Gender	0.06	0.07	0.02	-0.01	0.08	0.09	0.06	0.04
Qualification	0.06	0.06	0.05	-0.01	-0.03	-0.03	-0.04	-0.07
Experience	-0.23**	-0.22**	-	-0.06	-0.13*	-0.08	-0.08	0.01
			0.21**					
Age	0.15*	0.15*	0.16*	0.14*	0.08	0.08	0.08	0.07
Type of Contract	-	-0.04	-0.02	-0.06	-	-0.09	-0.05	-0.07
Employment Contract	-	-	0.06	0.04	-	-	-0.03	-0.04
PC: Job	-	-	0.19*	0.05	-	-	0.12	0.04
PC: Job Conditions	-	-	0.16*	-0.00	-	-	0.14	0.05
PC: Violation	-	-	-	0.54**	-	-	-	0.31**
R^2	0.05	0.05	0.15	0.34	0.02	0.03	0.08	0.14
F	3.52**	2.83*	6.43**	16.67**	1.65	1.71	3.12**	5.29**
df	4/293	5/292	8/289	9/288	4/293	5/292	8/289	9/288
ΔR^2	0.05	0.00	0.10	0.19	0.02	0.01	0.05	0.06
ΔF	3.52**	0.15	11.90**	83.82**	1.65	1.93	5.33**	20.91**
df	4/294	1/292	3/289	1/288	4/293	1/292	3/289	1/288

* $p < 0.05$

** $p < 0.01$

Table 3 reveals that demographical variables and type of contract explained 5% of the variance in the job satisfaction, $F = 2.83$, $p < 0.05$. The regression coefficients of work experience ($\beta = -0.22$, $p < 0.01$) and age ($\beta = 0.15$, $p < 0.05$) were statistically significant. When psychological contract fulfilment was entered as an independent variable (in step 3), it resulted in a statistically significant increase in predicting the variance in job satisfaction, $\Delta F = 11.90$, $p < 0.01$, $\Delta R^2 = 0.10$. The regression coefficients of work experience ($\beta = -0.21$, $p < 0.01$), psychological contract fulfilment: job ($\beta = 0.19$, $p < 0.01$), and psychological contract: work conditions ($\beta = 0.16$, $p < 0.05$) were statistically significant. Entering psychological contract violation (in step 4) resulted in a statistically significant increase in the percentage of variance in job satisfaction ($\Delta F = 83.82$, $p < 0.01$, $\Delta R^2 = 0.19$). The regression

coefficients of age ($\beta = 0.14, p < 0.05$) and psychological contract violation ($\beta = 0.54, p < 0.01$) were statistically significant.

Table 3 explains that demographical variables and type of contract explained 3% of the variance in flourishing, $F = 1.71, p > 0.05$. When psychological contract fulfilment was entered as an independent variable (in step 3), it resulted in a statistically significant increase in predicting the variance in flourishing ($\Delta F = 5.33, p < 0.01, \Delta R^2 = 0.05$). None of the regression coefficients were statistically significant. Entering psychological contract violation (in step 4) resulted in a statistically significant increase in the percentage of variance in flourishing ($\Delta F = 20.91, p < 0.01, \Delta R^2 = 0.06$). The regression coefficient of psychological contract violation ($\beta = 0.31, p < 0.01$) was statistically significant.

Table 4 shows the results of multiple regression analyses with biographical variables, type of contract (temporary or permanent), employment contract, fulfilment of the psychological contract and violation of the psychological contract, job satisfaction and flourishing as independent variables; and turnover intention as the dependent variable.

Table 4

Regression Analyses with the State and Violation of the Psychological Contract, Job Satisfaction and Flourishing as Independent Variables and Turnover Intention as the Dependent Variable

