

**Employees' work outcomes associated with the psychological contract within a  
service company**

By

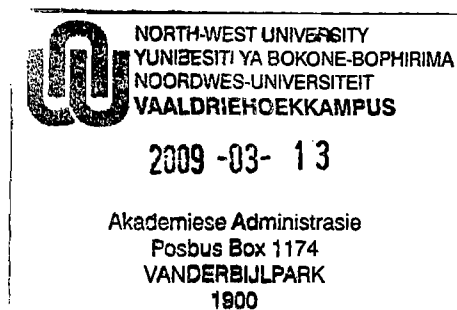
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Vanderbiljpark



*Dedicated to my family.*

## REMARKS

The readers is reminded of the following:

The references, as well as the editorial style as prescribed by the Publication Manual (*4<sup>th</sup> edition*) of the American Psychological Association (APA) were followed in this dissertation. This practice is in line with the policy of the Programme in Industrial Sociology at the North-West University.

This dissertation is submitted in the form of two articles.

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## SUMMARY

**Title:** Employees' work outcomes associated with the psychological contract within a service company

**Key words:** employer obligations, psychological contract, employee obligations, job insecurity, organisational commitment and intention to quit.

During the last decade, dramatic changes have been experienced in workplaces because of technological growth, globalisation, ever increasing competitive markets, changing industrial relation laws and better management skills (Cappelli, 1999). Amidst this change, the biggest issue is for organisations to gain dedication from their employees. Maslach *et al* (2001) explains that the impact of the changing world of work is perhaps most evident in changes in the psychological contract. Employees are expected to give more in terms of time, effort, skills and flexibility, whereas they receive less in terms of lifetime employment and job security.

In security companies, the employer obligations and employee obligations also went through a process of change. Crime has become a very serious concern in South Africa. In Gauteng, crime has increased with 69,2% (SAP Statistics, 2005) from 1994 to 2004. Because of crime, many independent security companies were formed to help prevent crime, working together with the South African Police Force. A lack of research exists regarding employees' work outcomes like job insecurity, organisational commitment and intention to quit associated with the psychological contract within a service company.

The objectives of this study are to investigate the relationship between employer obligations, employee obligations, job insecurity, organisational commitment and intention to quit of employees (N=217) in a service (security) company. A cross-sectional design was used. Constructs were measured by means of an employer obligations questionnaire, employee obligations questionnaire, job insecurity questionnaire, organisational commitment questionnaire and intention to quit questionnaire.

The research method for each of the two articles consists of a brief literature review and an empirical study. Exploratory factor analysis, as well as Cronbach alpha coefficients are computed to assess the reliability and validity of the different measurement instruments. Descriptive statistics are used to analyse data and Pearson product moment correlation coefficients, as well as regression analysis were used to examine the relationship between the constructs employed in this research.

Significant differences are found between various biographical groups and the scores of the psychological contract (employer obligations scale and employee obligations scale), the job insecurity scale, the organisational commitment scale and the intention to quit scale.

Conclusions are made, limitations of the current research are discussed and recommendations for future research are put forward.

## OPSOMMING

**Titel:** Employees' work outcomes associated with the psychological contract within a service company

**Sleutelwoorde:** psigologiese kontrak, werkgewerverpligtinge, werksonsekerheid, organisatoriese verbintenis en beoogde diensbeëindiging.

Die afgelope dekade het dramatiese veranderinge in die werksektor teweeg gebring. Dit is as gevolg van tegnologiese ontwikkelinge, globalisering, stygende markte, wisselkeurige arbeidsverhoudingwette en beter bestuursvaardighede (Cappelli, 1999). Te midde van hierdie verandering ontstaan daar 'n besondere besorgdheid onder organisasies, naamlik om getrouheid by werknemers te werf. Maslach *et al* (2001) verduidelik dat die impak van hierdie verandering die psigologiese kontrak die hardste tref. Daar word van werknemers verwag om meer in te sit in terme van tyd, moeite, vaardighede en aanpasbaarheid terwyl hulle minder ontvang in terme van lewenslange indiensneming en werk sekuriteit.

Werknemer- en werkgewerverpligtinge binne sekuriteitsfirmas het ook verander. Misdad het 'n baie ernstige probleem geword in Suid-Afrika en in Gauteng alleen het misdad met 69,2% toegeneem vanaf 1994 tot 2004 (SAP Statistieke, 2005). Weens die toename in misdad het verskeie onafhanklike sekuriteitsfirmas ontstaan om sodoende misdad te help bekamp in samewerking met die die Suid-Afrikaanse Polisie diens. Daar is egter 'n tekort aan navorsing oor diensmaatskappy werknemers se werkuitkomste na aanleiding van die psigologiese kontrak.

Die doelwitte van hierdie navorsing is om die verhouding tussen werkgewerverpligtinge, werknemerverpligtinge, werksonsekerheid, organisatoriese verbintenis en die beoogde diensbeëindiging van sekuriteitswerknemers (N=217) te bepaal. 'n Dwarssnitontwerp sal gebruik word en die resultate is gemeet aan die hand van 'n werkgewerverpligtingopname, werknemerverpligtingopname, werksonsekerheid-opname, organisatoriese verbintenis-opname en die beoogde diensbeëindiging-opname

Die navorsingsmetode vir beide arikels beslaan 'n vlugtige literatuuroorsig, asook 'n empiriese studie. 'n Ondersoekende faktor-analise, asook Cronbach se alfa-koëffisiënte is gebruik om die betroubaarheid en geldigheid van die maatstawe te bepaal. Beskrywende statistieke is verder gebruik om die data te analiseer, terwyl Pearson se produk-oomblik korrelasie koëffisiënte, asook 'n regressie-analise gebruik is om die verhouding tussen die konstrakte in hierdie navorsing te bepaal.

Daar is merkwaardige verskille gevind tussen verskeie biografiese groepe, die resultate van die psigologiese kontrak (die werkgewerverpligtingskaal, werknemerverpligtingskaal), die werksonsekerheidskaal, die organisatoriese verbintenis skaal en die beoogde diensbeëindiging-skaal.

Gevolgtrekkings is gemaak, beperkings van die huidige navorsing is bespreek en aanbevelings vir toekomstige navorsing is gegee.

## **CHAPTER 1**

### **INTRODUCTION AND PROBLEM STATEMENT**

This dissertation relates to employees' work outcomes, namely job insecurity, organisational commitment and employees' intention to quit as associated with the psychological contract within a service company. The focus is on employer obligations, employee obligations, job insecurity, organisational commitment and intention to quit of Vaal Triangle-based service (security) employees.

In this Chapter the problem statement is discussed and an outline is provided of the research objectives, research methods and chapter division.

#### **1.1 PROBLEM STATEMENT**

Over the past decade dramatic changes have occurred in workplaces due to technological growth, globalisation, ever increasing competitive markets, fluctuating industrial relation laws and better management skills (Cappelli, 1999). Amongst these changes, a major challenge for organisations is to gain dedication from their employees. Maslach, Schaufeli and Leiter (2001) explains that the impact of the changing world of work is perhaps most evident in changes in the psychological contract. Employees are expected to give more in terms of time, effort, skills and flexibility, whereas they receive less in terms of lifetime employment and job security.

In security companies, both the employer and employee obligations underwent change because crime increase so much. This is partly because of crime becoming an all too serious dilemma in South Africa. In Gauteng, crime has increase with 69.2% from 1994 to 2004 (SAP Statistics, 2005). Because of crime many independent security companies were formed to help prevent it in allegiance with the South African Police Force.

Niehoff and Paul (2001) reports that the relationship between an employer and employee is an unwritten rule and it was traditionally expected that workers work hard, do not cause problems and carry out orders. In return, employers would provide "good jobs" and "good remuneration", abundant promotion opportunities and lifetime employment. De Meuse,

Bergmann and Lester (2001) adds that it was a stable, predictable environment – employee loyalty to the employer ensures job security.

Hallier (1997) reports that believing in this promised obligation, support is provided by which the relationship between employer and employee is regulated. Lambert, Edwards and Cable (2004) states that the relationship between employer and employee also forms the base of several streams of organisational behaviour research, including the psychological contract.

## **1.2 LITERATURE REVIEW**

Levinson (1962), the father of the concept of the “psychological contract”, defines this contract as an unwritten one and it is known as the sum of mutual expectations between an organisation and an employee. The psychological contract is dynamic as it constantly develops according to changes in the organisation. Rousseau (1990) defines the psychological contract as the employee’s perception of the mutual obligations between him/her and an employer.

The psychological contract consists of employee and employer obligations, which can be defined as “beliefs held by an employee or employer, that each is bound by promise or debt to an action or course of action in relation to the other party” (Robbinson, Kraatz & Rousseau, 1994; Sonneberg, 2006). Constant change in the work environment also leads to changes in the employment relationship. Due to these changes, employees’ job descriptions broadened and researchers have drawn distinctions between the “old” and the “new” psychological contract (Capelli, 1997).

Millward and Brewerton (2000) provide an overview of the main concepts of the “old deal” and the “new deal”. According to them (as adapted from Millward & Brewerton 2000), the old deal entails long-term job security, fair pay for good performance, a structured and predictable employment scenario, a career managed by the organisation, being rewarded for the time and effort the ploughed into the organisation, income related experience and/or status, promotion prospects and support, as well as mutual trust and investment. The new deal, on the other hand, offers no security, high pay for high performance, a flexible and ambiguous employment scenario, a career managed by the individual, an income related to an employee’s performance, a transactional work attitude, little trust and much cynicism. Many

employers are interpreting these new employment relationships as employees being completely responsible for their careers, while the employer takes no responsibility at all (Hall & Moss, 1998).

Blau (1964) states that balance in a work relationship is preformed as well as expected in that the employee perceives the employment relationship as consisting of high or low levels of employee and employer obligations. Shore and Barksdale (1998) state that should an employment relationship be unstable, an imbalance can be present in an employee's expectations. This could explain why individuals tend to overestimate their own contributions and underestimate the contributions of the other party. According to Sonneberg (2006), employees can therefore feel that the organisation owes them more than they owe the organisation.

When one of the parties in the psychological contract fails to live up to the promises made, the other party experiences a violation in the psychological contract, which leads to job insecurity. (Anderson & Schalk, 1998).

### **Job insecurity**

Sverke and Hellegren (2002) believes that change in the work sector over the past two decades contribute feelings of job insecurity. "Job insecurity" is defined as people that fear they might lose their jobs and become unemployed (De Witte, 1999).

It is further defined by Lee, Colditz, Berkman and Kawachi (2003) as an employee's perception of potential threat to his current employment, which will lead to uncertainty about his/her future. Sverke and Hellegren (2002) explains job insecurity in terms of an employee's negative reaction to changes concerning his/her job and also as an individual's expectations about continuity in a job situation, the overall concern about the certainty of a sustainable job and the perception of a potential threat to continuity in their current job. Job insecurity can therefore be understood as a discrepancy between preferred and experienced security in an employment situation.

Sverke and Goslinga (2003) reveals in their study that job insecurity has immediate consequences possibly affecting individuals' attitudes and holds in possible long-term

consequences that might affect an individual's health and behaviour. Studies by Kissler (1994) and Noer (1993) find that job insecurity is not a condition of employment in new psychological contracts. Marks (1994) suggests addressing job insecurity and says that organisations must recognise uncertainty and concerns among its employees, as well as communicate all its plans, actions and strategies, which will in turn help with fulfilling employee obligations.

Employees also experience job insecurity when there are changes to a psychological contract, which leaves the employee with feelings of uncertainty. This triggers the behavioural outcomes, resulting in a decrease in organisational commitment (Rivera, 2003).

### **Organisational Commitment**

Castaing (2005) defines organisational commitment as a psychological state that binds the individual to the organisation. Meyer and Allen (1997) defines a committed employee as "one who stays with the organisation under any favourable or unfavourable circumstances affecting the organisation". In short, people stay with an organisation because they (a) *want to* (affective commitment), (b) because they *need to* (continuance commitment), or (c) because they feel they *ought to* (normative commitment). According to Cook and Wall (1980) commitment also is feelings of attachment to goals and values of the organisation.

Organisational commitment can be seen as employees' identification with his employer that includes the willingness to work hard on behalf of the organisation and the intention to remain with the organisation for a period of time (Hollenbeck 1995). Organisational commitment can be affected by job insecurity, because employees with a perception of low job security experience lower levels of organisational commitment and will be more likely to have intentions to quit (Probst, 1998).

