EMPLOYEE’S OPINIONS ON PSYCHOLOGICAL CONTRACTS

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EMPLOYEE'S OPINIONS ON PSYCHOLOGICAL CONTRACTS

by

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DEDICATION
In memory of Naresh Baba who inspired and motivated me to start this journey.

“...the most complex organizational issue since the industrial revolution: the fundamental and irrevocable shift in the psychological contract between employee and the organization” (Noer, 1993).
DECLARATION

I, the undersigned, hereby declare that this dissertation entitled, "Employees opinions on psychological contracts", is my own work, and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

S RAMJEE

26/11/02

DATE
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SUMMARY

TITLE: Employee's opinions on psychological contracts

CANDIDATE: Sunita Ramjee

The "psychological contract" is one of today's hottest buzzwords. In this ever­continuing competitive and changing environment rapid organisational and managerial change is required to enable business and organisations to survive. The objective of this research was to investigate the extent to which opinions of employees about the various psychological contract dimensions can influence the overall employment relationship.

A literature survey concerning the psychological contract construct, its dimensions and the variables affecting the psychological contract was done.

A sample of 394 employees within an Auditing firm was obtained, from which three departments (Management Consulting, Auditing and Information Systems) employees opinions on the psychological contract dimensions were compared.

The results of the empirical study indicated that there are comparable differences in employee's perceptions of the various dimensions of the psychological contract.

Key terms: employer, employee, relationship, psychological contract, dimensions
CHAPTER 1: SCIENTIFIC OVERVIEW OF THE RESEARCH

The objective of this chapter is to provide a background to and motivation for the research on the opinions that employees have of the different psychological contract dimensions. This is followed by a problem formulation. The general objective of the research is formulated by distinguishing between specific theoretical and empirical objectives. The research model will be discussed and followed by a paradigm perspective of the research. Furthermore, the research design and methodology are outlined, indicating the procedures for execution. The outline of the chapters in this dissertation concludes the first chapter.

1.1 BACKGROUND TO AND MOTIVATION FOR THE RESEARCH

This decade commenced with three unprecedented developments which accelerated globalisation: the completion of the single market in Europe, the conclusion of the Uruguay Round of Trade and the most severe recession since the 1930s. As a result, companies on both sides of the Atlantic started the most far-reaching rationalisation of the post-war period. Firstly, the rationalisation led to changes in the corporate culture, which entailed paternalism giving way to performance, hierarchy to meritocracy, and transactions-based business to relationship-based business. Secondly, the organisational structure caused vertical integration to give way to agile production, functional silos to teamwork, and in-sourcing to outsourcing or co-sourcing. Thirdly, changes in staff behaviours led to the "entitlement" mentality giving way to a "self-employment mind-set" and the "loyal servant" to the "committed workforce" (Rajan, Lande & Chapple, 1998).

The clearest evidence we have that the world is changing, is in business and industry. Provoked by a variety of environmental forces, companies have undergone significant change in their strategies, structures and processes. Government regulations, highly sophisticated consumers, competition from multiple fronts, the breakdown of traditional barriers to market entry, the impact of technology,
downsizing and the emergence of new distribution channels linked to technological
advances, have all contributed to the swiftness and scope of change. As a result,
organisations are no longer able to finance or manage responses to change that are
primarily incremental and which evolve over time in an orderly manner. Rather,
concern for short-term profit and a short-term result are forcing businesses to
seriously consider existing or implied psychological contracts with employee, and to
implement policy and structural changes. The reality of the business world has
irreparably damaged the good-faith relationship that has historically existed between
management and employees (Rousseau, 1996a). This makes clear, therefore, that
there really are psychological contracts between people and their employers.
Management forgets that as people invest their talent and effort in a particular
organisation, contracts, albeit psychological ones, are established. These are
among the numerous aspects that potentially create uncertainty regarding terms of
employment as illustrated in the following quote: "Individuals come to organisations
with certain needs, desires and skills, and so forth, and expect to find a work
environment where they can use their abilities and satisfy many of their basic needs"
(Mowday, Porter & Steers, 1982, p. 27).

Today, the nature of work and the "glue" that connects people to the organisation is
undergoing profound change. Employee expectations of work have shifted from
dependency, entitlement, stability and security to a more conditional relationship
based on mutual maturity. The changing workplace needs policies, actions, and
processes that increase the employee's willingness to reconnect to the organisation,
and that help to overcome the pressures that disconnect them (Jaffe & Scott, 1998;
Marks, 2001; Sparrow, 2000). Career-long commitment of companies to employees
appears to be on the decline. Despite this, however, companies often demand
enhanced performance, more advanced skills, increased commitment and greater
flexibility from the workers who remain on the job. Most employees desire greater
participation within their working environment and there is a widespread support for
employee ownership and performance-based pay (Blinder, 1998; Hall, 1996;
Hardijzer, 2000; Mavin, 2001).

In order to provide security to the organisation and to individual workers, an
unwritten psychological contract develops between the two parties. Psychological
contracts serve to specify the contribution an employee believes he or she owes to the organisation, as well as the benefits the employee believes are owed in return from the organisation (Kraut & Korman, 1999). The basic foundation of an organisation is the individual, unwritten set of mutual expectations that evolve over time between the various parties who have an interest in the organisation. These expectations pertain to what and how each party should contribute to, and gain from the relationship. This set of mutual expectations is called the psychological contract, and can further be explained by observing behavioural events in the organisation and how its representatives convey promises of future intent (to hire, promote, train) in exchange for some contribution (eg take the job, perform to standard, learn new skills), thereby creating the psychological contract (Rousseau & Geller, 1994).

Psychological contracts provide an enhanced tool for understanding human needs and problems in an organisation.

There is a shortage of research that specifically addresses the psychological contract in the context of the auditing environment. Given the industry's current and expected future significance, it is appropriate to explore the existing psychological contracts. In focusing on employees' opinions within an international auditing organisation, the researcher observed the current behaviour of the employees and focused on the existing psychological contracts that employees have with the organisation. The researcher observed that employees experienced frustration in terms of communication, training, challenges (a lack thereof, or excessive challenges), turnover, recognition, and work-life balance. In the researcher's preliminary discussion with employees within this group, the following items were raised, leading the researcher to believe that there is a need to investigate the existing psychological contracts within the organisation:

- insufficient recognition, benefits and rewards
- lack of performance feedback
- lack of commitment and satisfaction
- low retention (many young competent people leave the organisation)
- ineffective communication – employees not consulted
- lack of significant training and career development
• pressure of managing the work-life balance (too many long hours away from home)

These aspects are all related to the relationship between the employer and the employee, and the researcher believes that the real problem lies in the large discrepancy between the opinions and expectations of the employer (the organisation) versus the employee (the individual) in terms of the psychological contract.

Owing to the subjective nature of this research, it is imperative to maintain the anonymity of the auditing organisation being researched. This organisation will be referred to as "Organisation ABC" throughout this research.

1.2 PROBLEM STATEMENT

Numerous changes have occurred in the work environment over the last few years. Employees can no longer expect secure lifetime employment in return for loyalty. Human resource departments now face the difficult task of replacing the old contract with a new one that reflects the change from guaranteed employment to guaranteed employability. The rate of learning, perhaps the organisations' key differentiator, has been held back in most companies by the growing distrust and disillusion caused by the change in the psychological contract.