	Step 1	Step 2	Step 3	Step 4	Step 5
(Constant)	1.88**	1.88**	2.47**	3.95**	5.33**
Gender	-0.00	-0.00	0.04	0.06	0.07
Qualification	0.06	0.06	0.05	0.10	0.08
Experience	0.19*	0.19*	0.18*	0.03	0.01
Age	-0.10	-0.10	-0.11	-0.09	-0.02
Type of Contract	-	0.00	0.00	0.05	0.01
Employment Contract	-	-	-0.08	-0.07	-0.05
PC: Job	-	-	-0.05	0.08	0.11
PC: Work Conditions	-	-	-0.17*	-0.01	0.00
PC: Violation	-	-	-	-0.53**	-0.24**
Job Satisfaction	-	-	-	-	-0.44**
Flourishing	-	-	-	-	-0.19**
R^2	0.03	0.03	0.08	0.26	0.43
F	2.28	1.81	3.08**	11.44**	21.39**
df	4/293	5/292	8/289	9/288	11/286
ΔR^2	0.03	0.00	0.05	0.19	0.17
ΔF	2.28	0.00	5.06**	72.21**	49.03
df	4/293	1/292	3/289	1/288	2/286

* $p < 0.05$

** $p < 0.01$

Table 4 indicates that demographic variables and type of contract predicted 3% of the variance in turnover intention of employees, $F = 1.81$, $p > 0.05$. When the experiences of the employment contract and psychological contract fulfilment were added as independent variables (in step 3), it resulted in a statistically significant increase in predicting the variance in turnover intention ($\Delta F = 5.06$, $p < .01$, $\Delta R^2 = .05$). The regression coefficients of experience ($\beta = 0.18$, $p < .05$) and psychological contract fulfilment: work conditions ($\beta = -0.17$, $p < 0.05$) were statistically significant. Entering psychological contract violation (in step 4) resulted in a statistically significant increase in the percentage of variance explained in turnover intention ($\Delta F = 72.21$, $p < 0.01$, $\Delta R^2 = 0.19$). The regression coefficient of

psychological contract violation ($\beta = -0.53, p < 0.01$) was statistically significant. Entering flourishing and job satisfaction (in step 5) resulted in a statistically significant increase in the percentage of variance explained in turnover intention ($\Delta F = 49.03, p < 0.01, \Delta R^2 = 0.17$). The regression coefficients of psychological contract violation ($\beta = -0.24, p < 0.01$), job satisfaction ($\beta = -0.44, p < 0.01$), and flourishing ($\beta = -0.19, p < 0.01$) were statistically significant.

Indirect Effects

To test whether employment contract and fulfilment of the psychological contract indirectly affect job satisfaction, flourishing and turnover intention via violation of the psychological contract, indirect effects were computed, using the analytical approach of Hayes and Preacher (in press). These authors recommended bias-corrected confidence intervals (CIs) as obtained through bootstrapping to measure indirect effects. Lower CIs (LCIs) and upper CIs (UCIs) are reported. The results are reported in Table 5.

Table 5

Indirect Effects of Independent Variables on Job Satisfaction, Flourishing and Turnover Intention via Psychological Contract Violation

Variable	Job satisfaction			Flourishing		
	EFF	SE	95% CI	EFF	SE	95% CI
Omnibus	0.13	0.03	[0.08, 0.20]	0.08	0.02	[0.04, 0.13]
Employment Contract	0.01	0.02	[-0.04, 0.05]	0.01	0.01	[-0.03, 0.03]
PC: Job	0.10	0.02	[0.06, 0.14]	0.06	0.02	[0.03, 0.10]
PC: Job Conditions	0.09	0.03	[0.04, 0.14]	0.05	0.02	[0.02, 0.09]

Regarding the indirect effects on job satisfaction, the effects of psychological contract fulfilment did not include zeros. Therefore, psychological contract fulfilment indirectly impacted job satisfaction via psychological contract violation. The indirect effects of the employment contract and fulfilment of the psychological contract on flourishing via psychological contract violation did not include zeros. Therefore, experiences of the

employment and psychological contract fulfilment indirectly impacted flourishing of employees via psychological contract violation.

Table 6 shows the indirect effects of the employment contract and psychological contract fulfilment and violation on turnover intention via job satisfaction and flourishing.