### **Intention to quit**

Baillod and Semmer (1994) defines intention to quit as an individual's desire to voluntary change from one organisation to another, into self employment or unemployment. One of the contributing factors to an employee's desire to leave is a lack of commitment to the



organisation (Greenhaus & Beutell, 1985; Igarria & Greenhaus; 1992; Kahn *et al*, 1964; Leong *et al*, 1996; Lum *et al*, 1998, Peters *et al*, 1981, Rahim & Psenicka 1996). Organisational commitment is considered as the primary determinant of an employee's intention to leave a job or profession (Becker 1985) and it also relates to job insecurity, which plays a major role in the employment relationship. In a study by Huiskamp and Schalk (2002), a significant relationship was found between psychological contract fulfilment and turnover intention. It is found that the number of obligations of both the employer and the employee lower the intention to quit.

It is therefore clear that the psychological contract and the experience of job insecurity, organisational commitment and an employee's intention to quit is a reality in both South Africa and the rest of the world. There is, however, a lack of research in the relationship between psychological contract, job insecurity, organisational commitment and intention to quit in South African industries.

On the basis of the above-mentioned problem statement, the following research questions have been identified:

- How are employee obligations and employer obligations, job insecurity, organisational commitment, intention to quit and the relationship between these constructs conceptualised in the research literature?
- What is the relationship between employee obligations, employer obligations, job insecurity, organisational commitment and intention to quit in a service (security) company?
- What are the reliability and validity of the psychological contract questionnaire, job insecurity questionnaire, organisational commitment questionnaire and intention to quit questionnaire for employees in security companies in South Africa.
- Are there demographic differences in employer obligations of employees in service companies in the Vaal Triangle?

The research will make the following contributions to industrial sociology as a science:

- A standardised measuring instrument for the psychological contract, which has been proven valid and reliable, will exist.

- Recommendations and scientific information on the relationship between the psychological contract, job insecurity, organisational commitment and intention to quit.

### **1.3 RESEARCH OBJECTIVES**

In order to answer the above research questions, the following research objectives are set. They are divided into general and specific objectives.

#### **1.3.1 General objective**

The general objective of this research is to establish the relationship between the psychological contract, job insecurity, organisational commitment and intention to quit of employees within security companies in the Vaal Triangle.

The general objective of this research is also to determine employer obligations, employee obligations, job insecurity, organisational commitment and the employees' intention to quit of Vaal Triangle-based service (security) employees.

#### **1.3.2 Specific objectives**

The specific objectives of this research are:

- To conceptualise the concepts of “employer obligations”, “employee obligations”, “job insecurity”, “organisational commitment” and “intention to quit”;
- To determine the reliability and validity of the psychological contract questionnaire, job insecurity questionnaire, organisational commitment questionnaire and intention to quit questionnaire; and
- To determine the relationship between the psychological contract, job insecurity, organisational commitment and intention to quit.

### **1.4 RESEARCH METHOD**

The research for each of the two articles submitted for this dissertation consists of a brief literature review and empirical study.

### 1.4.1 Research design

The purpose of a research design is to plan and structure a research project in such a way that it enhances the ultimate validity of the research findings (Mouton & Marais, 1992). A survey design will be used to support the research objectives since the researcher intends to use questionnaires as a data collection method. A cross-sectional survey design will be used to reach the objectives of the research by means of which a sample is randomly drawn from the security employee population. According to Burns and Grové (1993), this design is ideal when the aim of the study is predictive and descriptive by nature. The questionnaires will be delivered by hand so that respondents can complete it in their own time.

### 1.4.2 Participants

A population of 300 Vaal Triangle-based security employees working was targeted for this research, while a response rate of 72% (217 responses; N=217) was obtained. The populations includes workers from all levels, i.e. ranging from semi-skilled to professional level. The lowest level employees have a level of literacy adequate to allow valid completion of questionnaires.

### 1.4.3 Measuring instruments

The following six measuring instruments will be used:

- *Biographical information*: this questionnaire was constructed in order to obtain relevant biographical data about the participants in the research. Nevertheless, the participants' anonymity is strictly maintained throughout the study.
- *Psychological contract*: The Psycones Questionnaire (Psychological contracts Across Employment Situation) (Kirtsten, 2002) was used as measurement that includes:
  - *Employer Obligations* (adopted from Isaksson, Josephson & Vingard, 2003) (content, breach): consists of 15 items, answered yes or no (e.g. "Has your organisation promised or committed itself to provide – interesting work, a good pay for the work

you do?" etc.). The questionnaire is answered on a 6-point scale with 0="no" to 5="yes" and "promise fully kept".

- *Employee Obligations* (adopted from Isaksson *et al.*, 2003): consists of ten items answered yes or no. Examples from the questionnaire are "Have you promised or committed yourself to be loyal to the organisation, to be punctual, to protect the image of your company?" etc.
- *Job insecurity* (De Witte, 1999): job insecurity is measured with four items as constructed by De Witte (2000) and various questions were formulated (e.g., "I feel insecure about my job"). The reliability of  $\alpha = 0,86$  responses could vary from 1 (strongly disagree) to 5 (strongly agree). Previous research through this questionnaire provides support for the validity and reliability of the scales used (De Witte, 2000, Heymans, 2002; Moeletsi, 2003; Sauer, 2003; Labuschagne *et al.*, 2005; Botha, 2006). South African studies by Heymans (2002) obtained a Cronbach alpha coefficient of 0,81, while Moeletsi (2003) found a Cronbach alpha coefficient of 0,93 in her study. Sauer (2003) found a Cronbach alpha coefficient of 0,75 and Labuschagne *et al.* (2005) obtained a Cronbach alpha coefficient of 0,79.
- *Organisational Commitment* (Cook & Wall, 1980): this questionnaire used four-items, e.g. "I feel myself as part of the organisation" (Cook & Wall, 1980), Cook *et al.* (1981:287) determined a Cronbach alpha range from 0,77 – 0,83 in previous studies. The organisational commitment scale is psychometrically adequate, stable and reliable. In South Africa, a Cronbach alpha coefficient of 0,80 for the total scale is obtained.
- *Intention to quit* (Price, 1997): the intention to quit questionnaire is a modified questionnaire by the Psycones project. It is measured by using four items ("I would be reluctant to leave this job" and reverse code). The Cronbach alpha in previous studies (Isaksson, 2003; de Cuyper & de Witte, 2000) range from  $\alpha = 0,79 - 0,82$ . Intention to quit measures the desire to leave rather than the actual intention and also that the exact time of departure, which is set in advance, might possibly be influenced by the intention to quit before a contract expires (De Jong & Geurtz, 1997:195-211).

### **1.4.5 Statistical-analysis**

Descriptive statistics will provide the reader with an overall, coherent and straightforward picture of a large amount of data (means, skewness, kurtosis, standard deviations). The analysis undertaken in this study allows the researcher to make certain recommendations, which could enhance the employee relationship and therefore create a more positive working environment, thus retaining more employees.

Statistical analysis will also be carried out with the SPSS programme (SPSS Inc, 2007) Pearson product-moment correlation will be used to specify the relationship between the variables. To test internal consistency of the questionnaires, Cronbach alpha and inter-item correlation coefficients will be used.

## **1.5 CHAPTER DIVISION**

The chapters in this dissertation are as follows:

- Chapter 1: Introduction, problem statement and objectives.
- Chapter 2: Article 1: The validation of the psychological contract questionnaire, job insecurity scale, organisational commitment scale and the intention to quit scale.
- Chapter 3: Article 2: The relationship between the psychological contract and job insecurity, organisational commitment and the intention to quit.
- Chapter 4: Conclusions, limitations and recommendations

## **1.5 CHAPTER SUMMARY**

In this chapter, the problem statement and motivation for the research were discussed and the general and specific objectives were formulated. The research method was discussed and a chapter division was given.

In Chapter 2 the first research article focuses on the validation of the psychological contract (employer obligation scale, employee obligations scale), the job insecurity scale (JIQ), the organisational commitment scale (OCS) and the intention to quit scale (IQS) for Vaal Triangle-based security company employees.

In Chapter 3 the second research article, the focus is to determine the relationship between the psychological contract, job insecurity, organisational commitment and the employee's intention to quit.

Chapter 4 consists of recommendations and conclusion of this study.

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**CHAPTER 2**

**RESEARCH ARTICLE 1**

# THE VALIDATION OF THE JOB INSECURITY SCALE, ORGANISATIONAL COMMITMENT SCALE AND THE INTENTION TO QUIT SCALE

C Du Plooy

## ABSTRACT

The aim of this study is to validate the psychological contract (employer obligation scale, employee obligations scale), the job insecurity scale (JIQ), the organisational commitment scale (OCS) and the intention to quit scale (IQS) for Vaal Triangle-based security company employees (N=217). A cross-sectional survey design was conducted among 300 security employees in the region and a response rate of n=217 (72%) was obtained. The Employee obligation scale, employer obligations scale, JIS, OCS, IQS and biographical questionnaire were administered. A simple component factor analysis for the employer obligation scale resulted in a one-dimensional factor, while the employee obligations scale resulted in a two-dimensional factor. The JIS resulted in a two-dimensional factor of job insecurity, the OCS resulted in a two-dimensional factor of organisational commitment and the IQS resulted in a two-dimensional factor for intention to quit. The scales demonstrated acceptable levels of internal consistencies, yet significant differences were found between employer obligations, employee obligations, job insecurity, organisational commitment, intention to quit and biographical information.

## OPSOMMING

Die doel van hierdie navorsing was om die Psigologiese kontrak (die werkgewerverpligtingskaal, werknemerverpligtingskaal), die werksonsekerheidskaal (ICQ), die organisatoriese verbintenisskaal (OCS) en beoogde diensbeëindiging-skaal (IQS) van Vaaldriehoek-gebaseerde sekuriteitswerkers (N=217) te bevestig. 'n Deursnee vraelys-ontwerp is voorgelê aan 300 sekuriteitswerkers en 'n N=217 (72%) terugvoer is ontvang. Die werkgewer verpligting skaal, werknemer verpligting skaal, JIS, OCS, IQS en biografiese-vraelys is gebruik en 'n eenvoudige komponent-faktor analise vir die werkgewerverpligtingskaal lei tot 'n een-dimensionele faktor, terwyl die werknemerverpligtingskaal lei tot 'n twee-dimensionele faktor. Die JIS lei tot 'n twee-dimensionele faktor vir organisatoriese toewyding en die IQS lei tot 'n twee-dimensionele faktor vir die beoogde diensbeëindiging. Hierdie skale toon aanvaarbare vlakke van interne eenvormigheid, terwyl merkwaardige verskille gevind is tussen werkgewerverpligtinge, werknemerverpligtinge, werksonsekerheid, organisatoriese verbintenis, die beoogde diensbeëindiging en biografiese inligting.

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## INTRODUCTION

In South Africa, just as in other countries, the work environment and workplace have changed to such an extent that it resembles little from what it was a decade ago (Hlalele, 2003). Burke and Cooper (2002) and Van Rooyen (2006) explains that during the last decade, the workplace has changed because of transitions such as mergers and acquisitions, restructurings, downsizing and privatisations. Botha (2006) states that competition and restructuring in organisations occur more frequently, in the 1980's and 1990's have changed the long-standing practice of job security. Layoffs also became a reality for employees in all industries, employees must now compete for work in the labour market consisting less benefits and more job (Barber, 1996; Rifkin, 1995; Harrison, 1994; Harrison & Bluestone, 1998).

Maslach, Schaufelli and Leister (2001) explains that the impact of the changing world of work is perhaps most evident in changes in the psychological contract. McDonald and Makin (2000:84) states that the psychological contract is a way of examining how employees perceive organisational changes.

Rousseau (1990) defines the *psychological contract* as “the employee’s perception of joint obligations between the employer and employee”. Levinson *et al.* (1962) and Argyris (1960) introduced the concept of psychological contract within the field of labour relations. The psychological contract is mostly a reciprocal unspoken relationship between two parties – a person and the organisation, or an employee and an employer (Rousseau, 1990). Schein (1988) further defines the psychological contract as “a set of unwritten expectations”, which, according to Guest (1998) can lead to some major problems within the workplace. These problems emerge from a conflict of expectations in the company, beliefs, promises and both parties' obligations.

Employee obligations change for the following reason: the development of the exchange relationship between an employee and an employer, joined with the employee’s view regarding that development, can in turn create changes in the employee’s view of the psychological contract (Robinson, Kraatz, Matthew & Rousseau, 1994).

The psychological contract is measured by using the employer's obligations and aforementioned measurements scale. For this, Issakson's questionnaire (2005) is used.