To further complicate the issue, the logic of the market place has replaced the mutual long-term commitment of employer and employee. A potential problem is that managerial work does not lend itself to a market-based approach, so the new employment contract is an uneasy balance between an open-ended relationship and the pull of the market, with the parties constantly renegotiating their commitments (Cappelli, 1999). This new market sensitive relationship has implications for many aspects of work. The availability of alternative job opportunities and competing wages affect performance, staff turnover rates, absenteeism, discipline and employee wellbeing. Employers gain flexibility and responsiveness from the new deal, and their long-term liabilities. In addition to this, organisations are facing the
"war for talent", that is, attracting and keeping talented individuals whose skills and knowledge are beneficial to the organisation as a whole. The downside is that retention of key employees becomes a problem, as loyalty and commitment becomes reduced, and it is more difficult to develop employee skills (Cappelli, 1999; Ullah, 2002).

Since important organisational changes (ie downsizing, re-engineering, real sizing) are usually implemented for current or future profitability and competitiveness, corporate executives must be prepared to address the issues related to new employer-employee relationships. Without carefully considering the full social and psychological impact of organisational strategies designed to cut overheads, executives may be ignoring key factors of long-term profitability and success (Burack & Singh, 1995, p. 12). It is time to reassess our assumptions about contracts. The restructuring of corporations and the decline in organised labour has challenged traditional employment contracts. Promises about the future are the essence of contracts, yet promises are increasingly difficult to make and keep (Cappelli, 1999; Hallier & James, 1997; Mowday et al, 1982; Rousseau, 1995).

According to Blinder (1998), it is possible to envision two fundamentally different paths that employer/employee relationships can take in the next twenty years. One path may continue the trend of maintaining job insecurity with organisations responding to high levels of competition and technological change by weakening connections to any one group of employees and by treating workers as a variable cost who can be readily laid off or hired on an contingent basis; this path would be in response to often rapid changes in the markets and technologies. In this arrangement, the organisation focuses on the current skills employees can provide, and is unlikely to make investments in employee training or in policies and benefits that encourage worker commitment. A second path has the organisation strengthening employer/employee relations in order to develop a highly skilled and committed workforce that is an important resource in adapting to changes in markets and technologies. In this arrangement, organisations will use extensive training, employee involvement, and flexible reward systems to create and take advantage of higher worker skills, motivation, and commitment.
The expectations of employees, in general, have risen since the democratic elections in South Africa in 1994. There are many underlying assumptions and opinions about affirmative action, career advancement, younger qualified people, and more women in the working world. Some employees have adapted to these changes, while others continue to resist any form of change. When employees are resistant to change, some cope by ignoring their feelings and continuing as they were, some communicate with appropriate people (talking to supervisors or fellow colleagues), some change their attitudes, and others look for new jobs. This means, in the view of the researcher, that the psychological contract is the key variable that causes organisational change to succeed or fail.

The main premise behind this research is to determine employees' current opinions about various dimensions that exist within the psychological contract (e.g., working relationships, empowerment, training, commitment, rewards, and recognition). Furthermore, very little scientific research has been conducted on the current opinions and expectations that exist within the organisation. The general aim of this research is thus to investigate, to evaluate and to report the employees' opinions of the various dimensions within the psychological contract construct, within the various departments of an auditing organisation. The aim of the study is to investigate the extent to which employees' opinions about the various psychological contract dimensions can influence the overall employment relationship. These opinions have an impact on employees' psychological contracts with the employer organisation, thereby affecting their performance. While it is understood that this research is not an exhaustive study, it is a useful first step, which could lead to further research and investigation into the existing psychological contract within Organisation ABC.

1.3 THE RESEARCH QUESTIONS

In order to resolve the above-mentioned problem, the following research questions are stated:
• How can the construct psychological contract be described from the literature?
• What are the various dimensions that exist within the psychological contract?
• What variables have an impact on the psychological contract dimensions?
• Can employee opinions on some dimensions of the psychological contract within the organisation be measured?
• What recommendations can be drawn on the basis of the analysis and interpretation of the results?

1.4 AIMS OF THE RESEARCH

The general aim of this research is to investigate, to evaluate, and to report the employees' opinions in terms of the psychological contract that exists between the employees of various departments, and the organisation.

The specific aims of this research are as follows:

• to conceptualise and describe the psychological contract
• to identify and describe the various dimensions of the psychological contract and the variables which affect these dimensions
• to plan and execute an empirical investigation to evaluate employees' opinions of some of the psychological contract dimensions
• to report the results of the evaluation on the dimensions of the psychological contract
• to formulate conclusions and recommendations to solve the set problem

1.5 THE PARADIGM PERSPECTIVE OF THE RESEARCH

Mouton and Marais (1994, pp. 7-9) postulate that social science research is collaborated human activity in which social reality is studied objectively with a view to gaining a valid understanding of it. One of the characteristics of social sciences
research is that different research traditions and paradigms can be found within each of the descriptions, and that each is multi-pragmatic. The theoretical perspective of this research will be described in more detail.

1.5.1 Disciplinary framework

The research project is undertaken in the context of industrial psychology which is described conceptually by McCormick and Ilgen (1985) as "the scientific study of human behaviour and psychological conditions in the work related aspects of life and application of knowledge towards the minimisation of problems in this context".

From a discipline perspective, the research focuses primarily on Industrial Psychology, which is rooted in other disciplines, particularly in behavioural science. Industrial Psychology is the scientific study of human behaviour in an endeavour to improve productivity and the quality of working life. One of Industrial Psychology's subdiscipline is organisational behaviour. Robbins (1993) defines organisational behaviour as a field of study that investigates the impact those individuals, groups and structure have on behaviour within organisations, for the purpose of applying such knowledge towards improving the organisation's effectiveness.

The psychological state of employees is an important factor in determining their behaviour and responses at work, and it is at least in part through the management of their state that organisational effectiveness can be achieved (Singh, 1998). The central challenge is to produce high-performance, high-commitment work relationships that have abruptly, but necessarily changed the basic expectations between employer and employee (Jaffe & Scott, 1998). According to Slabbert (1998), the employment relationship is often described as a social exchange relationship where two parties, the employer and the employee, are cooperating to achieve mutual benefit. This relationship is institutionalised through the process of employment contracting, which runs through the entire spectrum from the strictly legal to the purely psychological. The psychological contract encompasses the "invisible and unwritten set of reciprocal expectations that evolve over time between the various parties who have an interest in the organisation, regarding what and how
each party should contribute to, and gain from, this relationship. It serves as a primary source of trust, security and legitimacy between the respective parties and provides stability and predictability to their interactions over time" (Veldsman, 1996, p. 15).

1.5.2 Theoretical framework

Several theoretical perspectives have been used to understand how psychological contracts develop and why employees perceive that there to are psychological contract violations. In particular, the socialisation theory, the social exchange theory, the social information processing theory, control theory, and the cognitive dissonance theory, all help to develop our understanding of how psychological contracts develop (Turnley & Feldman, 1999). In this research, the theoretical models will be based on the cognitive dissonance theory and the equity theory. The necessity of mutuality in all social relationships is an idea that has long been held by sociologists. Social equilibrium and cohesion can not exist without the reciprocity of service; return service and all contracts among men rest on the schema of returning the equivalence (Salemi & Monohan, 1970).