Table 6

Indirect Effects of Independent Variables on Turnover Intention via Job Satisfaction and Flourishing

Variable	EFF	SE	95% CI
Job Satisfaction			
Omnibus	-0.15	0.04	[-0.23, -0.09]
Employment Contract	-0.02	0.02	[-0.06, 0.03]
PC: Job	-0.02	0.02	[-0.06, 0.05]
PC: Work Conditions	-0.00	0.03	[-0.06, 0.05]
PC Violation	-0.15	0.04	[-0.38, -0.19]
Flourishing			
Omnibus	-0.02	0.01	[-0.04, -0.01]
Employment Contract	0.01	0.01	[-0.02, 0.02]
PC: Job	-0.00	0.01	[-0.02, 0.02]
PC: Work Conditions	-0.01	0.01	[-0.04, 0.01]
PC Violation	-0.07	0.01	[-0.04, -0.01]

Regarding the indirect effects on turnover intention, the effect of psychological contract violation for job satisfaction did not include zeros. Therefore, psychological contract violation indirectly impacted turnover intention via job (dis)satisfaction. The effect of psychological contract violation for flourishing did not include zeros. Therefore, violation of the psychological contract indirectly impacted turnover intention via lack of flourishing of employees.

Table 7 depicts the results of the hypotheses testing in this study.

Table 7

Results of Hypotheses Testing

Hypothesis	Decision	Implication
Hypothesis 1	Accepted	Psychological contract fulfilment is positively associated with job satisfaction
Hypothesis 2	Accepted	Psychological contract fulfilment is positively associated with flourishing
Hypothesis 3	Accepted	Psychological contract fulfilment is negatively associated with turnover intention.
Hypothesis 4-6	Accepted	Psychological contract violation is negatively associated with job dissatisfaction, low flourishing and turnover intention
Hypothesis 7	Accepted	Psychological contract fulfilment indirectly affects job satisfaction, flourishing and turnover intention via psychological contract violation.
Hypothesis 8	Accepted	Psychological contract violation indirectly affects turnover intention via job dissatisfaction and low flourishing.

Discussion

The aim of this study was to investigate the relationship between experiences of contractual relations, job satisfaction, flourishing and turnover intention of employees in a higher education institution. The results showed that psychological contract violation, job dissatisfaction and lack of flourishing directly impacted turnover intention. Lack of psychological contract fulfilment indirectly impacted job dissatisfaction and languishing via psychological contract violation. Psychological contract violation indirectly impacted turnover intention via job dissatisfaction and languishing of employees.

Psychological contract fulfilment and less work experience predicted 10% of the variance in job satisfaction. The dimension of psychological contract fulfilment, which predicts job satisfaction, is fulfilment of expectations regarding work conditions. Employees with less

work experience and whose expectations regarding work conditions were fulfilled by the employer were more satisfied with their jobs compared to those who had more work experience and whose expectations regarding work conditions were not fulfilled. However, being satisfied seemed to be stronger associated with their psychological contracts not being violated. Age also seemed to play a small role: older employees that did not experience psychological contract violation were more satisfied with their jobs at the higher education institution. Regarding flourishing of employees, the results showed that only psychological contract violation impacted moderately on employees' emotional, psychological and social well-being. Isaksson et al. (2003) found that violation of the psychological contract was associated with lower levels of employee well-being.

Employees' work experience and psychological contract fulfilment predicted turnover intention of employees in this study. However, when psychological contract violation was considered in addition to these factors, only psychological contract violation predicted turnover intention of employees significantly and strongly. Psychological contract violation, flourishing and job satisfaction had a strong effect on turnover intention.

Analyses of the indirect effects revealed that psychological contract fulfilment indirectly impacted job satisfaction and flourishing via psychological contract violation. These results provide support for the important role of both psychological contract fulfilment and non-violation of the psychological contract for the subjective well-being of employees in a higher education institution. Psychological contract violation indirectly impacted turnover intention via job dissatisfaction and low flourishing of employees. Diedericks (2012) found that when information technology professionals perceived violation of the psychological contract, their job satisfaction and flourishing decreased significantly, while their turnover intention increased. Diedericks (2012) also found that psychological contract violation had indirect effects on job satisfaction, turnover intention and flourishing.

It was notable that formal employment contract fulfilment did not play a significant role in the subjective well-being and turnover intention of employees. The reason for this is that the employer does not violate the employment contract. Also, mechanisms exist which can be used by employees to deal with non-adherence to formal employment contracts.