### **Psychological contract (Employer- and employee obligations scale)**

A recent SALSA project (2000) about the psychological contract across employment situations (PSYCONES) developed a new questionnaire to measure employer obligations and employee obligations. The employer obligations scale measures the organisational promises that employers make to employees. The questionnaire consists of 15 items arranged along a 6-point frequency rating scale, with 0 being "No" and 5 being "Yes" and "Promise fully kept". Typical questions on this questionnaire range from "Has your organisation promised or committed itself to providing you with interesting work?" to "Has your organisation promised or committed itself to help you deal with problems you encounter outside work? The content of the Psychological Contract refers to the concrete terms being part of the perceived exchange relationship (Rousseau & Tijoriwala, 1998). Mpotane (2007) conducted a study and found a Cronbach alpha coefficient of 0,93, which indicates an internal consistency of the questionnaire. More (2007) in a South African study on teachers in the Sedibeng-West District, also found a Cronbach alpha of 0,93.

From a theoretical perspective, Rousseau (1995) established seven employer's obligations in an employment relationship, namely promotion, high wages, salaries according to performance, training and education, job security, development and support (Coyle-Shapiro & Kessler, 2002; Coyle-Shapiro & Neuman, 2004; Gakovic & Tetrick, 2003; Robinson & Morison, 1995; Shore & Barksdale, 1998).

Roehling *et al.* (2000) states that there are thirteen different employer's obligations. Among these obligations are opportunities to progress in the specific organisation in the future, friendly and supportive working environment, assistance in career development, feedback on performance, balanced working and non-work life, two-way communication, and interesting work.

The employee obligations questionnaire developed by Isaksson, *et al.* (2003) is utilised to determine some promises and commitments that people sometimes make to their organisations. The questionnaire consists of sixteen items, arranged along 6-point frequency

rating scale with 0 being “No” and 5 being “Yes, fully kept promise”. An example from the questionnaire is “Have you promised or committed yourself to work enthusiastically on jobs you would prefer not to be doing?”

If employees feel that the employer has failed to meet their obligations, they will see the employment relationship as unfavourable. If the employees feel that certain obligations are unfulfilled, they experience feelings of job insecurity, which lead to a reduced commitment to the organisation (Robinson *et al.*, 1994; Robinson & Rousseau, 1994; Rousseau, 1990).

### **Job insecurity scale**

The job insecurity scale (JIQ) measures the overall concern of an individual to have a job in the future (De Witte, 1999). Job insecurity is closely tied to individual well-being and it has implications for the macro economy, sometimes being linked with lower levels of consumer expenditure and greater wage restraint.

Job insecurity can be divided into three groups: organisational and environmental circumstances, an employee’s individual and positional characteristics, and an employee’s personal characteristics (Mauno & Kinnunen, 1999). Researchers found on a multidimensional measure of job insecurity that males are more insecure, emphasising financial concerns, whereas females also experience financial concerns, but emphasise intrinsic facets of their jobs. De Witte (1999) reports that potential unemployment is more stressful for respondents between the ages of thirty to fifty years, while it seems to be less of a problem for both young and old respondents, the reason being that younger respondents have less financial responsibilities and better opportunities for future jobs and older respondents can prepare themselves for a new role, namely retirement.

Evidence illustrates higher levels of job insecurity among temporary employees. Job insecurity levels of temporary employees are less secure than that of permanent employees (Claes *et al.*, 2002; De Witte, 2002b). Van der Steene and De Witte *et al.* (2001) reports that differences was found between different types of temporary employees: agency employees, for example, have lower levels of insecurity in comparison to fixed term contract employees. The temporary workforce, with regards to the specific contract type, the preference of the contract and the psychological contract, modifies the basic relationship (Claes *et al.* 2002;

Guest, Mackenzie, Davy & Patch, 2003; Van der Steene, De Witte, Forier, Sels & Van Hoogtegem, 2001).

Temporary employees more often change jobs. This may be inspired by the search towards security (Forier, Sels, Hoogtegem, Witte & Steene 2002). Employees in fixed or temporary contracts will like a permanent contract better (Brewster *et al*, 1998). Increased job insecurity can be the result of unemployment and temporary contracts in evenly distributed industries and occupations (Robinson, 1997; Burke, 1998). The youngest and oldest employees of the organisation are also more likely to experience job insecurity (Burchell *et al*, 1997/1999).

Research found that organisational commitment is affected by job insecurity. Van Vuuren (1990), De Witte (1997) found that insecure employees feel less pride in working for the company. The trust given to the company also decreases as a result of job insecurity, (Asford *et al*. 1997) while an increased intention to quit the company becomes evident in nearly all studies (Greenlagh & Rosebalt, 1984). This is also supported by the studies of De Witte (1997). Job insecurity has consequences for the company and a negative influence on organisational commitment.

### **Organisational commitment scale**

The organisational commitment scale (OCS) is more likely the most popular and frequently used measure of organisational commitment. This commitment is defined as the “feelings of attachment to goals and values of the organisation, one’s role in relation to this, and attachment to the organisation for its own sake rather than for its strictly instrumental value” (Cook & Wall, 1980:40). Cook and Wall further explains the concept “organisational commitment” as “a person’s affective reactions to characteristics of his employing organisation”. The organisational commitment scale reflects three acts – identification, involvement and loyalty. Buchanan (1974) defines identification as “the pride in the organisation: the internalisation of the organisation’s goals and values”. Buchanan (1974) further sees involvement as “affection for and attachment to the organisation; a sense of belonging manifesting as ‘a wish to stay’.” Cook and Wall (1980) defines involvement as “the willingness to invest personal effort as a member of the organisation, for the sake of the organisation”.



Temporary employees are assumed to be less committed than those that are permanent, because of short contract duration (Rigotti & Mohr, 2003). Mathieu and Zajac (1990) found that tenure has an influence on organisational commitment. Individuals accumulate more years with an organisation, they are likely to acquire greater investment, and therefore be more committed.

From a theoretical point of view it could be argued that temporary employees feel less committed than permanent employees, (Van der Steene *et al.* 2001). Goudswaard *et al.* (2001) found that there are two types of temporary employees – those that have the prospect of becoming a permanent employee, while the other have no prospect of becoming a permanent whatsoever. The first group of the aforementioned show high levels of organisational commitment.

### **Intention to quit scale**

Research found that intention to quit is influenced by job dissatisfaction, a lack of organisational commitment and job stressors (Igbaria & Greenhaus, 1992; Tinker & Moore, 2001, Koeske & Koeske, 1993).

The intention to quit scale (IQS), a modified questionnaire by Rigotti *et al.* (2003), is used to measure an employee's intention to quit his or her position. Baillod and Semmer, (1994) explains the intention to quit is an employee's voluntary shift from an organisation to being self-employed or voluntarily being unemployed. The IQS measures the desire to leave the company rather than the actual intention of the subject and that looks at the exact time of departure being set in advance, possibly influencing the intention to leave before the employment contract has expired (De Jongh & Geurtz, 1997:195-211).

The intention to quit questionnaire is assessed using an instrument of five items as introduced by Price (1997). According to Price, these items help identify three general problems with existing scales: Firstly, temporary employees are more likely to be thinking about leaving their current job as they are more short term orientated and have a rapid rate of job transition; secondly, temporary employees are more likely to be constantly searching for new jobs; and thirdly, a similar reason to the previous stated one, is asking early in the employment whether

a temporary employee knows that he or she will be leaving the position, as leaving and starting jobs more often is, in many ways, a defining characteristic of non-permanent employment.

Supervisor support raises organisational commitment and reduces the employee's intention to quit. Variables that relate to intention to quit are "experience of job related stress, a lack of organisational commitment and job dissatisfaction" (Greenhaus & Beutell, 1985; Igarria & Greenhaus 1992; Kahn *et al.* 1964; Leong *et al.* 1996, Lum *et al.* 1998, Peters *et al.* 1981, Rahim & Psenicka, 1996). Quitting intentions have a influence on occupational turnover and job satisfaction and organisational commitment are considered as the primary determinants of an employee's intention to quit a job or profession (Becker, 1985).

Research by Freese and Schalk (1996), Geurts, Schaufeli and Rutte (1999), Schalk, Freese and Van den Bosh, (1995) Schalk, Heinen and Freese (2001), Van Dierendonck, Schaufeli and Buunk, (1998), Van Yperen, (1995), and Van Yperen, Hagendoorn and Geurts (1996) find that the number of obligations of both the employer and the employee toward each other lowers the intention to quit. In their study they find that the psychological contract has more impact on one's intention to stay or to leave an organisation rather than objective factors such as age, education and sector, highlighting the importance of the psychological contract.

The intention to quit also relates to job insecurity, which plays a major role in the employee and employer relationship. As tenure decreases and insecurity rises, it can create problems in employees' morale and effort and creates less of an opportunity to develop a long-term relationship (Greenspan, 2005).

In a South African study investigating the internal consistency and construct validity JIS, OCS exists and no research regarding the internal consistency and construct validity of the IQS in South Africa is found. For this reason the study is considered important and relevant. Research hypotheses relating to the present study are formulated as follows:

- H1: Employer obligations can be defined as a one-dimensional construct with acceptable levels of internal consistency.
- H2: Employee obligations can be defined as a one-dimensional construct with acceptable levels of internal consistency.

- H3: Job insecurity, as measured by JIS, can be defined as a two-dimensional construct with acceptable levels of internal consistency for each of its subscales, namely the emotional component (worries) and the cognitive component (qualms).
- H4: Organisational commitment, as measured by the OCS, can be defined as a two dimensional construct with an acceptable level of internal consistency for each of its subscales, namely normative and affective commitment.
- H5: The intention to quit, as measured by IQS, can be defined as a two-dimensional construct with acceptable levels of internal consistency for each of its subscales, namely the intention to quit and the intention to stay.
- H6: Practically significant differences based on biographical characteristics exist regarding job insecurity, organisational commitment and an employee's intention to quit.

## **METHOD**

### **Research design**

A cross sectional survey design was used to reach the research objectives. The cross-sectional design can be used to examine groups of subjects in various stages of development simultaneously, while a survey is a data-collection technique in which questionnaires are used to gather data about an identified population (Burns & Grove, 1993). Shaughnessy & Zechmeister (1997) says that this design is also ideal for describing and predicting functions associated with correlative research.

### **Participants**

A population of 300 Vaal Triangle-based security employees working was targeted for this research, while a response rate of 72% (217 responses; N=217) was obtained. The biographical characteristics of the studied population are detailed in Table 1.

Table 1 indicates that 81% of the participants are male, while 13% are female. The majority of participants (43%) are aged between 25 and 35. Also, 43% has a Grade 10 to 12 level of education. Their respective employers have employed the majority of the studied population

for a period less than one year. The number of missing responses from the four items varies between a number of between 14 and 29.

Table 1

*Compilation of the studied population (N=217)*

<b>Item</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	Male (1)	175	80,6
	Female (2)	28	12,9
	Missing responses	14	6,5
	<b>Total</b>	<b>217</b>	<b>100</b>
<b>Age</b>	24 years and younger (1)	52	23,9
	25 – 35 years (2)	94	43,4
	36 – 45 years (3)	43	20
	46 – 55 years (4)	12	5,6
	56 years and older (6)	2	1
	Missing responses	14	6,5
	<b>Total</b>	<b>217</b>	<b>100</b>
<b>Qualification</b>	Grade 9 and below (1)	74	34,1
	Grade 10 – 12 (2)	95	43,8
	Diploma (3)	24	11,1
	Degree (4)	0	0
	Post-graduate Degree (5)	2	0,9
	Missing response	22	10,1
	<b>Total</b>	<b>217</b>	<b>100</b>
<b>Tenure</b>	Less than 1 year (1)	141	64,9
	2 – 5 years (2)	45	20,9
	6 - 10 years (3)	6	2,8
	11 – 20 years (4)	3	1,5
	Longer than 21 years (5)	2	1
	Missing responses	20	9,2
	<b>Total</b>	<b>217</b>	<b>100</b>
<b>Status</b>	Single or living as single (1)	67	30,9
	Married or cohabiting (2)	94	43,3
	Living with family/parents (3)	34	15,7
	Missing response	22	10,1
	<b>Total</b>	<b>217</b>	<b>100</b>
<b>Type of contract</b>	Permanent employee	113	52,1
	Temporary employee	75	34,6
	Missing response	29	13,4
	<b>Total</b>	<b>217</b>	<b>100</b>

## Measuring instruments

The following measuring instruments were used in this study:

- *Biographical information*: a biographical questionnaire was constructed in order to obtain relevant biographical data about the participants in the research. As seen in the questionnaires, the participants' anonymity is maintained throughout.
- The *employers' obligation scale* measures the promises and commitment that employers make towards employees. The questionnaire consists of 15 items arranged along a 6-point frequency rating scale with 0 being "No" and 5 being "Yes" and "Promise fully kept". Typical questions on this questionnaire range from "Has your organisation promised or committed itself to providing you with interesting work?" to "Has your organisation promised or committed itself to help you deal with problems you encounter outside work?"
- The *employee obligations questionnaire* is developed by Issaksson, *et al.* (2003) and is utilised to determine promises and commitment that people sometimes make to their organisation. The questionnaire consists of 16 items arranged along a 6-point frequency rating scale with 0 being "No" and 5 being "Yes, fully kept promise". An example of the questionnaire is "Have you promised or committed yourself to work enthusiastically on jobs you would prefer not to be doing?"
- *Job insecurity (JIQ)*: This is the overall concern of an individual to have a job in the future (De Witte, 1999). Job insecurity is measured with four items as constructed by De Witte (2000) and various questions were formulated (e.g., "I feel insecure about my job"). The reliability of  $\alpha = 0,86$  responses could vary from 1 (strongly disagree) to 5 (strongly agree). Previous research through this questionnaire provides support for the validity and reliability of the scales used (De Witte, 2000, Heymans, 2002; Moeletsi, 2003; Sauer, 2003; Labuschagne, *et al.* 2005; Botha, 2006). South African studies by Heymans (2002) obtained a Cronbach alpha coefficient of 0,81, while Moeletsi (2003) found a Cronbach alpha coefficient of 0,93 in her report study. Sauer (2003) found a Cronbach alpha coefficient of 0,75 and Labuschagne *et al.* (2005) obtained a Cronbach alpha coefficient of 0,79.