Festinger, who sought to explain the link between attitudes and behaviour, proposed the cognitive dissonance theory. Dissonance means inconsistency. Cognitive dissonance refers to an incompatibility that an individual might perceive between two or more of his or her attitudes, or between his or her behaviour. Festinger argues that any form of inconsistency is uncomfortable and that individuals will attempt to reduce the dissonance and, hence, the discomfort. Individuals will, therefore seek a stable state where there is a minimum of dissonance (Robbins, 1993). The existence of inconsistencies (dissonance) between a person's knowledge, belief or opinions (cognitions), results in psychological discomfort, which in return "will motivate the person to try to reduce the dissonance and achieve consonance." Thus, a social comparison process becomes significant to explaining social behaviour (Salemi & Monohan, 1970). "When employees are faced with an inconsistency between their attitudes and behaviours, they are motivated to resolve that discrepancy by changing either the attitude or behaviour, depending upon
situational constraints" (Turnley & Feldman, 1999, p. 896). Examples of these behaviours are resignation, sabotages and inconsistent behaviours.

The workplace is an important environment in which people experience the joys and miseries of fairness and unfairness in the exchange of their talents, efforts and ideas; this exchange may or may not result in economic benefits (Pinder, 1997). The behavioural consequences of the perception of justice or injustice are very important to organisations. The equity theory is an attempt to further operationalise social exchanges to permit research into an individual's inputs (his or her contributions), outcomes (his or her inducements), and comparison processes; the resulting perception of equity or inequity and the behavioural responses to this perception. The theory encompasses all the inputs and outcomes the individual recognises and sees as relevant to the exchange (Salemi & Monohan, 1970). Equity concerns the perception of fairness in the work situation. Individuals compare their job inputs and job outcomes to those of other individuals. An individual may compare what he or she puts into the job (e.g., skills, qualifications, experience and effort), in relation to what he or she gets out of the job (e.g., remuneration), to other employees (Bergh & Theron, 1999).

According to Robbins (1993), the equity theory recognises that individuals are concerned with the absolute rewards they receive for their efforts, and that what they receive compares with what others receive. They make judgements about the relationship between their inputs and outcomes and the inputs and outcomes of others. Based on one's inputs, such as effort, experience, education and competence, one can compare outcomes such as salary levels, salary increases and recognition. When people perceive an imbalance in their outcomes – input ratio not relative to others, tension is created. This tension provides the basis for motivation, as people strive for what they perceive as equity and fairness. The concept of equity is most often interpreted as a positive association between an employee's effort on the job and the pay he or she receives. Whoever contributes more is believed to be entitled to more of the outputs. This may be referred to as the equity norm. This equity norm is generally learnt through a process of socialisation, most groups for example establish norms that induce members to behave equitably (Pinder, 1997).
Employees enter into a relationship with an employer based on the concept of a reciprocal agreement. In this exchange, the employee believes he or she is delivering a set of contributions to the organisation (eg effort, loyalty) and consequently expects to receive a set of equally valuable inducements (eg job security, respect). During this exchange, each employee engages in psychological comparison, and based on that comparison, determines if the critical inducements are being delivered by the organisation. For the purpose of the psychological contract, the employee can compare his or her contributions/inducement ratio over time to what the organisation has presumably promised (De Meuse, Bergmann & Lester, 2001).

Some equity theorists have suggested that people often experience equity/inequity in terms of the degree of balance they perceive, between their own inputs and outcomes, when compared to some internalised standards. Alternatively, there is cause to believe that many people evaluate their own current equity situations with the situation they recall having been in on other jobs, in earlier times. Finally, some people compare their equity situation with that which they expected when they first started their jobs. Thus, when a person begins a job, her or she develops a set of expectations about the types and amounts of inputs and outcomes that will be involved. When this psychological contract is violated, inequity perceptions and opinions develop, and the individual becomes less satisfied with his or her job and more likely to withdraw from it (Pinder, 1984).

The psychological contract, with its emphasis on the expectations of both the individual and the organisation, is closely related to expectancy models of human behaviour. People have expectations about how their own behaviour will affect future outcomes. The motivational force for the individual to engage in a particular behaviour is a function of (i) the expectations a person has about likely outcomes resulting from their behaviour, and (ii) the values the individual places on the outcomes. The new employee, for example, is motivated to expend effort if he or she expects that such effect will lead to performance that is rewarded (French, Kast & Rosenzweig, 1985, p. 41).
1.5.3 Specific theories, models and constructs

Hegel separates contracts into contracts of gift and contracts of exchange, with the employment contract being regarded as a contract of exchange. In his view, the existence of the contract, whether formal or informal, presupposes that the contracting parties recognise one another as people and owners of something of value to both, something each is willing to give to the other so that an activity of acquiring and relinquishing takes place (Wood, 1991). The psychological contract is where the divergence between employee's needs and company's needs have been greatest. According to Herzberg (1966), motivators of recognition, responsibility, advancement and a sense of achievement seem to have been removed from many jobs and work situations. Fear and insecurity about job loss seem to have appeared in their place. The answer thus for the employer and the employee seems to be the creation of a work environment that creates and maintains "motivation". Motivation in turn requires mutual trust and responsibility (Mumford, 1995).

This research focused on dimensions within psychological contracts that are based on the theory of reciprocation. Reciprocity has been uncovered in every human civilisation ever studied and has even been observed among baboons – it is truly a ubiquitous rule of behaviour. The norm of reciprocity means that favours get returned and social obligations are repaid (Jeffrey, 1998). For Schein (1980), the psychological contract involved reciprocation (contribution – inducement) where the employer and the employee became engaged in an interactive process of mutual influence and bargaining. The forms of employee involvement were a natural outcome of the rewards and kinds of authority used in an organisation.
Bailey et al (1989) explain the reciprocal relationship between the individual and the organisation by using inducements and contributions as an example (Figure 1.1). The individual offers contributions or work effort of value to the organisation's production purpose. These contributions make the individual a true resource for the organisation and are valued by the organisation because of the various needs it has. Items that the organisation gives to the individual in return for their contribution are called inducements. To induce participation, the organisation offers the individual something of value. As with the organisation, individuals value these inducements since they fulfil one or more of the individuals needs. When the individual and the organisation both feel that the exchange is fair, a state of inducements-contributions balance exists. Imbalance occurs in the individual's favour when inducements are greater than contributions; it occurs in the organisation's favour when contributions are greater than the inducements.

This research reports employees' opinions of the various dimensions within the psychological contract. It is important to note that perceptions are subjective. They
are a mechanism through which people receive, organise and interpret information from their environments (Bailey et al, 1989).

1.5.4 Conceptual descriptions

The following conceptual description will be referred to in the literature review and it is necessary, therefore, to give a brief description of them:

- **Employer** : the employer refers to the auditing organisation
- **Employee** : refers to the individuals employed within the various departments of the auditing organisation
- **Relationship** : "The employment relationship is often described as a social exchange relationship where two parties, the employer and employee, are co-operating to achieve mutual benefit" (Slabbert, 1998).
- **Opinion** : a personal belief or view that is not founded on proof or certainty

1.6 RESEARCH DESIGN

The research design ensures that research is planned in such a manner that the design answers the research questions adequately, and that internal and external validity levels are enhanced (Kerlinger, 1986). The aim of the research design is to align the pursuit of the research goal, the practical considerations and the limitations of the project (Mouton & Marais, 1994). To achieve this, the research design will be discussed with reference to the type of research design, the sample and the operationalisation of the objectives.
1.6.1 Types of research

Mouton and Marais (1994, p. 42-46) distinguish between three basic types of research: exploratory, descriptive and explanatory. They define descriptive studies in the following way: “The single common element in all of these types of research is the researcher’s goal, which is to describe what exists as accurately as possible” (Mouton & Marais, 1994, p. 44). This current research meets the requirements of descriptive research as it describes psychological contracts defines the dimensions and identifies them through quantitative techniques. Use is also made of correlations to determine the relationship between the variables. Since this research is designed to make use of a survey and a secondary analysis of existing data, it means that the research strategy is of general interest and that the research goal is descriptive. Since the prediction value of one variable on another is determined from the literature, and the empirical study is a regression analysis, the research can be described as descriptive research.