However, the findings emphasise that psychological contract fulfilment and non-violation of psychological contracts are the foundation that delivers sound employment relations in the exchange relationship. Psychological contract fulfilment had indirect effects on psychological contract violation, job satisfaction, flourishing and turnover intention. Significantly, it was fulfilment of the psychological contract regarding work conditions – and not the job itself – which played an important role in psychological contract violation, job satisfaction, flourishing and turnover intention of employees in a higher education institution. Employees spend more time at work, and not only the job, but also the atmosphere and conditions in the work situation, impact their subjective well-being (Gavin & Mason, 2004).

From the perspective of social exchange theory (Blau, 1964), non-fulfilment and violation of obligations to provide good working conditions (possibilities to work together in a pleasant way, an environment free from violence and harassment, a good working atmosphere, a safe working environment, fair treatment by managers and supervisors, flexibility in matching demands of non-work roles with work, assistance to deal with problems they encounter outside work, and assistance in improving future employment prospects) will result in job dissatisfaction, un-well-being and turnover intention. Various studies (Keyser, 2010; Paz-Fuchs, 2009; Rousseau, 1995, 2001) showed that the employment relationship (which rests heavily on expectations which are often not discussed) affects the fulfilment and well-being of employees. Indeed, violation expectations of the psychological contract had strong indirect effects on turnover intention (via job dissatisfaction and languishing) in this study. These findings are in line with the findings of Diedericks (2012) in a sample of information technology professionals in South Africa.

Limitations

The following limitations can be noted regarding what was experienced when conducting the study. The research design was cross-sectional; this had a limitation regarding the cause-and-effect relationships. Due to the nature of the sampling method and questionnaire, the attitudes, opinions and views of participants at a particular point in time are represented in the findings. A longitudinal study is necessary to establish the causal relationships among the variables.

It is furthermore suggested that the sample size be increased and that more universities be involved – perhaps via the internet. Expanding the sample size will allow for better generalisation of results and increase the external validity of the results.

Recommendations

Management needs to create opportunities for the negotiation of the existing psychological contracts. Management must avoid psychological contract violation by fulfilling their promises regarding the following issues: training and development, supervision and feedback, promotion and advancement, long-term job security, management of change, power and responsibility, and work environment. These are the issues that employees have negotiated with the employer even though they do not appear in the written employment contract. Principles of workplace justice and effective communication need to be embedded in the higher education institution's culture and be visible to employees in their interaction with management when the psychological contract is negotiated and amended (Knights et al., 2005).

Most of these issues are negotiated during the recruitment process. However, they evolve over time, which is why good communication is essential in the employment relationship so that the terms of the psychological contract can be renegotiated from time to time in order to avoid the perception of breach that can harm the trust that exists between the employee and the employer. Information can re-establish an employee's sense of control and reduce job insecurity in the transitional period (Ashford, Lee, & Bobko, 1989). The main practical implication of the present study is that higher education institutions and their representatives should always be aware of the promises they have made. Expectations that have been created (either implicitly or explicitly) should not be breached or violated in any way, as these will determine employees' work attitudes and psychological health (Gracia et al., 2007).

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CHAPTER 4

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

The purpose of this chapter is to draw conclusions from the two articles comprising this study. Furthermore recommendations are made for higher education institutions and finally, future research opportunities are presented.

4.1 CONCLUSIONS

Firstly, the conclusions of the research are drawn.

Every society has jobs that need to be done in order to survive and to improve its members' lives (Gavin & Mason, 2004). Therefore, work is an important source of peoples' well-being. Employees within higher education institutions face a complex environment and play an important role in the reconstruction and development in South Africa (Cross, Mangandi, & Roushasie, 2002; Marais, Grobbelaar, & Potgieter, 1997). Employees have been experiencing more challenges in the workplace than ever before (Paz-Fuchs, 2009). They spend more time at work and because they have less leisure time, they have fewer opportunities to seek meaning in their lives (Gavin & Mason, 2004). These factors have an impact on the well-being and happiness of employees in higher education institutions.

Russell (2008, p. 128) points out that researchers and practitioners need to "explore how different work practices can assist in creating more positive workplaces that lead to healthy employee outcomes (job satisfaction, well-being)". Subjective well-being is a broad term referring to positive cognitive or affective states and includes positive emotions, life satisfaction and low negative emotions. Controversy exists on how to measure subjective well-being and studies more relied on first-person reports on numerical state (Angner, Ray, Saag, & Allison, 2009). Therefore, fundamental to the type of relationship that develops between employees and employers is the employers' survival and employee well-being. In the workplace, relationships manifest in different contracts, including the employment contract, psychological contract and social contract.