- *Organisational commitment*: this questionnaire uses four-items, for example "I feel myself as part of the organisation" (Cook & Wall, 1980), Cook *et al.* (1981:287) determined a Cronbach alpha range from 0,77 to 0,83 in previous studies. The organisational commitment scale is psychometrically adequate, stable and reliable. In South Africa, a Cronbach alpha coefficient of 0,80 for the total scale is obtained, while 0,69 for the affective scale, 0,53 for the continuance scale and 0,74 for the normative scale where found by Heymans (2002).
- *Intention to quit* (Price *et al.* 1997): The "intention to quit" questionnaire is a modified questionnaire. It is measured by using the four items of Price (1997) (e.g. "I would be reluctant to leave this job"). The Cronbach alpha in previous studies (Isaksson, 2002; De Cuyper and De Witte) range from  $\alpha = 0,79$  to 0,82 and it is important to remember that this questionnaire measures the desire to leave the company rather than the actual intention and that the exact time of the departure is set in advance, which possibly influences an employee's intention to leave before the contract expires (De Jong & Geurtz, 1997:195-211).

### **Statistical analysis**

The SPSS-programme (SPSS Inc., 2007) was used to carry out the statistical analysis in this research. The exploratory factor analysis, Cronbach's alpha coefficients and inter-item correlation will be used to assess the internal consistency or reliability and validity of the measuring instruments (Clark & Watson, 1995). Cronbach's alpha coefficients convey important information regarding the proportion of error variance contained in a scale.

Clark and Watson (1995) further explains that the average inter-item correlation coefficient (which is a straightforward measure of internal consistency) is a useful index to supplement information supplied by the coefficient alpha. However, simply focusing on the inter-item correlation cannot ensure immeasurableness of a scale and it is necessary to examine the range and distribution of these correlations as well.

Factor analysis and Cronbach's alpha coefficient were determined to assess the validity and reliability of the employer obligations scale, the employee obligations scale, the job insecurity scale, the organisational commitment scale and the intention to quit scale. A simple principal component analysis was conducted on the constructs. The *eigenvalues* and screen plots were then studied in order to determine the number of factors involved. Thereafter, a direct *Oblimin rotation* was conducted in cases where factors were related ( $r > 0,30$ ) or a principal component analysis with a Varimax rotation in cases where factors were not related ( $r < 0,30$ ) (Tabachnick & Fidell, 2001).

Means, standard deviation, skewness and kurtosis were determined to describe the data and the level of statistical significance was set at  $p < 0,01$ . The significance of the differences between demographic groups was established by means of MANOVA. If Wilk's Lambda values ( $p < 0,01$ ) demonstrated statistically significant differences, the relationships were further analysed to determine practical significance using ANOVA, followed by Tukey HSD tests. The practical significance cut-off point of 0,50 was set for difference of medium effect and 0,80 for a difference of large effect (Cohen, 1988).

## RESULTS

### *Construct validity of the measuring instruments*

A simple principal component analysis was performed on the 15 items of employers' obligations on the 217 security employees in the Vaal Triangle. An analysis of the eigenvalues ( $> 1,00$ ) and screen plot indicate that one factor could be extracted, which explains 61,54% of the total variance.

The results of the factor analysis on the employer obligations are indicated in Table 2. The loading of variables in the factors are also indicated.

Table 2

Factor loading for Simple Principle Component Analysis for employers' obligations

Does your employer...		Component
		1
1.	Provide you with interesting work?	0,60
2.	Provide you with a reasonably secure job	0,82
3.	Provide you with a good salary for the work you do?	0,81
4.	Provide you with a job that is challenging?	0,81
5.	Allow you to participate in decision-making?	0,77
6.	Provide you with a career?	0,80
7.	Provide a good work atmosphere?	0,85
8.	Ensure fair treatment by managers?	0,84
9.	Be flexible in matching demands of non-work roles with work?	0,80
10.	Provide possibilities to work together in a pleasant way?	0,84
11.	Provide you opportunities to advance and grow?	0,83
12.	Provide you with a safe working environment?	0,84
13.	Improve your future employment prospects?	0,82
14.	Provide an environment free of violence and harassment?	0,71
15.	Help you deal with problems you encounter outside work?	0,58

Extraction Method: Principal Component Analysis.

A 1 components extracted.

Inspection of Table 3 above indicates that all of the measuring items has a loading above 0,5 and are therefore successfully clustered.

Next, a simple principal component analysis was carried out on the 17 items of employee obligations. An analysis of the eigenvalues 69,54% of the total variance was also used. The results of the factor analysis are presented in Table 3 below. Labels are suggested for each factor in a footnote. (Zeros replace loading under 0,30.)



Table 3

Factor loading for Simple Principal Component Analysis for employee obligations

Do you...	Component	
	1	2
1. Go to work even if you don't feel particularly well?	<b>0,84</b>	0,00
2. Protect your company's image?	<b>0,83</b>	0,00
3. Show loyalty to the organisation?	<b>0,87</b>	0,00
4. Work overtime or extra hours when required?	<b>0,77</b>	0,00
5. Be polite to customers or the public even when they are being rude and unpleasant to you?	<b>0,74</b>	0,00
6. Be a good team player?	<b>0,71</b>	0,00
7. Turn up for work on time?	<b>0,76</b>	0,00
8. Assist others with their work?	<b>0,75</b>	0,00
9. Volunteer to do tasks outside your job?	<b>0,55</b>	0,00
10. Develop your skill to be able to perform well in this job?	<b>0,48</b>	0,00
11. Meet the performance-expectations for your job?	<b>0,49</b>	0,00
12. Accept an internal transfer, if necessary?	<b>0,42</b>	0,00
13. Provide the organisation with innovative suggestions for improvement?	0,00	<b>0,79</b>
14. Develop new skills and improve current skills?	0,00	<b>0,89</b>
15. Respect the rules and regulations of the company?	0,00	<b>0,70</b>
16. Work enthusiastically on jobs you would prefer not to be doing?	0,00	<b>0,75</b>

Extraction Method: Principal Component Analysis.

F<sup>1</sup>= LoyaltyF<sup>2</sup>= Ethics

The first factor deals with the loyalty of the employee towards the employer and the second factor explains the work ethics of the employee.

A simple component analysis was performed on the four items of job insecurity on the total sample of security employees in a service company. Analysis of the eigenvalues (larger than 1) and the screen plot indicates that two factors could be extracted, explaining 63,81% of the total variance. Labels for each factor are suggested in a footnote. The results of the factor analysis of the employee expectation are indicated in Table 4. (Zeros replace loading under 0,30.)

Table 4

*Factor loading for job insecurity with a principle component analysis*

	Component	
	1	2
1. Chances are, that I will soon lose my job	<b>0,78</b>	0,00
2. I am sure I can keep my job	0,00	<b>0,64</b>
3. I feel insecure about the future of my job.	0,00	<b>0,85</b>
4. I think I might lose my job in the near future	<b>0,78</b>	0,00

Extraction Method: Principal Component Analysis.

F<sup>1</sup>=emotional component (worries) F<sup>2</sup>=cognitive component (qualms)

Inspection of Table 4 shows two factors. The first factor focuses on the emotional component (worries) and the second factor on the cognitive component (qualms). As explained by Borg (1992), the loss of jobs is a breach of the psychological contract between the employee and the organisation.

A simple component analysis was performed on organisational commitment. An analysis of the eigenvalues explain 61,11% of the total variance. Two factors were extracted and labels for each factor are suggested in a footnote. The results of the factor analysis are presented in Table 5 below. (Zeros replace loading under 0,30.)

Table 5

*Factor loading with a direct oblimin method for organisational commitment*

	Component	
	1	2
1. To know that my own work has made a contribution to the good of the organisation would please me.	0,00	<b>0,73</b>
2. I feel myself to be part of the organisation.	<b>0,67</b>	0,00
3. Even if this organisation was not doing too well, I would be reluctant to change to another employer.	0,00	<b>0,84</b>
4. In my work I like to feel that I am making some effort, not just for myself, but for the organisation too.	<b>0,76</b>	0,00
5. I am quite proud to be able to tell people who it is I work for.	<b>0,68</b>	0,00

Extraction Method: Principal Component Analysis.

F<sup>1</sup>= Normative commitment F<sup>2</sup>= Affective commitment

Table 5 indicates that two factors were extracted. Factor loading for factor 1 and 2 was above 0,6.

A simple principal component analysis was carried out on the intention to quit. An analysis of the eigenvalues explains 50,57% of the total variance and labels for each factor are suggested in a footnote. The results of the factor analysis are presented in Table 6 below.

Table 6

*Factor loading with a Simple Component Analysis for the intention to quit*

		Component	
		1	2
1.	Nowadays I often feel like quitting.	0,77	0,00
2.	Despite the obligations I have made to this organisation, I want to quit my job as soon as possible.	0,74	0,00
3.	At this moment I would like to stay with this organisation as long as possible.	0,00	0,82
4.	If I could, I would quit today.	0,77	0,00

Extraction Method: Principal Component Analysis.

a 2 components extracted.

F<sup>1</sup>= intention to quit

F<sup>2</sup>= intention to stay

The first factor deals with the intention of the employee to quit and the second factor explains the intention of the employee to stay.

A simple principal component analysis is carried out on violation. An analysis of the eigenvalues indicate 68,69% of the total variance. Two factors were extracted.

Table 7

*Descriptive Statistics, Cronbach Alpha Coefficients and Inter-Item Correlations Coefficients of the Measuring Instruments*

Test and subscales	Mean	SD	Skewness	Kurtosis	$\alpha$
Employer obligations	2,89	1,15	-0,84	0,51	0,95
Employee obligations	3,36	1,01	-0,83	0,17	0,94
Job insecurity	3,22	0,62	0,16	-0,02	0,73
Job commitment	3,46	0,63	0,07	0,21	0,81
Intention to quit	2,60	0,08	-0,58	0,17	0,67

The information reflected in Table 8 indicates that the scores on all the subscales have a normal distribution (skewness and kurtosis are smaller than one). Acceptable Cronbach alpha coefficients were obtained on employer obligations, employee obligations, job insecurity and

job commitment ( $\alpha = 0,73$  to  $0,81$ ). The intention to quit has values just below  $0,70$  ( $0,65$  and  $0,67$ ).

Gülseni (2005) explains that values near  $0,70$  can be accepted, as they will not affect internal consistency. Acceptable levels of internal consistency of measuring instruments are found in this study. The scores on all of the variables have a normal distribution. Inter-item correlations scales were consistent with the guideline of  $0,15 < r < 0,50$ . The above results provide support for hypotheses 1, 2 and 3.

Next, MANOVA and ANOVA analyses followed to determine the relationship between scores of the JIQ and various demographic characteristics, such as gender, status, tenure and age were questioned. The results of the comparison are given in Table 8.