1.6.2 The sample

This study is based on data collected from an International Auditing Organisation’s (Org ABC) “Express Survey”. The survey covers a number of areas, such as leadership, working relationships and training. During 1999, an Employee Survey was conducted with more than 6 000 randomly selected employees. The main purpose of the survey was to give the individual employee the opportunity to express his or her views about a variety of subject matters relevant to Organisation ABC and his or her own job (International Survey Research [ISR], 1994).

The units of analysis, in this instance, are employees from three different departments of the auditing organisation. The researcher has decided to compare three major departments (n=394) within the South African branch of Organisation ABC, namely, Management Consulting (n=60), Audit (n= 262), and Information Systems (n=72). The major reason for comparing these three departments is that they display levels of internal competitiveness and they have similar standards. The
primary variables focused on are tenure, age, occupational position, gender and population group of the individuals in the three departments.

1.6.3 Research strategy and the operationalisation of the objectives

Mouton and Marais (1994, p. 121) draws a distinction between those studies with a more general interest and those with a more contextual interest. This research distinction is also associated with the three basic types of research studies, namely exploratory, descriptive and explanatory studies. Studies with general interests tend to be more exploratory-descriptive. Experimental and quasi-experimental studies tend focus more on general-explanatory findings, surveys and more general-descriptive, while field studies are contextual-descriptive. The research was conducted using this process in order to achieve all the objectives outlined above.

A detailed literature analysis, to conceptualise and describe the concept “psychological contract” will be conducted in chapter 2. To ensure that this research study remains reliable and validity is maintained, the researcher will conduct an extensive literature study to ensure that all relevant theories are covered. The information and research will be presented systematically. Applicable theories and models will be used to link the literature, the problem and goals of the research. These theories will assist the researcher to describe the psychological contract in a systematic way.

Various dimensions within the psychological contract, in conjunction with the relevant theories and models, will be described in detail in chapter 3. This will be done by first analysing all the relevant dimensions of the psychological contract in the literature and then focusing on the specific dimensions in this study. These specific constructs will be defined and its relationship with psychological contracts outlined. The dimensions that will be analysed are satisfaction and commitment, working relationships and teamwork, career development, rewards and recognition, communication, and work-life balance. Discussions in the first two chapters are attempts to solve the research problems theoretically and to offer possible behaviour and actions which employees may develop as a result of a breach of the
psychological contract. This also assists the researcher to develop hypotheses for the study.

A survey will be used to evaluate and analyse the opinions about some of the dimensions of the psychological contract within Organisation ABC. The impact of various variables on these dimensions will be discussed in chapter 3. This study will be based on data collected in an Organisation’s ABC “Express Survey”.

Chapter 4 will outline the empirical investigation that will be conducted to evaluate employees' opinions on some of the psychological contract dimensions. The data gathering and data analysis process will be described. The sample that will be utilised for this research is a group of employees from three different departments in Organisations ABC, namely, Management Consulting, Audit and Information Systems. The prime reason for comparing these departments is that the researcher is employed in the Management Consulting Department, and the Audit and Information Systems departments operate on the same consulting principles.

When the empirical investigation is complete, the results will be analysed by a computer program called “Interactive Survey Results”. The results will then be analysed, compared and complemented with the theoretical research. The analysis will include both qualitative and quantitative approaches. Comparisons between the Organisation ABC and the three individual departments' psychological contract dimensions can give the researcher an indication of the existing psychological contract within Organisation ABC, and the reasons for their fast turnover of staff.

In chapter 5, the evaluation and interpretation of employees' opinions about the different psychological contract dimensions are described and explained, in conjunction with the literature study. Interpretations will be done within the context of the literature.

The final step of the research will involve the formulation of conclusions and recommendations based on the discussion of the literature review and the empirical study. The limitations of the study will be outlined in chapter 6.
1.7 RESEARCH METHODOLOGY

The research is done in two phases. The first phase is the literature review in the form of descriptive research. In this, the theoretical models are described individually and are then presented in an integrated way as background to the empirical research.

**Phase 1** : Literature Review

**Step 1** : Defining psychological contracts.
All the relevant literature on the construct "psychological contracts" will be analysed and described.

**Step 2** : Analysing the different dimensions of the psychological contract.
Literature review on the dimensions that exists within the psychological contract construct, as well as the variables that have an impact on these dimensions.

**Phase 2** : Empirical investigation

**Step 1** : Choosing the sample.
The population comprises the total body of employees in the South African branch of an auditing organisation. The sample consists of the employees from three departments within Organisation ABC.

**Step 2** : Discussing and justifying the research instrument.
A survey called the "Express Survey" was used.

**Step 3** : Data gathering.
The covering letter and the Express Survey were distributed to all HR representatives in different geographic locations via the auditing organisation's internal mailing system. Completed
questionnaires were sent directly to the internal mailing department for delivery to the external consultant who assisted the organisation with the analysis of the questionnaire data.

Step 4: Data analysis.
The software package developed by ISR (International Survey Research) was used to analyse the data. The data was analysed by means of frequency distributions and the Chi-square to determine significant differences.

Step 5: Formulation of the research hypotheses.

Step 6: Reporting and interpreting of the empirical results.
The quantitative results were reported by means of tables and graphs. The results had to be interpreted to determine the prevailing opinions on the various dimensions within the psychological contract.

Step 7: Integration of the literature review and the empirical research.
The focus is on integrating the results of the empirical study with the findings of the literature study.

Step 8: Conclusions of the research.
The formulation of the conclusions is based on the stated aims of the research project.

Step 9: Limitations of the Research.
The formulation of limitations is discussed with reference to the literature review and the empirical study.

Step 10: Recommendations.
Recommendations are formulated to solve the problem statements. The focus is on using the results of the empirical study as a framework in recommending appropriate actions.
1.8 CHAPTER DIVISIONS

The chapters of this research study are presented in the following way:

Chapter 2 : The psychological contract
Chapter 3 : Dimensions of the psychological contract
Chapter 4 : Empirical investigation
Chapter 5 : Results of the empirical investigation
Chapter 6 : Conclusions, Recommendations and Limitations

1.9 CHAPTER SUMMARY

In this chapter, the background to and the motivation for the research were discussed. The problem was defined and the aims of the research outlined. The theoretical perspective, research design and methodology were presented. The arrangement of the ensuring chapters was also outlined. Chapter two presents and discusses the concept "psychological contract".
CHAPTER 2: THE PSYCHOLOGICAL CONTRACT

The objective of this chapter is to conceptualise the psychological contract construct. A background will be provided on the changing employment relationship and the development of the psychological contract. Thereafter, the various psychological contracts will be discussed. The effects of the psychological contract in organisational processes, the expectations that employees develop and the influence of the psychological contract on individual employees will be outlined. The breach/violation of the psychological contract will be analysed. The chapter will conclude with the integration of data on the psychological contract construct.

2.1 THE CHANGING EMPLOYMENT RELATIONSHIP

The metaphor of the psychological contract has recently become very popular in organisational psychology literature as a way of examining and exploring the expectations that individuals have of their relationship with the employer. McDonald and Makin (2000) see the reason as two-fold. Firstly, most managers and their staff easily understand the concept, and secondly, the relationships that people have with their employing organisation - both formal and informal - are undergoing rapid and sometimes extensive changes.