The employment relationship may be a fundamental source of social relationships and personal fulfilments, but also a source of subordination and exploitation (Paz-Fuchs, 2009). As mentioned by Cole, Schaninger and Harris (2002), the social exchanges are predictive of employees exhibiting positive work behaviour (lower intention to quit) and attitudes (job satisfaction). Social exchanges occurring between employees and the employer go well beyond simple economic exchange. The social exchange theory is the basis for understanding employment relationships. A lack of balance in the fulfilment of obligations in this social exchange relationship might lead to negative consequences (Blau, 1964).

Chapter 1 included the problem statement and the chapter ended with the research objectives (general and specific). The specific objectives formulated at the end of Chapter 1 formed the next two chapters that included Article 1 and Article 2 in this dissertation.

The first objective was to conceptualize the employment contract, psychological contract, social contract, violation of the psychological contract, job satisfaction, well-being, intention to quit, and the relationship between these constructs, as conceptualised in literature. The second objective examined how employees' work experiences relate to their levels of agreement with the different types of contracts (employment contract, social contract and psychological contract). The third objective studied the relationship among employees' type of contracts, biographical information, job satisfaction, and intention to quit.

The landscape of higher education in South Africa is characterised by dramatic changes. Changes in workplace practices have been driven by changes to statute law and lead to a fundamental shift in the employment-, psychological- and social contracts (McCarthy, 2004). Transformational changes do not only lead to changes in the work environment, but also have an influence on the employment relationship (Linde & Schalk, 2006). A litigious culture has emerged at the workplace due to the rapid growth of employment legislation, and management needs to develop new strategies and policies regarding the employment-, psychological and social contract for the future in order to stay relevant as well as to ensure compliance with employment legislation (Grahl & Teage, 2009).

Understanding the employment relationship requires a multilevel approach through which the individual dimension reflects the individual agreements between the employee and employer which take the form of an employment contract, psychological contract and social contract

(Slabbert & Swanepoel, 2001). This employment agreement between the employee and the employer is not cast in stone, because amendment of it can take place over time through negotiations known as idiosyncratic deals, and employers need to manage these idiosyncratic deals properly otherwise their proliferations can undermine trust and cooperation of employees at the workplace (Rousseau, 2001). The employment relationship may be customized through the construct idiosyncratic deals and a shift in the original employment agreement then becomes evident (Rousseau, 2005). Idiosyncratic deals (i-deals) are crafted arrangements that meet the specific needs of individual employees and the very nature of each agreement differs from that of agreements made with another employee by the employer (Ng & Feldman, 2008).

The results showed that age had a significant effect on perceptions of state of the psychological contract: work conditions, People in the age group 20-25 experienced more fulfilment of the state of the psychological contract as far as work conditions are concerned, compared to the 44-49 age group and the older than 56 age group. The expectations and obligations of younger employees differ from those of older employees (Bal, 2009; Schein, 1980). Turnley and Feldman (1999b) found that younger employees respond less strongly to violation of the psychological contract. Rousseau (2001) and Bal et al. (2008) found that older employees react stronger than their younger counterparts to violation of the psychological contract because they have built up a more stable employment relationship with the employer.

Tenure had a significant effect on state of the psychological contract: work conditions, and psychological contract violation. The results showed that people with one year or less work experience showed more fulfilment of the psychological contract as far as work conditions are concerned, than those with 2-5 and 15-20 years' experience. People with one year or less and 2-3 years' work experience showed statistically significantly higher scores on psychological contract non-violation compared to those with more than 20 years' work experience. De Cuyper and De Witte (2005), in their study, found that employees with a longer tenure have a lower level of state of psychological contract than younger employees, and this depends largely on the fact that the trust or perceptions of fairness employees have over time erodes as the employer does not honour his obligations. De Beer (2010) found that employees with less than a year tenure have a higher state of psychological contract than employees who have been working for longer periods of time. Meyer and Allen (1984)

suggest that longer-tenured employees believe that they should receive more in return from the organisation for what they have contributed over the years because they have done more for the organisation than younger employees. This may be because employees who have longer tenure believe that they have built up a certain amount of trust in the relational contract with the employer against those employees who have only been working for the organisation for a few years. Shore and Barksdale (1998) and Tsui, Pearce, Porter, and Tripoli (1997) found that the psychological contract is positively related to trust and employees' perceptions of fairness, and negatively related to intention to quit.