An MANOVA analysis was used to determine the relationship between employer obligations, employee obligations, job insecurity, organisational commitment, intention to quit and the different demographic characteristics such as gender, status, tenure and age. Demographic characteristics were first analysed for statistical significance using Wilk's Lambda statistics. The results of the comparison are given in Table 8.

Table 8

MANOVAS – Difference in employer obligations scale, employee obligations scale, job insecurity scale, organisational commitment scale and intention to quit scale demographic groups

	Wilks' Lambda	F	Df	P	Partial Eta Squared
Gender	0,94	3,11	4	0,00*	0,06
Status	0,88	3,27	8	0,00*	0,07
Tenure	0,37	1,25	36	0,00*	0,29
Age	0,47	2,48	35	0,04	0,17
Type of contract	0,78	4,38	5	0,00*	0,21

\*Statistically significant difference:  $p < 0,05$

Table 8 shows that there is a significant effect of gender on the combined dependent variable employer obligations ( $F_{4,198} = 3,11$ ,  $p < 0,05$ ; Wilks' Lambda =  $0,94$ ; partial eta squared =

0,06. This has a large effect (Cohen, 1988), where 6% of the variance is explained. Analysis of each individual dependent variable, using a Bonferroni adjusted alpha level of 0,0125, shows that there are significant differences between the levels of employer obligations ( $F_{1,000}$ ) = 0,259.

There is also a significant effect of status on the combined dependent variable employer obligations ( $F_{8,198}$ ) = 3,27,  $p < 0,05$ ; Wilks' Lambda = 0,88; partial eta squared = 0,07. This has a large effect (Cohen, 1988), where 7% of the variance is explained. Analysis of each individual dependent variable, using a Bonferroni adjusted alpha level of 0,0125 show that there are significant differences between the levels of employer obligations ( $F_{1,000}$ ) = 0,259.

A significant effect is found with tenure on the combined dependent variable employer obligations ( $F_{36,198}$ ) = 1,25,  $p < 0,05$ ; Wilks' Lambda = 0,37; partial eta squared = 0,29. This has a large effect (Cohen, 1988), where 29% of the variance is explained. Analysis of each individual dependent variable, using a Bonferroni adjusted alpha level of 0,0125 shows that there are significant differences between the levels of employer obligations ( $F_{1,000}$ ) = 0,259.

A significant effect was found in age on the combined dependent variable employer obligations ( $F_{35,198}$ ) = 2,48,  $p < 0,05$ ; Wilks' Lambda = 0,47; partial eta squared = 0,17. This has a large effect (Cohen, 1988), where 17% of the variance is explained. Analysis of each individual dependent variable, using a Bonferroni adjusted alpha level of 0,0125 show that there are significant differences between the levels of employer obligations ( $F_{1,000}$ ) = 0,259. The results of ANOVA on gender are given in Table 9.

There is also a significant effect of type of contract on the combined dependent variable employer obligations ( $F_{5,198}$ ) = 9,38,  $p < 0,05$ ; Wilks' Lambda = 0,78; partial eta squared = 0,21. This has a large effect (Cohen, 1988), where 21% of the variance is explained. Analysis of each individual dependent variable, using a Bonferroni adjusted alpha level of 0,0125 show that there are significant differences between the levels of employer obligations ( $F_{1,000}$ ) = 0,259.

Table 9

*ANOVAS - Difference in employer obligations, employee obligations, job insecurity, job commitment and intention to quit levels based on gender*

Item	Male	Female	P	Partial Eta Squared
Employer obligations	3,03	2,89	0,61	0,00
Employee obligations	3,65	3,06	0,11	0,01
Job insecurity	2,96	3,25	0,02	0,02
Org. commitment	3,50	3,45	0,69	0,00
Intention to quit	2,15	2,67	0,00*	0,05

*\*Statistically significant difference:  $p < 0,01$*

Table 9 shows that there are statistically significant differences between levels of the intention to quit based on gender. Regarding practical significance, the female participants have a higher intention to quit than their male counterparts. No statistically significant differences were found between levels of employer obligations, employee obligations, job insecurity and organisational commitment. This study does not support the findings of Mauno and Kinnunen (1999) that males are more insecure in their jobs than women.

Table 10

*ANOVAS - Difference in employer obligations, employee obligations, job insecurity, job commitment and intention to quit levels based on type of contract*

Item	Permanent	Temporary contract	p	Partial Eta Squared
Employer obligations	2,99	2,82	0,29	0,01
Employee obligations	3,12	3,79	0,00*	0,11
Job insecurity	3,30	3,04	0,00*	0,04
Org. commitment	3,32	3,64	0,00*	0,06
Intention to quit	2,81	2,28	0,00*	0,10

As seen in Table 10 there is a statistically significant difference between levels of type of contract and employee obligations, job insecurity, organisational commitment and intention to quit. No statistically significant difference between levels of type of contract and

employer obligations was found. Temporary employees have higher employee obligations (they feel that certain obligations are more unfulfilled than full-time employees).

Temporary employees have lower scores than permanent employees in terms of job insecurity. These findings are supported by Claes *et al.* (2002) and De Witte (2002b) that temporary employees are less secure than permanent. Temporary employees' organisational commitment scores are lower than permanent employees, which mean that temporary employees are less committed than permanent employees.

Rigotti and Mohr (2003) also supports the findings of this study. The intention to quit score of permanent employees are lower than that of temporary employees, indicating that temporary employees are more likely to be thinking of leaving their current job.

Table 11

*ANOVAS - Difference in employee obligations, employee obligations, job insecurity, job commitment and intention to quit levels based on status*

<b>Item</b>	<b>Single or living as single</b>	<b>Married or cohabiting</b>	<b>Living with family/parents</b>	<b>P</b>	<b>Partial Eta Squared</b>
Employer obligations	3,11	2,76	3,11	0,10	0,02
Employee obligations	3,27	3,32	3,72	0,09	0,02
Job insecurity	3,15	3,27	3,06	0,19	0,07
Org. commitment	3,38	3,37	3,84	0,00*	0,08
Intention to quit	2,79	2,69	2,04	0,00*	0,10

Table 11 demonstrates that there are statistically significant differences between levels of status, organisational commitment and intention to quit.

In terms of practical significance, participants living with family/parents tend to experience lower levels organisational commitment than single/living as single and married or cohabiting participants.

Furthermore, Table 11 shows that being single or living as a single lead to participants having a higher intention to quit their job than those living with their family/parents and who are married or cohabiting.

Table 12

*ANOVAS - Difference in employee obligations, employee obligations, job insecurity, job commitment and intention to quit levels based on tenure*

<b>Item</b>	<b>Less than 1 year</b>	<b>2-5 years</b>	<b>6-10 years</b>	<b>11-20 years</b>	<b>Longer than 21 years</b>	<b>p</b>	<b>Partial Eta Squared</b>
Employer obligations	3,37	3,06	2,58	2,64	1,68	0,00*	0,10
Employee obligations	3,43	3,20	3,36	3,55	4,03	0,19	0,03
Job insecurity	3,33	3,16	3,32	3,06	3,34	0,30	0,03
Job commitment	3,61	3,32	3,62	3,43	3,40	0,06	0,05
Intention to quit	2,57	2,73	2,45	2,40	2,94	0,19	0,03

Table 12 demonstrates that there are statistically significant differences between levels of tenure and employers' obligations. A practical significant relationship exists between participants that have less than one-year experience and that have less employer obligations than those who work longer than 21 years. No statistical significance could be found between tenure, employee obligations, job insecurity, job commitment and intention to quit.

## DISCUSSION

The objective of this study was to determine the construct validity and internal consistency of the employer obligations scale, the employee obligations scale, the job insecurity scale, the organisational commitment scale and the intention to quit scale, as well as to determine whether differences exist between biographical groups in terms of their scores on the psychological contract (employer obligations scale, employee obligations scale), job insecurity scale, organisational commitment scale and the intention to quit scale.

A simple principal component analysis of the employer obligations scale resulted in one factor. These findings correspond with Issakson (2003) and More (2007) in that employer obligations, as measured by the Psycones, have a one dimension. The Cronbach alpha coefficient of the employer obligations scale was ( $\alpha=0,95$ ) acceptable. Based on these results,



Hypothesis 1, which states that employer obligations, as conceptualised by Psycones, has a one-dimensional structure and is accepted.

Regarding the employee obligations scale, a simple component analysis resulted in two factors. These correspond with the findings of Issakson (2003), van Rooyen (2006) and More (2007), who also found a two-factor dimension with employee obligations. A high level of internal consistency was obtained with the employee obligations scale. Based on these findings, Hypothesis 2, which states that employee obligations can be defined as a one-dimensional construct with acceptable levels of internal consistency, is accepted.

Hypothesis 3 is accepted, seeing as job insecurity as measured by the job insecurity scale, were found can be defined as a two-dimensional construct. This corresponds with the findings of Heymans (2002) and More (2007) in that the job insecurity scale is a two-dimensional construct. A high level of internal consistency was obtained on the JIS

A simple principal component analysis of the job commitment scale resulted in two factors. These findings correspond with Issakson (2003) in that that organisational commitment obligations, as measured by the job commitment scale, have two dimensions. The Cronbach alpha coefficient of the organisational commitment scale is accepted. Based on these results, Hypothesis 4, which states that organisational commitment, as measured by the OCS, can be defined as a two-dimensional construct with acceptable level of internal consistency for each of its subscales, namely normative commitment and affective commitment, is accepted.

According Hypothesis 5 regarding the intention to quit as measured by the IQS, a simple component analysis resulted in two factors, the intention to quit and the intention to stay. These correspond with the findings of Issakson (2003) and More (2007). Although the internal consistency of intention to quit was acceptable, the Cronbach alpha of intention to quit was only marginally acceptable.

Hypothesis 6 is accepted, as significant differences were found between various biographical groups and the scores of the psychological contract (employer obligations scale and employee obligations scale), the job insecurity scale, the organisational commitment scale and the intention to quit scale. Statistically significant differences exist between levels of tenure and employers obligations. Practical significant relationships exists between participants who

have less than one-year experience and have less employer obligations than those who have been employed for longer than 21 years. No statistical significance could be found between tenure, employee obligations, job insecurity, job commitment and intention to quit.

Statistically significant differences exist between levels of type of contract and employee obligations, job insecurity, organisational commitment and intention to quit. No statistically significant difference between levels of type of contract and employer obligations was found. Temporary employees have higher employee obligations, seeing as they feel that certain obligations are more unfulfilled than full-time employees. Temporary employees have lower job insecurity scores than permanent employees. These findings are supported by Claes, *et al.* (2002) and De Witte (2002b), stating that temporary employees are less secure than permanent employees. Temporary employees' organisational commitment scores are higher than permanent employees, which mean that temporary employees are less committed than permanent employees. Rigotti and Mohr's (2003) findings are also support the findings of this study. The intention to quit score of permanent employees are higher than those of temporary employees, which indicates that temporary employees are more likely to be thinking of leaving their current job.

Statistically significant differences were found between levels of status, organisational commitment and intention to quit. In terms of practical significance, participants living with family/parents tend to experience lower levels organisational commitment than single/living as single and married or cohabiting participants. Statistically significant differences between levels of intention to quit based on gender state that female participants experience more intention to quit than their male counterparts. No statistical significant differences were found between levels of employer obligations, employee obligations, job insecurity and organisational commitment.

This study has several limitations. Firstly, the sample was imbalanced in terms of gender, qualifications and tenure. Stratified random sampling might ensure sufficient representation of different groups.

A second limitation of this study is its reliance on self-report measures. The exclusive use of self-report measures in validation studies increase the likelihood that at least part of the

shared variance between measures can be attributed to method variance (Schaeferli, Enzmann & Girault, 1993).

Thirdly, the sample should be extended to include employees working at various security organisations.

## **RECOMMENDATIONS**

Research is needed to determine the reliability and validity of the employer obligation scale, employee obligations scale, job insecurity scale, job commitment scale and intention to quit scale in different occupations and industries in South Africa. Larger sample sizes might provide increased confidence that study findings would be consistent across other (similar) groups. Further study is needed to explore the impact of demographical information on answering the questionnaires.

Additional studies on the factor structure in different work environments should be conducted. Longitudinal research is recommended to establish the levels of psychological contract, job insecurity, job commitment and intention to quit over a period of time. However, the use of employer obligation scale, employee obligations scale, job insecurity scale, job commitment scale and intention to quit scale is recommended for employees in security employees in South Africa.