Cappelli (1999) points to a number of potentially irreversible pressures that have eroded traditional employment:

- The concept of lifetime employment has generated complacency, a lack of adaptability and new thinking, and a shortage of skills (staff knew the company, but lacked functional expertise).
- Limited competition gave rise to large, often arrogant companies with shifting corporate cultures and declining performance. The prime catalyst for change was international deregulation.
"Unbundling" activities to focus on core activities and release value have led to financial restructuring, with cost savings being achieved through redundancies. The renewed emphasis on shareholder value led to efforts to squeeze fixed costs out of the system and link rewards to performance targets.

Re-engineering, using management information systems to redesign organisational tasks, has tended to reduce employment. Total quality management programmes, employee empowerment and flatter organisational structures have all amplified the process of staff reduction.

The pressure for arm's-length relationships will continue and will drive companies to restructure. This restructuring is not, however, a once-and-for-all change after which the remaining staff can revert to the original employment model. The universal availability of information creates competitive pressures that forbid such regression. In addition, frequent restructuring maintains flexibility to cope with increasingly specialised markets.

New management techniques also serve to erode traditional employment. Examples include core competencies (which focus a company's activities on its distinctive capabilities), the use of information technology (which improves planning and control, and makes outsourcing much easier), and benchmarking (which cause companies to strive to match best-in-class employment levels).

Radical change in many or all of the above elements combined is often seen to be the best way of turning short-term process improvements into long-term performance gains.

Employment legislation tempts employers to reduce full-time staff and replace them with temporary or contract staff to which regulations do not apply.

A review of recent surveys, interviews, literature and other investigations suggests that the psychological contract has changed dramatically in recent years. Evidence is that the most important change has been the inability for organisations to continue to offer job security (Hiltrop, 1996; Robinson, Kraatz & Rousseau, 1994; Shore & Tetrick, 1994; Slabbert, 1998).
In the past, employees exchanged cooperation, conformity, and performance for tenure and economic security (De Meuse & Tornow, 1990). This highly dependent relationship virtually assured employee loyalty. A rapidly changing economic and competitive environment, however, has forced dramatic revisions in psychological contract provisions (Allen, 1997; Burach & Singh, 1995; De Meuse & Tornow, 1990; Singh, 1998). The new emerging contract is now contingent on company profits, independence and a strong economy. The new psychological contract requires that firms ensure employability rather than employment in exchange for dedicated work effort (De Meuse & Tornow, 1990).

According to Cosmides and Tooby (as cited in Robinson et al, 1994, p. 138), the employment relationship is also often described as a social exchange relationship where two parties, the employer and the employee, are cooperating to achieve mutual benefit. This relationship, according to Spindler (1994), is institutionalised through the process of employment contracting, which runs the entire spectrum from the strictly legal to the purely psychological.

Psychological contracts are not limited to the employment relationship, but can exist in any number of associations between an individual and other parties (McDonald & Makin, 2000). The complexity of multiple psychological contracts between the same individual and other parties are, however, not addressed in this research. For the sake of focus, the discussion of the psychological contract will be limited to the relationship between the employer and the employee.

When individuals join an organisation, they enter into an unwritten, implicit; or (less frequently) explicit; psychological contract with the organisation (Kolb, Osland & Rubin, 1995, p. 5). This contract consists of mutual expectations employers and employees have of each other. The psychological contract is based on the perception of the employer and employee that their contributions obligate the other party to reciprocate (Kolb et al, 1995, p. 5).

While much of the research is still exploratory in nature, even a piecemeal approach to this construct may help to uncover the nature of the relationships between opinions and perceptions of the fairness of psychological contracts and behaviour
that may follow as a result of perceived fulfilment (or violations) of these contracts (Shore & Tetrick, 1994; Slabbert, 1998). The research is an attempt to analyse employees' opinions about certain dimensions within the psychological contract. Before these can be discussed, however, it is necessary to review the development of the idea of the psychological contract.

2.2 THE DEVELOPMENT OF THE PSYCHOLOGICAL CONTRACT

A person's experience of work, and the interpretation he or she places on that experience, plays a fundamental role in how he or she views his or her job and the organisation for which he or she works (Spindler, 1994). This experience creates a set of unwritten rules, beliefs and commitments about how people approach work, which is called the psychological contract. It exists between the individual and the organisation, and can be fundamental to how people interpret the events that happen within the organisation that employs them.

The idea of the psychological contract gained in popularity in the early 1960s when prominent organisational psychologists such as Chris Argyris, Harry Levinson, and Edgar Schein used the term to describe the employer-employee relationship (Lester & Kickul, 2001). Schein (1980) saw the contract as the foundation for the employment arrangement in that the continuation of the relationship (including the employee's contributions to the company and subsequent rewards) depended on the degree to which mutual expectations were met. The psychological contract develops when the employee believes that his or her employment contributions obligate the employer to reciprocate in some way (Lucero & Allen, 1994).

Today's psychological contract is very different from the one established in the 1960s. De Meuse and Tornow (1990) emphasise that both parties (the employer and employee) realise that lifetime job security can no longer be guaranteed and that the employee has to be more self-reliant. The employee plays a much more active role in monitoring job duties, supervising practices, variable pay, and developing his or her career. The employer uses a more performance-based, context bound, cost conscious perspective when managing employees. The employer–employee
relationship frequently assumes a short-term posture with immediate results being emphasised.

The concept of a contract between the employer and his or her employees usually brings to mind a situation involving a union (Dunahee & Wangler, 1974, p. 519). The rights and obligations of the parties in a psychological contract are not articulated or agreed to. The parties do not express their expectations and may be quite incapable of doing so. To articulate and spell out expectations would, in all likelihood, be difficult and painful. Indeed, to do so might well undermine the relationship or otherwise cause it to shift so that important aspects are once more hidden (Spindler, 1994).

Promises of future behaviour by the organisation are dependent on some action/s by the individual. Although the organisation is perceived to be making these promises, the individual - and not the organisation - defines the reciprocal obligations (Spindler, 1994). They are, therefore, subjective. The individual interprets the various actions of the organisation and infers their psychological contract with the organisation on the basis of these actions (McDonald & Makin, 2000). The employee enters into an employment relationship with the understanding that the employer has certain obligations to him or her, just as he or she has certain obligations to the employer; this understanding thus creates an atmosphere of reciprocity. The contract is, therefore, largely informal, unwritten and constantly developing as the individual interacts with the organisation. Schein (1980) points out that, despite its informal and unwritten nature, it is an important determinant of the person’s behaviour.

From a functional viewpoint, the psychological contract accomplishes two tasks: the first is that the contract helps to predict the kind of outputs the employer will get from the employee; and the second is that the psychological contract helps to predict what kind of rewards the employee will get from investing time and effort in the organisation (Hiltrop, 1996, p. 36).

When an individual perceives that the contributions he or she makes obligate the organisation to reciprocity (or vice versa), a psychological contract emerges. The opinion that reciprocity will occur may be a precursor to the development of a
psychological contract. However, it is the individual’s belief in obligation or reciprocity that constitutes the contract (Rousseau, 1989). The psychological contract is an idiosyncratic perception of expectations and reciprocal obligations in the employment setting (Robinson et al, 1994; Rousseau, 1996b). Critical to this perception, and what distinguishes it from mere expectations, is the reciprocal nature of the contract. Moreover, it is the individual perception, further distinguishing it from implied contracts, which are observed by third parties (usually the customers) (Rousseau & McLean Parks, 1993).

An explanation of the various types of psychological contracts is given below.