Type of contract had a statistically significant effect on state of the psychological contract: work conditions. The results showed that employees with temporary contracts showed more fulfilment of the psychological contract as far as work conditions are concerned, compared to those with permanent contracts. According to Anderson and Schalk (1998), the type of contract is based on reciprocity and is something implicit. Rousseau (1995) states that a psychological contract can only exist if both the employee and employer believe that an arrangement between them exists by accepting to honour the obligations thereof.

Guest and Conway (2002) found that temporary employees reported a better state of psychological contract than permanent employees. Similarly, Keyser (2010), in her study, found that temporary employees reported a better state of psychological contract than permanent employees. The treatment employees receive from the employer will, to a great extent, reflect their commitment to the organisation. If employees believe that the employer is fulfilling his obligations, they will feel compelled and obligated to honour their obligations to the organisation and try their utmost best not to cause the organisation any harm (Gouldner, 1960).

Gender had a statistically significant effect on the state of the psychological contract: work conditions and non-violation of the psychological contract. Males showed more fulfilment of the psychological contract as far as work conditions are concerned, compared to females. Males also showed less violation of the psychological contract, compared to females. De Beer (2010) found that males experience a significantly higher state of psychological contract than do females. Steyn (2009) reported that females experience higher levels of state of the psychological contract than do males. Keyser (2010) found that female employees experience higher state of psychological contract levels than do male employees.

Tenure and type of contract have statistically significant effects on experiences of the employment contract. Employees in the age category 20-25 obtained lower scores compared to employees in age groups older than 38 years. The type of contract also has a statistically significant effect on the experiences of the employment contract. Temporary employees obtained lower scores on experiences of the employment contract compared to permanent employees. Coyle-Shapiro and Kessler (2002) found that temporary and permanent employees hold different expectations regarding their employment relationship. Conway and Briner (2002) found that temporary employees perceive their psychological contract to be more favourable because of the fact that there are lower expectations from the employer. Van Dyne and Ang's (1998) study showed that temporary employees, in view of the social exchange perspective, adopt a more transactional view regarding their employment relationship. Van Dyne and Ang's (1998) study showed that temporary employees expect less of their employer regarding their psychological contract than do permanent employees. Guest (2004) found that temporary employees mostly experience a less fulfilled psychological contract, probably due to the fact that they have fewer promotion opportunities.

The fourth objective investigated the relationships among employees' work experience, type of contracts, job satisfaction and intention to quit. The fifth objective investigated the relationships among the types of contracts and the perceptions of obligations, violation of the psychological contract, job satisfaction, and intention to quit. The sixth objective determined whether violation of contract results in lower job satisfaction and well-being and higher intention to quit.

Idiosyncratic employment arrangements are special terms of employment negotiated between individual workers and their employers (present or prospective) that satisfy both parties' needs. It is very common for workers to have slightly different deals than their peers because they have a different manager or contribute in a different way. However, because of personal variations such as educational background or previous work history, some features of the individual employment relationships will be different. Of course, this is nothing new. What is new is the employing organisation's recognition of these differing expectations, needs and priorities. Idiosyncrasy implies that, although there may be mutuality between employees and their employers whereby each employee and the employer are in agreement about contract terms that apply to the focal employee, uniformity of beliefs among employees does not exist.

On the other hand, psychological contracts that are both uniform and mutual imply that there is general agreement on psychological contract terms across organisational actors. Understanding the degree to which employees' psychological contracts are idiosyncratic or uniformly held with others has significant practical implications for management. Employees' interpretation of information from their employer and others, their observation of activities and actions in the workplace, together with their personal dispositions, are theorized to create idiosyncratic contract attitudes in the minds of employees (Rousseau, 1995, 2001).

Organisational health and wellness, when explored, can increase the ability of higher education institutions to work towards economic development while simultaneously promoting the wellness as well as quality of work life of academics (Rothmann & Cilliers, 2007).