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**CHAPTER 3**  
**RESEARCH ARTICLE 2**

# THE RELATIONSHIP BETWEEN THE PSYCHOLOGICAL CONTRACT AND EMPLOYEES WORK-OUTCOMES: JOB INSECURITY, ORGANISATIONAL COMMITMENT AND THE INTENTION TO QUIT

C Du Plooy

## ABSTRACT

The primary purpose of this research is to determine the relationship between the psychological contract, job insecurity, organisational commitment and the employee's intention to quit. A cross-sectional survey design was conducted among 300 Vaal Triangle-based security employees and a response rate of N=217 (72%) is obtained. Pearson's product-moment correlation is applied to determine the relationship between the variables and a statistical significant correlation exists between employer obligations, employee obligations and intention to quit. A practical significant correlation with a medium effect exists between employer obligations and organisational commitment. A statistical significant correlation coefficient exists between employee obligations and job insecurity, while a practically significant correlation coefficient with a medium effect was obtained between employee obligations, organisational commitment and intention to quit. A practically significant correlation with a medium effect was found also between job insecurity and intention to quit, as well as between organisational commitment and intention to quit.

## OPSOMMING

Die hoofdoel van hierdie ondersoek was om te bepaal wat die verhouding tussen die psigologiese kontrak, werksonsekerheid, organisatoriese verbintenis en die werknemer se beoogde diensbeëindiging is. 'n Deursnee opname-ontwerp is voorgelê aan 300 sekuriteitswerkers in die Vaaldriehoek en 'n N=217 (72%) terugvoer is ontvang. Pearson-produk-momentkorrelasiekoeffisiënt is toegepas om the verhouding tussen die veranderlikes te bepaal en daar is 'n statisties beduidende verband tussen werkgewerverpligtinge, werknemerverpligtinge en die werknemer se beoogde diensbeëindiging gevind, asook 'n prakties beduidende verband met medium effek tussen werkgewerverpligtinge en organisatoriese verbintenis. Daar is ook 'n statisties beduidende verband tussen werknemerverpligtinge en werksonsekerheid bevestig, terwyl 'n prakties beduidende verband met medium effek gevind is tussen werknemerverpligtinge, organisatoriese verbintenis en die beoogde diensbeëindiging gevind is. 'n Prakties beduidende verband met medium effek is gevind tussen werksonsekerheid en die beoogde diensbeëindiging, asook tussen organisatoriese verbintenis en die beoogde diensbeëindiging.

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For the past fourteen years South Africa has been undergone essential changes. The global working conditions have also have developed since the 1980's due to fluctuations in politics and the economy, as well as technological advancements, global customer demands and shortened product- and service life (Doherty, 1996; Hall, 1986; Herriot & Pemberton, 1996; Johns, 1999).

De Bruyn and Kruger (2002:29) also refers to South Africa from 1990 until present as a time where structural change in the economy, technological and institutional environments occurred at a much faster rate than normal. Changes within the employment relationship in terms of total quality management, occupational health requirements and equal opportunity laws and regulations have also had significant impact on employer/employee relations (Rousseau, 1990). This contribute to the nature of the employment relationship between employers and employees changed.

The employment relationship is tripartite in nature and deals with interactions that occur between three core players, namely the employee(s), employer(s) (including the organisation) and the state. These interactions are dynamic, and occur within a particular social, economic and political framework. Venter (2003), as well as Pettinger (2000) state that the tripartite system seldom work as a balanced whole, but is rather dominated by one of the three players depending on certain external constraints (e.g. political, economic or legal constraints).

Organisations, as a result of market dynamics, are under constant pressure to make rapid and constant changes and, as a result, employment relationship are altered within the organisations framework. This has implications on, among others, psychological contracts (Robinson, 1996). The psychological contract can be defined "as the set of practical and emotional expectations of benefits that employers and employees can reasonably have of each other" (Argyris, 1960; Rousseau, 1990). This contract was traditionally seen as an exchange of loyalty for security (Hendry & Jenkins, 1997), but, as Hiltrop (1995) notes, "the psychological contract that gave security, stability and predictability to the relationship between employees and employers has dramatically altered in the past two decades". The content of the psychological contract is now defined as trust, fairness and delivery of a deal (Guest & Conway, 1997).

As the parties within employment relations of an organisation respond to changing environmental conditions and as employees gain experience, they will reappraise their existing psychological contracts in order to re-evaluate and renegotiate both their own and their employer's obligations (Rousseau & McLean Parks, 1993). This process commonly results in employee annoyance as a reaction to the fact that employees are being asked to bear risks, which were previously carried by the organisation, or to increase effort without reward systems compensating for such a situation. Employees ability to predict the rewards likely to be received in return for time, effort, loyalty and commitment is therefore decimated (Rousseau & Greller, 1994).

Employees must not expect employers to guarantee them a job, but equip themselves with education, training and work experience as to make employees employable for other organisations. Employees with expectations of job insecurity will have a lack of organisational commitment. If there is no organisational commitment, the employee is most likely to seek other employment (Tett & Meyer, 1993), making them less likely to stay with the current employer (Lee & Bobko, 1989).

Commitment and low intention to quit have been viewed as ways of repaying the employer for treating employees well. When the psychological contract is considered, it becomes relevant to all employees regardless of the job they do, and it is unnecessary to specify the contract's content. It also becomes clear why a psychological contract provides useful means of understanding an employee's experiences of the change within an organisation. This explains why some employees perceive change as a threat, thus experiencing stress and feeling insecure in their employment (Shore & Wayne, 1993; Rousseau & Parks, 1993). According to Rousseau (1996), "the losses that people incur as a result of change begin to surface with the loss of tangibles, such as job security and intangibles such as certainty and predictability. A loss of control and certainty typically accompanies change".

The psychological contract is characterised as an employee as trusting his/her employer, effective commitment, high integration and identification with the organisation, contribution and long-term commitment (Rousseau, 1995).

One of the factors contributing to an employee's intention to quit is lack of commitment to the organisation (Greenhaus & Beutell, 1985; Igarria & Greenhaus 1992, Kahn *et al*, 1964,

Leong *et al*, 1996, Lum *et al*, 1998, Peters *et al*, 1981, Rahim & Psenicka 1996). Organisational commitment is considered as the primary determinant of intention to leave a job (Becker, 1985), while intention to quit relates to job insecurity. Job insecurity plays a major role in the employee/employer relationship.

Studies by Freese and Schalk (1996), Geurts, Schaufeli, and Rutte (1999), Schalk, Freese and Van den Bosh, (1995) Schalk, Heinen and Freese (2001), Van Dierendonck, Schaufeli and Buunk, (1998), Van Yperen (1995), and Van Yperen, Hagendoorn and Geurts (1996) find that the number of obligations of both the employee and the employer lower the employee's intention to quit. These theorists find that the psychological contract has more impact on the employee's intention to stay or leave an organisation, highlighting the importance of the psychological contract.

If employees feel that the employer has failed to meet their obligations, employees will see the employment relationship as unfavourable. If the employees feel that certain obligations are unfulfilled, they will feel a sense of job insecurity, resulting in a reduced commitment to the organisation and leads to employees intention to quit (Robinson *et al*, 1994; Robinson and Rousseau, 1994; Rousseau, 1990).

### **Relationship between psychological contract and job insecurity**

Job insecurity is defined as an "employee's expectation of continued employment and his/her concern about future security of a job". In other words, it is his/her concerns surrounding a threatened job situation (Davy, Kinicki & Scheck, 1997; Rosenblatt & Ruvio, 1996; Heany, Israel & House, 1994; Greenhalgh & Rosenblatt, 1984).

In today's environment of economic and technological change, job insecurity is recognised as a condition affecting the general workforce (Roskies & Louis-Guerin, 1990). Job insecurity is not just concerned with the potential loss of employment, but also with the uncertainty regarding job and career issues, including one's level of responsibility and promotional opportunities (Greenhalgh & Rosenblatt, 1984).

Sengenberger (1995) distinguishes between job insecurity, employer insecurity and employment insecurity. Job insecurity is the chance of discontinued employment in a certain

job with the same employer, while employer insecurity is employment in a different job with the same employer, and employee insecurity is the possibility of changing employers. Job and employer insecurity reflect in the psychological contract, while job insecurity will furthermore lead employees to look for other employment amidst a lack of organisational commitment. This will result in employees participating in training opportunities to be more employable (Asford *et al*, 1989).

In Kissler (1994) and Noer (1993) studies they have found that job insecurity is not a condition of employment in new psychological contracts. Marks (1994) suggests addressing job insecurity and says that organisations must recognise uncertainty and concerns among its employees, as well as communicate all plans, actions and strategies. This will in turn help with fulfilling employee obligations. The employer must be truthful, visit the staff more frequently, be visible and get an understanding of his workers, so that both parties can share the organisation's vision and result in employees being offered management training to make sure that there is never psychological contract breach.

Asford *et al* (1989) and Hartley *et al* (1991) have examined issues such as how managing organisational change, downsizing, and outsourcing influence feelings of job insecurity and levels of commitment and employee's intention to quit. The consequences are: affective commitment, job satisfaction, psychological distress and the intention to search for another job. Job insecurity has been found to be negatively related to both job satisfaction and affective commitment (Adkins *et al*, 2001; Ashford *et al*, 1989, King, 2000; Kinnunen *et al*, 2000).

### **Relationship between psychological contract and organisational commitment**

The concept "organisational commitment" can be referred to as "the willingness of social actors to provide their energy and loyalty to a social system, or as the effective attachment to an organisation apart from the purely instrumental worth of the relationship between the actor and the organisation" (Buchanan, 1974). It is also believed that commitment has developed through the process of identification in which a person experiences something or some ideas as an extension of the self (Iverson, 1996).

Meyer and Allen (1997) define a committed employee as "one who stays with the organisation under any favourable or unfavourable circumstances affecting the organisation". People stay with an organisation because they (a) *want to* (affective commitment), (b) because they *need to* (continuance commitment), or (c) because they feel they *ought to* (normative commitment).

There also exists a link between affective and normative commitments in terms of psychological contracts. Affective commitment is concerned with what Rousseau (1994) calls the "relational obligations" of the psychological contract. Normative commitment is slightly more transactional than relational. Normative commitment may be seen, in one respect, as lying between affective commitment and continuance commitment. It is concerned with transactional obligations, but the underlying psychological mechanism is not calculative. Rather, it is based upon societal norms of what is fair. Individuals often feel an obligation to repay the investment an organisation has put into their training, even if this is not explicitly stated in the employment contract (Knights & Kennedy 2005).

The close relationship between the causes of affective and normative commitment is reflected in the fact that they tend to be correlated with similar aspects. Both are related to better performance and more "pro-social" and "organisational citizenship behaviour", i.e. behaviour that goes beyond a strict interpretation of the employment contract.

The psychological contract is an employees or employers exchange which focuses on employee perceptions of mutual obligations between employee and employer (Rousseau, 1990; Shore & Tetrick, 1994). In Rousseau's (1989) study he found that, perceived obligations and the extent to which obligations are fulfilled is the essence of the psychological contract. These perceived obligations set the parameters of the exchange while fulfillment of obligations captures behaviour within exchange. When the obligations are not fulfilled employees perceive contract breach and this leads to reduced organizational commitment and intention to quit.

Meyer and Allen (1997) suggest that the level of all three types of commitment is further related to the relationship between the individual and the organisation. This leads to the obligations of the psychological contract not being fulfilled, resulting in the revision of such a contract (Csoka, 1995; Rousseau, 1996; Rousseau & Parks, 1992; Shore & Tetrick, 1994).



When the psychological contract is not being fulfilled and obligations are not met, it has also been associated with behavioural outcomes such as reduced commitment, satisfaction and trust, employee turnover and intention to quit, while cynicism towards the company also increases (Robinson & Rousseau, 1994; Robinson, 1996; Herriot *et al*, 1998; Pate *et al*, 2000).

### **Relationship between the psychological contract and intention to quit**

Employee turnover is determined by an individual's intention to quit. The result of this is that the employer is faced with a lack of employment continuity. There is a high cost involved in inducing a new employee and training new employees. This affects the organisation's productivity. Moore (2002) states that it is important for both the employer and the employee to understand the factors that arbitrate the relationship between job stress and the employee's intention to quit.

Different researchers (Ajzen & Fisbein, 1980; Ingbaria & Greenhaus, 1992; Sager 1991) explain that the intentions to quit are the determinants of real behaviour of the employee and they further state in their research about the intention to quit that one finds two types of employees, namely leavers and stayers. An employee's intention to quit is the desire to leave a company due to a limited timeframe of temporary contracts. Still, there is no accurate indicator of one's intention to quit.