2.3 TYPES OF CONTRACTS

A formal or explicit employment contract formalises the employment relationship (Swanepoel, 1997) and specifies the obligations of the employer and the employee towards each other (Shore & Tetrick, 1994, p. 94). These obligations are captured in a written document. It serves to bind individuals and business organisations, regulating their behaviour in order to facilitate the achievement of organisational goals (Robinson et al, 1994, p. 137). However, a formal employment contract at best, only partially reflects the obligated exchanges between employer and employee and does not, according to Spindler (1994, p. 327), address all aspects of the employment relationship. Shore and Tetrick (1994) postulate that the inability of a formal employment contract to fully reflect the employment relationship gives rise to the formation of informal contracts. Informal or implicit employment contracts are unwritten, unexpressed representations of the employment relationship, supplementing the formal employment contract (Beukes & Vos, 1996, p. 32; Spindler, 1994, p. 326). Formal contracts are aimed at reducing individual uncertainty about undefined elements of the employment relationship.

Rousseau (1989, p. 121) distinguishes between two forms of informal employment contracts, namely the implied contract and the psychological contract:
An implied contract is a mutual obligation between an employer and an employee existing at the level of the employment relationship (Rousseau, 1989, p. 124). The content of an implied contract is a set of exchanges between an employer and employee, derived from objectively observable patterns of behaviour within an employment relationship.

A psychological contract refers to an individual's beliefs regarding the terms and conditions of a reciprocal exchange between the individual and another party (Rousseau, 1989, p. 123). Robinson and Rousseau (1994, p. 246) explain that a psychological contract emerges when one party believes that a promise of future return has been made (e.g., pay for performance), a contribution has been given (e.g., some form of exchange) and thus, an obligation has been created to provide future benefits.

The term "psychological contract" is used to describe the relationship and ongoing "dialogue" which exists between an employer and employee. This relationship is framed in the promises and expectations of each party, and in the extent to which each party believes these promises to have been kept and the expectations fulfilled. Various researchers differentiate between two forms of psychological contracts, namely transactional and relational, and this is based on the type of relationship perceived to be at work between the employer and employee (Millward & Hopkins, 1998; Robinson & Rousseau, 1994; Rousseau, 1990; Rousseau, 1995; Rousseau & McLean Parks, 1993; Rousseau & Wade-Benzoni, 1994). These two components emphasis the different types of exchange relationships between the employer and employee (De Meuse et al, 2001).

2.3.1 Transactional contracts

Transactional contracts may be characterised as "a fair day's pay for a fair day's work" – focusing on short-term and monetary exchanges. The transactional contract is characterised by obligations that might be considered to be "economic" in nature (Rousseau, 1990; Shore & Tetrick, 1998). Although they include a willingness to work overtime, to provide high levels of performance for contingent pay, and to give
notice before resigning, the employee feels no loyalty to the organisation. These obligations are correlated with employer obligations to the employee to provide high performance-based pay. This contract is defined in terms of a monetary exchange for specific times and tasks. The individual is compensated for satisfactory performance and is thus employed purely on his or her current value to the organisation (Rousseau, 1990; Singh 1998).

The attitude of "money comes first" refers to employees being more concerned about remuneration and personal benefit than with being good "organisational citizens", or "going the extra mile". This type of contract also includes employees bending organisational rules to meet personal ends (Pascale, 1995). It appears that if employees do not attempt to meet the transactional expectations of employees, they are likely to leave the organisation for improved monetary and performance rewards. This seems to be a likely problem within Organisation ABC, where employees are not satisfied with the rewards and recognition within the organisation.

2.3.2 Relational contracts

Relational contracts focus on relationships involving considerable investment from both the employer (extensive training) and the employees (company specific skills, long-term career development). Such investment involves a high degree of mutual interdependence, making exit difficult. The relational contract is characterised on the employee's side by perceived obligations of loyalty to the employer, and on the employer's side by an obligation to provide job security (Rousseau, 1995; Motowildo, 1984). A relational contract is not time bound; it establishes an ongoing relationship between the organisation and the person, and involves the exchange of both monetary and nonmonetary benefits (eg mutual loyalty, support and career rewards).

Parallel to the traditional working "partnership" between the employer and employee, a relational-type employer-employee relationship can engender feelings of affective involvement or attachment in the employee; this may lead the employer to provide more than purely remunerative support to the individual with investments such as
training, personal and career development, and provision of job security (Rousseau, 1996a; Sims, 1994).

The two types of contracts can often be implicitly differentiated by the time span of the contract. Transactional contracts tend to be short term, whilst relational contracts imply long-term reciprocal expectations and obligations. It is now widely accepted that the concept of a psychological contract is composed of two bipolar constructs, encompassing the ideas of "transactional" and "relational" relationships between the employer and employee, which are linked respectively to the notions of economic exchange and social exchange (Millward & Hopkins, 1998).

Empirical evidence by Robinson et al (1994) supports these two types of contracts. In their study, transactional employer obligations included advancement, high pay and merit pay, while those of relational contracts were job security, training, career development and support with personal problems. Employee obligations of a transactional nature included willingness to accept a job transfer, refusal to support the organisation's competition, protection of the organisation's proprietary information, and staying with the organisation for a minimum of two years. Relational factors in the employee obligations were perceived as working extra hours, volunteering to perform non required or extra tasks, behaviour and loyalty. The present descriptive study produced a variety of quantitative results relating to the transactional aspects and the relational aspects of the psychological contract. Categories addressed both transactional contract obligations and relational contract obligations.

McDonald and Makin (2000) note that psychological contracts are not usually of a either/or nature. Rather, the descriptions given above represent the two ends of the continuum. Any particular psychological contract will contain both transactional and relational elements, but in differing quantities. The present study produced a variety of quantitative results relating to the transactional aspects and the relational aspects on various dimensions of the employees' psychological contracts. The changing employment relationship has an impact on both the relational and transactional aspects of the psychological contract and these will be analysed in the results of the research. If the employer does not attempt to meet the relational aspects of the
employee's psychological contract, it will lead to individuals feeling less valued and committed. This in turn affects the relationship between the employer and the employee.

2.4 DEFINING PSYCHOLOGICAL CONTRACTS

Borrowing a term that was originally used by Argyris and Levinson in the 1960s to characterise the subjective nature of the employment relationship, Schein believed that the psychological contract may be defined as follows: "An unwritten set of expectations operating at all times between every member of an organisation and the various managers and others in that organisation" (Schein, 1980, p. 159).

This view is echoed in various historical definitions of the psychological contract, and has continued to form the backbone of the psychological contract research throughout the decades.

Rousseau (1989, p. 122), defines psychological contracts as follows: "The individual's belief regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party. A psychological contract emerges, has been given and thus, an obligation has been created to provide future benefits."

As this definition shows, the contract is neither a matter of personal perception, nor of enforceable promises. Job security is in the eye of the beholder. Few employers would agree that such a contract was ever made, nor that employability has been used to fill a void. At the very least, the contract is an ideal construct. At best, it has received retrospective credence only in a climate of severe rationalisation.

In a later publication Rousseau (1997, p. 274) went further by defining a psychological contract as follows: A psychological contract is an individual's system of belief, shaped by the organization, regarding the terms of an exchange agreement between himself or herself and the organization. It encompasses the actions employees believe are expected of them (eg performance demands) and what
response they may expect in return from the employer (eg rewards, benefits, employment duration). The ideal contract in employment would detail the expectations of both the employee and the organization. Typical contracts, however, are incomplete due to bounded rationality, which limits individual information seeking, and to a changing organizational environment that makes it impossible to specify all conditions upfront.