Robinson, Kraatz, and Rousseau (1994) assert that the reactions demonstrated by employees may vary, depending on the contract that has been violated. Employees are less likely to show adverse reaction when violation is taking place. When obligations of permanent employees are violated, it is regarded as much more serious to employees, and they are strongly affected. The social relationship may even be in jeopardy (erosion of trust) and a total destruction of the employment relationship may even occur, i.e. the employee may feel that the employer no longer values the relational contract and will thus experience a loss of job security and then demonstrate less engagement (not perform extra-role behaviours) because he/she does not feel obligated to do so.

Two forms of subjective well-being are relevant for this study, namely flourishing/languishing and job satisfaction. Keyes and Annas (2009) define subjective well-being as the appraisals individuals make regarding the quality of their lives, which included feeling good and functioning well. Keyes (2007) described flourishing as a pattern of positive feelings and positive functioning in life. On the opposite continuum is *languishing*, which can be defined as the absence of mental health.

Psychological contract fulfilment and less work experience predicted 10% of the variance in job satisfaction. The dimension of psychological contract fulfilment, which predicts job satisfaction, is fulfilment of expectations regarding work conditions. Employees with less work experience and whose expectations regarding work conditions are fulfilled by the

employer were more satisfied with their job's, compared to those who had more work experience and whose expectations regarding work conditions were not fulfilled. However, being satisfied seems to be more strongly associated with their psychological contracts not being violated. Age also seems to play a small role here; older employees that did not experience psychological contract violation were more satisfied with their jobs at the higher education institution. Regarding flourishing of employees, the results showed that only psychological contract violation impacted moderately on employees' emotional-, psychological- and social well-being. Isaksson et al. (2003), in their study, found that violation of the psychological contract is associated with lower levels of employee well-being.

Employees' work experience and psychological contract fulfilment predicted turnover intention of employees in this study. However, when psychological contract violation was considered in addition to these factors, only psychological contract violation predicted turnover intention of employees significantly and strongly. Psychological contract violation, flourishing and job satisfaction had a strong effect on turnover intention.

Analyses of the indirect effects revealed that psychological contract fulfilment indirectly impacted job satisfaction and flourishing via psychological contract violation. These results provide support for the important role of both psychological contract fulfilment and non-violation of the psychological contract for the subjective well-being of employees in a higher education institution. Psychological contract violation indirectly impacted turnover intention via job dissatisfaction and low flourishing of employees. Diedericks (2012) found that when IT professionals perceive violation of the psychological contract, their job satisfaction and flourishing decreased significantly while their turnover intention increased. Diedericks (2012) also found that psychological contract violation had indirect effects on job satisfaction, turnover intention and flourishing.

The findings emphasise that psychological contract fulfilment and non-violation are the foundations of sound employment relations in the exchange relationship. Fulfilment of the psychological contract indirectly impacted various individual outcomes (e.g. job satisfaction and well-being) and organisational outcomes (e.g. turnover) via psychological contract violation). Psychological contract violation strongly and indirectly impacted turnover intention via job (dis)satisfaction and un-wellbeing (Diedericks, 2012).

4.2 LIMITATIONS

Firstly a definite limitation was the use of the cross-sectional research design making it difficult to prove the causal relationships between the constructs. The causal relationships between the independent variables and outcomes could not be studied and could be categorized as symptoms rather than antecedents. The findings in the study were based on correlation data, which makes it impossible to prove causality of relationships.

Secondly, the relatively small sample size regarding gender and culture compares to the number of variables. The homogeneous nature of this sample limits the generalization of findings to other occupational groups.

Thirdly, the study also relied on self-report instruments. The self-reported data might be contaminated by common method variance, as both independent and dependent variables are based upon one source of information (Spector & Jex, 1991).

4.3 RECOMMENDATIONS

The Industrial Sociology and Employment Relations fields play a definite role in ensuring the enforcement of equal rights in South Africa. Higher education institutions address the skills shortage head-on and South Africa being a developing country has a higher demand for qualified individuals than what currently is available (Hamlyn, 2007). The competitive advantage organisations need, can only be addressed by means of an effective employment relations/labour relations plan. Higher education institutions play an essential part in this plan of skills development in South Africa. Employees can only generate capital through competence that originates in knowledge and changed behaviour of which higher education institutions are the initiators (HR Focus, 2004).