The exact time of the employee's departure is therefore set in. In the employment contract it is clearly stated when service was started and when the contract is set for termination. This can influence the employee to have the intention to leave before the contract expires (De Jong & Schalk, 2003; De Jong & Geurts, 1997). The prominence of job insecurity is imbued in the different motives influencing the willingness to resign from one's position. These motives are agency work stress, the desire for better work conditions, better salary, content with ones job and job security. For fixed term workers job security is the main concern, whereas permanent workers focus on salary (Van der Steene, De Witte *et al*, 2001). Isaksson and Bellaagh (2002) also found that those not involved in their contract of choice are generally more inclined to have the intention to quit.

In the study of Huiskamp and Schalk (2002) a significant relationship was found between psychological contract fulfilment and turnover intention. The number of obligations of both the employer and the employee lowered the intention to quit.

Despite limitations to determine what causes intention to quit, a lack of commitment to the organisation and job dissatisfaction relates to this factor. (Greenhaus & Beutell, 1985; Igbaria & Greenhaus, 1992; Kahn *et al*, 1964; Leong *et al*, 1996; Lum *et al*, 1998; Peters *et al*, 1981; Rahim & Psenicka, 1996).

A lack of research exists regarding the relationship between psychological contract (employer obligations and employee obligations), job insecurity, organisational commitment and the intentions to quit in South African companies. For these reasons, this study is considered important and relevant. Research hypotheses related to the present study are formulated as follows:

- H1: A significant relationship exists between the psychological contract and job insecurity.
- H2: A significant relationship exists between the psychological contract and organisational commitment.
- H3: A significant relationship exists between the psychological contract and intention to quit.
- H4: Psychological contract (employer obligations and employee obligations) predicts job insecurity, organisational commitment and intention to quit.

## **METHOD**

### **Research design**

A cross sectional survey design is used to reach the research objectives. The cross-sectional design can be used to examine groups of subjects in various stages of development simultaneously, while a survey is a data-collection technique in which questionnaires are used to gather data about an identified population (Burns & Grove, 1993). Shaughnessy and Zechmeister (1997) states that this design is also ideal to describe and predict functions associated with correlative research.

## Participants

The population of 300 Vaal Triangle-based security employees was targeted for this research. A response rate of 72% (217 responses; N=217) was obtained. The biographical characteristics of the studied population are detailed in Table 1.

Table 1 indicates that 81% of the participants are male, while 13% are female. The majority of participants (43%) are aged between 25 and 35. Also, 43% has a Grade 10 to 12 level of education. The majority of the studied population has been employed by the respective organisations for a period less than one year. Missing responses from the respondents of the four items vary between 14 and 22.

Table 1  
*Compilation of Study Population (N=217)*

Item	Category	Frequency	Percentage
<b>Gender</b>	Male (1)	175	80.6
	Female (2)	28	12.9
	Missing responses	14	6.5
	<b>Total</b>	217	100
<b>Age</b>	24 years and younger (1)	52	23.9
	25 – 35 years (2)	94	43.4
	36 – 45 years (3)	43	20
	46 – 55 years (4)	12	5.6
	56 years and older (6)	2	1
	Missing responses	14	6.5
	<b>Total</b>	217	100
<b>Qualification</b>	Grade 9 and below (1)	74	34.1
	Grade 10 – 12 (2)	95	43.8
	Diploma (3)	24	11.1
	Degree (4)	0	0
	Post-graduate Degree (5)	2	.9
	Missing response	22	10.1
	<b>Total</b>	217	100
<b>Tenure</b>	Less than 1 year (1)	141	64.9
	2 – 5 years (2)	45	20.9
	6 – 10 years (3)	6	2.8
	11 – 20 years (4)	3	1.5
	Longer than 21 years (5)	2	1
	Missing Responses	20	9.2
	<b>Total</b>	217	100

## Measuring instrument

The following measuring instruments were used in this study:

- *Biographical information*: a biographical questionnaire was constructed in order to obtain relevant biographical data about the participants in the research. As mentioned in the questionnaires, the participants' anonymity was maintained;
- *Employer obligations*: (adopted from Isaksson, Josephson & Vingard, 2003) (content, breach) consist of 15 items of which the answers are "yes" or "no" (e.g. "Has your organisation promised or committed itself to provide – interesting work, a good pay for the work you do?" etc.). The questionnaire is answered on a 6-point scale with 0="no" to 5="yes" and "promise fully kept". In South African Studies More (2007) obtained a Cronbach alpha coefficient of 0,93.
- *Employee obligations*: (adopted from Isaksson *et al*, 2003) consist of 10 items answered yes/no. Some examples from the questionnaire are "Have you promised or committed yourself to be loyal to the organisation? [...] to be punctual? [...] to protect the image of your company?" In other South African studies More (2007) obtained a Cronbach alpha coefficient of 0,90.
- *Job insecurity (JIQ)*: job insecurity is the overall concern of an individual to have a job in the future (De Witte, 1999) and is measured with four items as constructed by De Witte (2000). Various questions are formulated (e.g. "I feel insecure about my job") and the reliability of  $\alpha = 0,86$  responses could vary from 1 (strongly disagree) to 5 (strongly agree). Previous research according to this questionnaire provides support for the validity and reliability of the scales used (De Witte, 2000, Heymans, 2002; Moeletsi, 2003; Sauer, 2003; Labuschagne, *et al*, 2005; Botha, 2006). South African studies by Heymans (2002) obtained a Cronbach alpha coefficient of 0,81, while Moeletsi (2003) found a Cronbach alpha coefficient of 0,93 in her report study. Sauer (2003) found a Cronbach alpha coefficient of 0,75 and Labuschagne *et al*, (2005) obtained a Cronbach alpha coefficient of 0,79.
- *Organisational commitment*: this questionnaire used four-items, e.g. "I feel myself as part of the organisation" (Cook & Wall, 1980). Cook *et al*, (1981:287) determined a Cronbach alpha range from 0,77 to 0,83 in previous studies. The organisational commitment scale is psychometrically adequate, stable and reliable. In South Africa a Cronbach alpha

coefficient of 0,80 for the total scale, 0,69 for the affective scale, 0,53 for the continuance scale and 0,74 for the normative scale were found by Heymans (2002).

- *Intention to quit* (Price *et al*, 1997): The "Intention to quit" questionnaire is a modified questionnaire. It was measured by using the four items of Price (1997) (e.g. "I would be reluctant to leave this job"). The Cronbach alpha in previous studies (Isaksson, 2002; De Cuyper and De Witte) range from  $\alpha = 0,79 - 0,82$ . Important to remember is that this questionnaire measures the desire to leave the company rather than the actual intention to quit and that the exact time of departure is set in advance, possibility influencing the intention to leave before the contract expires (De Jong & Geurtz, 1997:195-211).

### **Statistical analysis**

The SPSS-programme (SPSS Inc., 2007) is used to carry out the statistical analysis in this research. Exploratory factor analyses, Cronbach's alpha coefficients and inter-item correlation will be used to assess the internal consistency or reliability and validity of the measuring instruments (Clark & Watson, 1995). Cronbach's alpha coefficients convey important information regarding the proportion of error variance contained in a scale. Clark and Watson (1995) further explains that the average inter-item correlation coefficient (which is a straightforward measure of internal consistency) is a useful index to supplement information supplied by coefficient alpha. However, simply focusing the mean inter-item correlation cannot ensure immeasurableness of a scale and it is necessary to examine the range and distribution of these correlations as well.

Pearson's *Product Moment Correlation* coefficients will be used to specify the relationship between variables (level of statistical significance =  $p < 0,05$ ; a cut-off point of 0,30 represents a medium effect and a cut-off point of 0,50 represents a large effect). Steyn (2002) criticises the sole use of statistical significance testing and it is recommended that effect sizes be established to determine the importance of a statistically significant relationship. Multiple regression analysis will be used to determine the percentage of variance in the dependent variable that is predicted by the independent variables.

## RESULTS

A simple principal component analysis was performed on the 15 items of employers' obligations of the 217 Vaal Triangle security employees. An analysis of the *eigenvalues* ( $>1,00$ ) and screen plot indicates that one factor could be extracted, which explains 61,54% of the total variance. All of the measuring items have a loading above 0,5 and are therefore successfully clustered.

Next, a simple principal component analysis was carried out on the 17 items of employee obligations. An analysis of the eigenvalues 69,54% of the total variance was also used. Two internally consistent factors were extracted as the data reduction process, which includes a simple component analysis. The first factor was labelled "loyalty" and the second factor was labelled "ethics".

A simple component analysis was performed on the four items of job insecurity on the total sample of security employees in a service company. An analysis of the eigenvalues (larger than 1) and the screen plot indicates that one factor could be extracted, explaining 63,81% of the total variance. Two factors could be extracted. First factor was labelled emotional "component" (worries) and the second factor was labelled cognitive "component" (qualms).

A simple component analysis was performed on job commitment and an analysis of the eigenvalues explains 61,11% of the total variance. Two factors were extracted. The first factor is labelled "normative commitment" and the second factor is labelled "affective commitment".

A simple principal component analysis was carried out on the intention to quit and an analysis of the eigenvalues explains 50,57% of the total variance. A principal component analysis with a varimax rotation was then performed on the four items and explains 73,19% of the total variance. Two factors were extracted, factor one being "intention to quit" and the second factor was labelled "intention to stay".

Table 2

*Descriptive Statistics, Cronbach Alpha Coefficients and Inter-Item Correlations Coefficients of the Measuring Instruments*

	Mean	SD	Skewness	Kurtosis	$\alpha$
Employer obligations	2,89	1,15	-0,84	0,51	0,95
Employee obligations	3,36	1,01	-0,83	0,17	0,94
Job insecurity	3,22	0,62	0,16	-0,02	0,73
Job commitment	3,46	0,63	0,07	0,21	0,81
Intention to quit	2,60	0,08	-0,58	0,17	0,67

The information reflected in Table 2 indicates that the scores on all the subscales have a normal distribution (skewness and kurtosis are smaller than one). Acceptable Cronbach alpha coefficients were obtained on employer obligations, employee obligations, job insecurity and job commitment ( $\alpha = 0,73-0,81$ ). Intention to quit has values just below 0,70 (0,65 and 0,67).

Gülsemi (2005) explains that values near to 0,70 can be accepted, as they will not affect internal consistency. Acceptable levels of internal consistency of measuring instruments are found in this study. The scores on all the variables have a normal distribution, while inter-item correlation scales are consistent with the guideline of  $0,15 < r < 0,50$ .

Next, the product-moment correlation coefficients for security employees working in the Vaal Triangle are analysed. The correlations between employer obligations, employee obligations, job insecurity, organisational commitment and intention to quit are reported in Table 3.

Table 3

*Correlation Coefficient between employer obligations, employee obligations, job insecurity, organisational commitment and intention to quit*

	1	2	3	4
Employer obligations	-	-	-	-
Employee obligations	0,15*	-	-	-
Job insecurity	-0,12	-0,22**	-	-
Org. commitment	0,30**	0,34**	0,12	-
Intention to quit	-0,20**	-0,39**	0,30**	-0,38**

\* Correlation is significant at the 0,05 level (2-tailed).

\*\* Correlation is significant at the 0,01 level (2-tailed).

Table 3 indicates that a statistically significant correlation exists between employer obligations, employee obligations and intention to quit. A practical significant correlation with a medium effect exists between employer obligations and organisational commitment. A statistically significant correlation coefficient exists between employee obligations and job insecurity.

A practically significant correlation coefficient with medium effect is obtained between employee obligations, organisational commitment and intention to quit. A practically significant correlation with a medium effect was found between job insecurity and intention to quit and between organisational commitment and intention to quit. More (2007) finds that a practical significant correlation coefficient with a medium effect exists between organisation commitment and intention to quit.

To determine whether the psychological contract (employer- and employee obligations) can predict job insecurity, organisational commitment and intention to quit in security companies in the Vaal Triangle, a multiple regression analysis is carried out as illustrated in Table 4 below.