Millward and Hopkins (1998), formalise these views in the following way:

- An individual's belief(s) in reciprocal obligations between that individual and another party.
- When one party has paid for, or offered consideration in exchange for, a promise that the other party will reciprocate (ie fulfil the promise).
- When both the promise and the consideration is highly subjective (ie exists in the "eye of the beholder").
- The individual holding belief in a psychological contract attaches to that belief assumptions of good faith, fair dealing and trust, which leads the contract to be part of a mainstay of the relationship between the parties.

Regardless of the perspectives adopted, authors appear to agree that there are a number of elements of the psychological contract construct, which have gained wide agreement and consensus:

- The psychological contract comprises of perceived expectations and/or promises held/made by individuals and organisations. These expectations are not necessarily mutual, but are reciprocal in nature.
- The understanding of the contract may differ between individuals and between parties.
- An existing psychological contract may, and does, change over time.
- Both the employer and the employee manage the psychological contracts.
- Contracts are shifting from traditional to dynamic and, in some cases, from relational to transactional in nature and content.
The above definitions are by no means exhaustive, but are sufficient to give the general flavour of current thinking. Since psychological contracts are by definition voluntary, subjective, dynamic and informal, it is virtually impossible to spell out all the details at the time a contract is created. People fill in the blanks along the way, and, sometimes, they do so inconsistently.

2.5 DEVELOPMENT OF PSYCHOLOGICAL CONTRACTS THROUGH ORGANISATIONAL PROCESSES

There are some areas that have an impact on the development and subsequent expression of the psychological contract. Rousseau (1995; 1997) outlines the following areas.

- Recruitment

Promises are plentiful when people first encounter a new organisation. The interactions in these initial meetings begin to form some fundamental elements of the psychological contract. These elements become integral to how the new employee approaches his or her new job, and whether or not his or her expectations are met.

- Remuneration

Wages and salaries can receive considerable attention in terms of their impact on the psychological contract. Performance standards and individual contribution can be conveyed both directly and indirectly in compensation systems, and any differentials in remuneration (real or perceived) can send clear signals about individual values and expectations.

- Benefits

Benefits appear to be one of the least malleable and, therefore, more binding features of psychological contracts. Reliance on benefits when joining a company creates a belief in the existence of a commitment to maintain them. Any reduction or
change in benefits can easily be viewed as a change in that level of commitment and interpreted as a breach of the psychological contract.

• **Performance reviews**

One of the most visible expressions of the psychological contract is seen when an employee's performance is reviewed. During these discussions – both formal and informal – many of the tenets of the psychological contract can be reinforced or challenged. The performance management system also sends out clear signals about what is valued and what is not. For instance, is contribution to the bottom-line measured? How well do people work with others and contribute to team spirit? How about the value that is placed on personal development? Whatever is "measured" is valued. If it is not measured in some way, the underlying message is often that not actually important to the organisation.

• **Policy manuals**

Manuals also affect the psychological contract with regard to how they impact on the employee's sense of fairness and what is being valued or devalued by the company. This can serve either to alter or reinforce elements of the contract; depending on how positively or negatively the treatment is viewed.

None of the above areas operate independently. Each area is judged on its consistency or misalignment with the others. Mixed messages are virtually unavoidable, especially when there are multiple contract makers. Simply recognising that the psychological contract does exist can be a critical step in ensuring that systems and messages are aligned. Once it is recognised that promises are indeed made, the systems for putting them in place and the need for further changes, can then be made more explicit. The organisation and individual employees can then work more clearly towards a shared understanding of their mutual expectations. The expectations that develop from the employer-employee relationship is discussed next.
2.6 EXPECTATIONS THAT DEVELOP FROM THE EMPLOYER-EMPLOYEE RELATIONSHIP

There is an unwritten agreement that exists between the employer and the employee. This psychological contract sets out mutual expectations, that is, what management expects from workers, and vice versa (McLean Parks & Kidder, 1994). In effect, this contract defines the behavioural expectations that go with every role (Baker, 1985). Management is expected to treat employees justly, to provide acceptable working conditions, to clearly communicate what is regarded as a fair day's work, and to give feedback on how well the employee is doing. Employees are expected to respond by demonstrating a good attitude, following directions, and showing loyalty to the organisation (Robbins, 1993). Psychological contracts comprising perceived obligations must be distinguished from expectations, which are general beliefs held by the employee about what he or she will find in his or her job and organisation. These expectations emanate from a wide variety of sources, including past experience, social norms and observations by friends (Robinson, 1996).

If management is derelict in keeping to its part of the bargain, one can expect negative repercussions on employee performance and satisfaction. When the employee fails to live up to expectations, the results are usually include some form of disciplinary action up to, and including, firing (Robbins, 1993).

Levinson, Price, Munden, Mandl and Solley (1962) characterises the psychological contract between the organisation and the individual by the concept of reciprocation. He states the following: "The process of fulfilling mutual expectations and satisfying mutual needs in the relationship between a man and his organisation" (as cited in Salemi & Monohan, 1970, p. 987). In effect, a psychological contract exists, which is the product of these mutual expectations.

The psychological contract has many implications for productivity and individual satisfaction. This contract is concerned with the organisation's expectations of the individual employee and the employer's attempt to meet those expectations. It also includes expectations of the employee, and the employer's continuing willingness to
satisfy his or her needs (Dunahee & Wangler, 1974). The expectations of the psychological contract are not visible when things run smoothly. Most of the time they operate in the background. Unspoken expectations are part of the definition. Those expectations are often unconscious. Expectations are discovered as people work with each other and something goes amiss. Individuals realise they have them when the expectations are no longer mutual (Morrison, 1994).

2.7 THE INFLUENCE OF THE PSYCHOLOGICAL CONTRACT ON THE INDIVIDUAL EMPLOYEE

The psychological contract, in the eyes of Guzzo and Noonan (1994, p. 625) is a powerful instrument in the harnessing of individual contribution and commitment. The relevance thereof to the organisation can, perhaps, be most clearly illustrated by the adverse consequences of a perceived organisational breach of psychological contractual terms.

According to McDonald and Makin (2000), the psychological contract, like other contracts, has an important influence on the relationship between the employee and the organisation; the influence of this contract may, however, not be overtly apparent. Just as with other types of contracts, the psychological contract often only becomes an important influence on behaviour, when it becomes salient, such as when it is broken or undergoes substantial change. These both have an impact on the psychological contract.

According to Shore and Tetrick (1994, p. 102), an employee evaluates the business organisation's action(s) against the set of beliefs of perceived organisational obligations held in an individual's psychological contract. If it is perceived that the organisation is adhering to the psychological contract terms, the individual's commitment to the organisation will be strengthened and the individual's behaviour will contribute positively to the wellbeing of the organisation.

If the organisation fails to respond to an employee's contribution in ways the individual believes it is obligated to, the psychological contract of the individual is
violated (Rousseau, 1989, p. 128). Robinson and Rousseau (1994, p. 247) supported by Robinson et al (1994, p. 140), argue that the violation of a psychological contract is distinct from unmet expectations and perceptions of inequity, as it affects both the employment relationship and the belief in reciprocity held by the individual.

In a situation where the employee perceives that there is a violation of psychological contract with the employer, the individual may experience the following (Rousseau, 1989, p. 128; Sims, 1994, p. 374):

• a feeling that a sense of security has been destroyed;
• a threat to the identity and self-esteem;
• damage to the employment relationship;
• feelings of the betrayal and deeper psychological distress.