The recommendations to the management of higher education institutions and for future research are discussed in this section.

4.3.1 Recommendations for higher education institutions

Management at higher education institutions need to manage the attitudes of employees continuously to maintain the positive emotional state of employees so that they are willing to engage and contribute to the achievement of organisational goals (Barkhuizen & Rothmann, 2006). Management should intervene to ensure support of employees. It is of vital importance that communication channels be established for ensuring illumination of role ambiguity, and improving relationships between employees and their immediate supervisors and top management. Better communication will also ensure that employees receive accurate information enabling them to make informed decisions in doing so. Establishing positive attitudes amongst employees will create a less problematic work environment at higher education institutions and aid academics in engaging in the important role they have to fulfil in developing the minds of the future manpower that will assist the process of reconstructing and developing South Africa (Cross et al., 2002).

Management needs to create opportunities for the renegotiation of the psychological contracts in existence. Management must at all cost avoid psychological contract violation by fulfilling promises they had made regarding the following issues: training and development, supervision and feedback, promotion and advancement, long-term job security, management of change, power and responsibility, and work environment, since these are the issues employees have negotiated with the employer (psychological contract) although they do not appear in the written employment contract. Principles of workplace justice and effective communication need to be embedded in the organisation's culture and be visible to employees in their interaction with management when the psychological contract is negotiated and amended (Knights, Kennedy, & Cook, 2005).

Most of these issues are negotiated during the recruitment process, but they evolve over time and that is why good communication is essential in the employment relationship so that the terms of the psychological contract can be renegotiated from time to time in order to avoid the perception of breach that can harm the existing trust between the employee and the employer. Information can re-establish an employee's sense of control and reduce job insecurity in the transitional period (Ashford, Lee, & Bobko, 1989). The main practical implication of the study at hand is that higher education institutions and their representatives should always be aware of the promises they have made (implicitly or explicitly) to

employees and that employees at all times should perceive that obligations promised are being fulfilled and that the trust they have in the employer is not violated, because this will determine the employees' future attitude and psychological health (Gracia, Silla, Peiró, & Fortes-Ferreira, 2007).

Higher education institutions need to embrace the importance of ensuring that employees are kept happy, since studies reveal that positive affect plays an important mediating role in respect to employee reactions to perceived unfairness (Isen & Baron, 1991). Pro-social behaviour can be a natural consequence when employees at higher education institutions are treated fairly and the agreed obligations are met by the employer; these behavioural patterns displayed by employees represent joining and quitting with the organisation, cooperating with co-employees that can lead to their well-being, suggesting ways of improving the organisation and last but not least, speaking favourably about the organisation to outsiders (Brief & Motowidlo, 1986).

The results in this study are crucial to higher education institutions if they want to be relevant in the twenty first century. The employment relation is built on a healthy psychological contract that can only be if its core is understood and respected by the role players. The trust the employees have in the employer is kept by the employer keeping his promised obligations. If employers do not fulfil their obligations, employees have a higher intention to quit.

In this research it was found that a lack of knowledge regarding the psychological- and social contracts is the main reason for employees' disengaged behaviour at higher education institutions. It is recommended that future research focus on and reduce any limitations of previous research in order to build on a theoretical base specifically tailored to develop the South African labour relations field.

4.3.2 Recommendations for future research

Future research should further the development of building a theoretical framework that gives a true reflection and account of the labour relations situation as it is in South Africa. To obtain larger samples, future studies at other higher education institutions can be conducted by making use of an electronic survey questionnaire so that it can be more representative in

terms of gender and cultural groups in South Africa. Future studies at higher education institutions can also explore the relationship between psychological contract fulfilment, basic psychological need satisfaction and flourishing and the impact of violation of the psychological contract on individual and organisational outcomes of these employees. Future studies could also probably focus more on the experiences of perhaps specifically academic employees regarding their idiosyncratic relationships within the higher education institution; and also the violation of the psychological contract and effects thereof on this relationship; and the influence thereof on the specific individual outcomes, namely life satisfaction, job satisfaction, job insecurity, job engagement and organisational outcomes and employee well-being in a positive paradigm.

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