Table 4

*Regression analysis between the employer obligations, job insecurity, organisational commitment and intention to quit*

Model	Unstandardized Coefficients	Standardized Coefficients	t	P	F	R	R <sup>2</sup>	ΔR <sup>2</sup>
1 (Constant)	4.512	.358	12.62	.000	3,02	0,118	0,014	0,083
JOBINSECU	-.357	.109	-.218	-3.274	.001			
2 (Constant)	2.700	.452	5.974	.000	3,02	0,339	0,115	0,000
JOBINSECU	-.430	.102	-.262	-4.209	.000			
ORGCOM	.591	.100	.369	5.915	.000			
3 (Constant)	3.551	.514	6.912	.000	0,247	0,340	0,116	0,620
JOBINSECU	-.298	.108	-.182	-2.765	.006			
ORGCOM	.437	.109	.273	4.024	.000			
INTENQUIT	-.285	.088	-.229	-3.254	.001			

a Dependent Variable: employer obligations

According to Table 4, the employer obligations were used as a dependent variable with job insecurity, organisational commitment and intention to quit as independent variables. The results as shown in Table 4 indicate that job insecurity (which was entered in the first step) predicted 1% of the total variance (F = 3,02, p < 0,01). With the inclusion of organisational



commitment (in step two), the results explaining total variance of 11% ( $F = 3,02, p < 0,01$ ). With the inclusion of intention to quit (in step three), the results explaining total variance remained the same at 11% ( $F = 0,247, p < 0,01$ ).

Table 5

*Regression analysis between the employee obligations, job insecurity, organisational commitment and intention to quit*

Model	Unstandardised Coefficients		Standardised Coefficients Beta	t	p	F	R	R <sup>2</sup>	ΔR <sup>2</sup>
	B	SE.							
1 (Constant)	3.594	.414		8.685	.000	10,716	0,118	0,047	0,001
JOBINSECU	-.220	.126	-.118	-1.739	.083				
2 (Constant)	1.804	.535		3.374	.001	34,98	0,426	0,181	0,000
JOBINSECU	-.291	.121	-.156	-2.412	.017				
ORGCOM	.584	.118	.320	4.940	.000				
3 (Constant)	1.961	.622		3.152	.002	10,59	0,469	0,220	0,001
JOBINSECU	-.267	.131	-.143	-2.045	.042				
ORGCOM	.556	.132	.304	4.222	.000				
INTENQUIT	-.053	.106	-.037	-.497	.620				

a Dependent Variable: employee obligations

Table 5 indicates that employee obligations were used as a dependent variable with job insecurity, organisational commitment and intention to quit as independent variables. The results as shown in Table 5 indicate that job insecurity (which was entered in the first step) predicted 4% of the total variance ( $F = 10,716, p < 0,01$ ). Therefore, it is not regarded as a significant predictor of job insecurity. With the inclusion of organisational commitment (in step two), the results explaining total variance of 18% ( $F = 34,98, p < 0,01$ ). In this case, it is evident that the regression coefficients of employee obligations, job insecurity and organisational commitment were statistically significant. Both constructs, as shown in Table 5, are not significant predictors of employee obligations.

## DISCUSSION

The objective of this study was to investigate the relationship between psychological contract (employer obligations and employee obligations), job insecurity, organisational commitment and intention to quit.

The relationship between psychological contract (employer obligations and employee obligations), job insecurity, organisational commitment and intention to quit is highlighted in this study. The results obtained from the product-moment correlations demonstrate that a statistically significant correlation exists between employer obligations, employee obligations and an employee's intention to quit. The results confirm the findings by More (2007). A practical significant correlation with a medium effect exists between employer obligations and organisational commitment.

Hypothesis 1 states that a relationship exists between the psychological contract and job insecurity, and is accepted. A statistically significant correlation coefficient exists between employee obligations and job insecurity.

Hypothesis 2 states that a relationship between the psychological contract and organisational commitment exists and is accepted. A practically significant correlation coefficient with a medium effect is obtained between employee obligations, organisational commitment and the employee's intention to quit.

Hypothesis 3 states that a relationship exists between the psychological contract and intention to quit and is excepted. A practically significant correlation with a medium effect is found between job insecurity and intention to quit and between organisational commitment and intention to quit. More (2007) also found a practical significant correlation coefficient with a medium effect exists between organisation commitment and intention to quit.

Hypothesis 4 states that the psychological contract predicts job insecurity, organisational commitment and intention to quit and is accepted. Regression analyses were used to determine whether the psychological contract (employer obligations and employee obligations) can predict job insecurity, organisational commitment and intention to quit. The results indicate that job insecurity (which was entered in the first step) predicted 4% of the

total variance ( $F = 10,716, p < 0,01$ ). Therefore, it is not regarded as a significant predictor of job insecurity. With the inclusion of organisational commitment (in step two), the results explaining total variance of 18% ( $F = 34,98, p < 0,01$ ). In this case, it is evident that the regression coefficients of employee obligations, job insecurity and organisational commitment were statistically significant. Both constructs are not significant predictors of employee obligations.

## **RECOMMENDATIONS**

This study provides a better understanding of psychological contract and its relationship with job insecurity, organisational commitment and intention to quit. However, limitations were identified.

Firstly, a bigger sample size, a diversity of industries and equal representation of gender, qualifications, status and the type of contract should improve the value of the research, because in this research the sample size limits the generalisability of the results.

Secondly, the measuring instrument were only in English, it is recommended that for future South African studies these instruments be adapted and translated into other African languages.

Thirdly, a cross-sectional design makes it difficult to prove causal relationships between the constructs. Longitudinal research is needed to assess issues of strength and duration of the relationship between psychological contract and job insecurity, organisational commitment and intention to quit.

Fourthly, self-reported measures were exclusively relied upon whereas respondents' motivation could impact the results in this study.

Further research should therefore be done on the psychological contract in a unique South African business environment.

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## **CHAPTER 4**

### **CONCLUSION, LIMITATIONS AND RECOMMENDATIONS**

#### **INTRODUCTION**

In this chapter, the conclusion and limitations regarding the literature and the empirical study are discussed. Recommendations for the organisation are also made and the shortcomings of the study are discussed.

#### **4.1 CONCLUSIONS**

##### **4.1.1 Conclusion regarding the specific theoretical objectives**

In line with the specific objectives as stated in Chapter 1, which is to conceptualise the concept psychological contract (employer obligations, employee obligations), job insecurity, organisational commitment and the employee's intention to quit, the following conclusions are drawn.

The psychological contract was defined by Rousseau (1995) as “the individual's beliefs about mutual obligations, in the context of the relationship between employer and employee”.

Regarding employee and employer obligations, these obligations are beliefs held by an employee or employer that each is bound by promise or debt to action or a course of action in relation to the other party (Rousseau, 1990).

Davy, Kinicki and Scheck (1997), Rosenblatt and Ruvio (1996), Heany, Israel and House, (1994), and Greenhalgh and Rosenblatt, (1984) all define job insecurity as an employee's expectation of continued employment, a concern about the future existence of the job or a threatened job situation.

Organisational commitment is a belief in and is an acceptance of organisational goals and values. It can be referred to as the willingness of employees to provide their commitment to an organisation (Buchanan, 1974).

Intention to quit is an employee's desire to leave a company due to a limited timeframe of temporary contracts. Still, there is no accurate indicator of one's intention to quit. Some researchers explain that the intention to quit is the determinants of real behaviour of the employee. These researchers further state in their research about the intention to quit that one finds two types of employees, namely leavers and stayers (Ajzen & Fisbein, 1980; Ingbaria & Greenhaus, 1992; Sager 1991).

#### **4.1.2 Conclusion regarding the specific empirical objectives**

The second specific objective was to determine the reliability and validity of the psychological contract questionnaire, job insecurity questionnaire, organisational commitment questionnaire and intention to quit questionnaire.

All measurement instruments were found valid and reliable. A high level of internal consistency was obtained with the employee obligations scale. The job insecurity scale were found can be defined as a two-dimensional construct, job commitment scale resulted in two factors., intention to quit as measured by the IQS, a simple component analysis resulted in two factors, the intention to quit and the intention to stay.

The last specific objective was to determine the relationship between the psychological contract, job insecurity, organisational commitment and the employee's intention to quit.

It is found that if employees feel that the employer failed to meet their psychological contract (employer obligations and employee obligations), employees will see the employment relationship as unfavourable. If the employees feel that certain obligations are unfulfilled, they also will feel a sense of job insecurity, resulting in a reduced commitment to the organisation, which leads to employees' intention to quit (Robinson *et al*, 1994; Robinson & Rousseau, 1994; Rousseau, 1990).

Studies by Kissler (1994) and Noer (1993) finds that job insecurity is not a condition of employment in new psychological contracts, but that it rather is the chance of discontinued employment in a certain job with the same employer, while employer insecurity is employment in a different job with the same employer. Furthermore, employee insecurity is the possibility of changing employers (Sengenberger, 1995). Moreover, job insecurity will lead employees to look for other employment amidst a lack of organisational commitment (Asford *et al*, 1989).

Rousseau (1989) finds that perceived obligations and the extent to which employment obligations are fulfilled is the essence of the psychological contract. These perceived obligations set the parameters of the exchange, while fulfilment of obligations captures behaviour within the said exchange. When obligations are not fulfilled, employees perceive a breach of contract, which leads to a reduced organisational commitment and a higher intention to quit.

Huiskamp and Schalk (2002) finds a significant relationship between psychological contract fulfilment and turnover intention. The number of obligations of both the employer and the employee lowered the intention to quit.

A lack of research exists regarding the relationship between psychological contract (employer obligations and employee obligations), job insecurity, organisational commitment and the intentions to quit in South African companies. For these reasons, this study is considered important and relevant.

#### **4.1 LIMITATIONS**

The following limitations regarding the research were identified:

- Although 217 people responded in this research, which is a very good response of 72%, the studied population of only 300 targets is minute.
- The sample is imbalanced in terms of gender, qualifications and tenure. Stratified random sampling might therefore ensure sufficient representation of different groups.

- The questionnaire was only available in English, which means that the possibility of respondents' level of English skills with English as a second, third or fourth language might have influenced the results.
- Self-report measures were exclusively relied on, which might have influenced the results, as participants have doubted the confidentiality of their responses. This could have influenced some of the results, the population and the missing responses.
- There are limited studies done to support the findings of this research in South Africa.
- Limited literature was found on intention to quit.
- A cross-sectional design makes it difficult to prove causal relationships between the constructs. Longitudinal research is needed to assess issues of strength and duration of the relationship between psychological contract and job insecurity, organisational commitment and intention to quit.

### **4.3 RECOMMENDATIONS**

#### **4.3.1 Recommendations for the organisation**

Employees must not expect employers to guarantee them a job, but employers must rather equip the employees with education, training and work experience. This will make employees employable by other organisations (Tett & Meyer, 1993). The employer should give employees opportunities for training, which will result in the employee feeling more important to the organisation, thus developing him/her as an individual while he/she becomes more valuable to the organisation.

Marks (1994) suggests addressing job insecurity, as he says organisations must acknowledge uncertainty and concerns, as well as communicate all plans, actions and strategies. Tell the truth, visit the staff more frequently and be visible. Get an understanding of your workforce so that employees can share the organisation's vision and offer them management training. When changes in the organisation take place, be honest with the employees and include them in the decision-making process. This will decrease the resistance to the change and job insecurity.

According to Isakson *et al* (2003) good communication can increase organisational commitment. Employees will be able to represent their feelings regarding the psychological contract. This may lead to a better understanding of the employees' expectations, which will increase organisational commitment.

Mitchell *et al* (2001) reports that turnover rise is expensive for an organisation, because of the costs of recruiting and training new employees and to replace the knowledge of a previous employee is irreplaceable. To prevent a high turnover in the organisation, it must understand and address the deeper need of employees in order to retain them and keep them motivated. The modern worker demands meaningful work and where this need is denied, employees will seek alternative employment (Cartwright & Holmes, 2006).

#### **4.3.2 Recommendations for future research**

Further study is needed to explore the impact of demographical information on answering the questionnaires. Longitudinal research is recommended to establish the levels of psychological contract, job insecurity, job commitment and intention to quit over a period of time.

A bigger sample size, a diversity of industries and equal representation of gender, qualifications, status and the type of contract should improve the value of the research, because in this research the sample size limits the generalisability of the results.

Studies with regard to employment relations should focus on outcomes of the psychological contract. This will provide a general understanding of the impact of the psychological contract on aspects like turnover, intention to quit, absenteeism, job satisfaction, and job insecurity.

#### **4.3.3 Contribution towards the industrial sociology field**

This research made a contribution to Industrial Sociology by validation of measurement instruments that has been proven valid and reliable within South African situations in various ways:

- It could be used to assess perceived psychological contract levels within organisations objectively.

- It could be used to assess perceived psychological contract levels on individual levels.

#### **4.4 CHAPTER SUMMARY**

In this Chapter, conclusions regarding the specific objectives, categorised into theoretical and empirical research, were made. The limitations of the research were pointed out and recommendations were made for organisations.



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