The employee will respond to a perceived contract violation in such a way as to reduce discrepancy between the employer’s expected and actual reactions to the employee’s contribution. This is due to the cognitive dissonance theory (McLean Parks & Kidder, 1994, p. 123) and the equity theory (Radford & Larwood, 1982, p. 61). The individual’s reaction may range from reducing his or her contribution to the organisation, to the actual lowering of what is expected from the employer. Any perceived violation of a psychological contract, however, signals damage to the relationship between the employee and employer. This results in the individual exhibiting negative organisational behaviour ranging from withdrawal to sabotage, depending on the severity of the perceived violation. According to McLean Parks and Kidder (1994), employees who were previously committed, may withdraw, formerly conscientious employees may shirk responsibilities and formerly dedicated employees may even steal. If, ultimately, the employee evaluates the relationship as being costlier than alternatives, the relationship may be severed.

The following can be summarised as being compromised by the violation of a psychological contract (Robinson & Morrison, 1995, p. 296):
• trust between the employer and employee, which is essential to organisational success and even survival;
• the employee's commitment to the business organisation;
• organisational citizenship behaviour.

The combination of possible consequences following a perceived psychological contract breach, for example, a decrease in commitment and trust, a decrease in organisational citizenship behaviour and an increase in negative organisational behaviour by the employee, urges any business organisation to take the concept of the psychological contract seriously.

2.8 PSYCHOLOGICAL CONTRACT BREACH

The workings of the psychological contract are, perhaps, best understood by examining what happens when a psychological contract is violated or breached. This occurs "when expectations are unrecognised, denied, or not fulfilled by the organisation ... a person acts as if something which has been promised to him/her has been withheld or denied" (Baker, 1985). The organisation's prime concern is the capability of the applicant, whose prime concerns are human needs and organisational climate. A mismatch results in a frustrated worker, frustrated supervisor, or both (Baker, 1985). The employee must become aware of job characteristics and availability, and the organisation must gain adequate knowledge of the competencies and abilities brought by that individual. If either the organisation or the individual lacks self-knowledge, fruitful discourse between them becomes problematic.

Psychological contracts, in general, are the set of beliefs and promises held by an individual employee about terms of the exchange agreement to which that employee is a party (Rousseau, 1989). The organisation may, for example, promise an employee a competitive salary, training, long-term job security, career development, and sufficient power and responsibility. In return for these promises, the employee may promise to perform his or her job, and remain loyal and committed to the goals
of the organisation (Rousseau, 1996a). When the organisation maintains the psychological contract with the employee, it is more likely that the employee will attempt to fulfil his or her contractual obligations to the organisation (Rousseau, 1989).

However, when breaches or violations occur within the employee’s psychological contract, it can generate a unique form of distributive injustice, as a variety of unfulfilled promises can deprive the employee of desired outcomes and benefits (Robinson & Morrison, 1995; Robinson & Rousseau, 1994). According to Morrison and Robinson (1997, p. 230), perceived contract breach "represents a cognitive assessment of contract fulfilment that is based on an employee’s perception of what each party has promised and provided to the other". This type of breach can cause the employee to have intense attitudinal and behavioural reactions toward his or her employer (Rousseau & McLean Parks, 1993).

In Robinson and Rousseau’s 1994 study, the authors examined the impact that breaches or violations of the psychological contract can have on the employment relationship. Employee trust and satisfaction was negatively related to violations of the psychological contract. In addition, violations were positively related to actual turnover. Robinson (1996) also investigated the role of contract breach on employee attitude. She found that contact breach was negatively related to employee satisfaction and commitment to the organisation.

Thus, when an employee perceives that his or her psychological contract has been breached, the individual feels a sense of deception and wrongdoing that can have pervasive implications for the relationship and commitment level between the individual and his or her employer (Rousseau, 1989). When the organisation is unable to fulfil its promises, the employee may decrease his or her commitment to the organisation in order to maintain the equity in the exchange relationship.

Withholding or withdrawing from the relationship enforces psychological contracts. They are greatly influenced by the personal history and individual self-image of the parties to the relationship. A psychological contract creates emotions and attitudes which form and control behaviour (Spindler, 1994, p. 327).
2.8.1 Subjective experience of psychological contract breach

The psychological contract is based on a person's perceptions and beliefs and is by definition, therefore, highly subjective. There are inevitable similarities in people's perceptions, often determined by the common work situation that they share (McDonald & Makin, 2000).

Psychological contract breach is a subjective experience; it refers to one's perception that another has failed to adequately fulfil the promised obligations of the psychological contract (Rousseau, 1989). Psychological contract breach can and does occur in the absence of an actual breach (ie whereby one party deliberately breaks a promise on another party's contract, and that fact can be determined by a neutral third party) (Morrison & Robinson, 1997). It is an employee's belief that a breach has occurred that affects his or her behaviour and attitudes, regardless of whether that belief is valid or not, or whether an actual breach took place or not.

Psychological contract breach is a subjective experience based not only on the employer's actions or inactions, but also on an individual's perception of those actions or inactions within a particular social context (Rousseau, 1996). Thus, the experience of psychological contract breach should depend on social and psychological factors specific to the employment relationship in which it occurs (Morrison & Robinson, 1997).

2.8.2 Outcomes of psychological contract breach

Consistent with prior studies finding psychological contract breach to be negatively correlated with various work behaviours (eg Robinson & Rousseau, 1994), it is likely that the employee who experiences a psychological contract breach will reduce his or her subsequent contributions to the firm. Katz (as cited in Robinson, 1996) identified several distinct forms of employee contributions, all of which are important to an organisation's well being: (i) performing prescribed roles as part of one's job; (ii) engaging in innovative and spontaneous behaviours that are not specified by job
requirements but facilitate organisational effectiveness; and (iii) joining and remaining in the organisation.

Robinson et al (1994) found that employees experiencing contract violations are more likely to report having a transactional psychological contract with the organisation. They also found evidence that psychological contract violations have a stronger impact on relational obligations. The employee who experiences psychological contract violations is likely to feel less obliged to fulfil relational type obligations to the employer. This may have considerable detrimental consequences for the organisation.

When the psychological contract is breached, the employee reacts on various levels and to varying degrees, which may include complaints, retaliation against the organisation, pursuit of outside assistance; and termination of contract. The key element in these situations is employee perception (Baker, 1985; Beukes, 1996; Dunahee & Wangler, 1974; Guzzo & Noonan, 1994). The most extreme behaviour which can result from a breach in the psychological contract is workplace violence.

Other ways of expressing dissatisfaction may be through legal action and employee misconduct, such as work slow-down, apathy, unwillingness to assume responsibility, increased absenteeism, providing customers with poor service, vandalism, theft of company assets and company time, hostility towards management and sabotage (Rousseau, 1995; Shore & Tetrick, 1994). These violations may also lead to costly litigation, which in turn, could damage the organisation's public image (Niehoff & Paul, 2001).

Continued exposure to a stressful environment can cause an alteration in sleeping patterns leading to tiredness, irritability, depression, headaches and psychosomatic illness. Tension, tiredness and anxiety might lead to outbursts of hostility and aggression, over-sensitivity to criticism, and an inability to relate to friends and colleagues. There might also be increased alcohol and drug abuse and smoking, which can be a cause of significant ill-health, leading to absenteeism, discipline problems and reduced effectiveness at work. The potential of an individual or
individuals to damage the reputation of a company, or make the company "pay" in a variety of ways cannot, therefore, be underestimated (Lewis, 1997).

Many changes have taken place in the organisation during the year in which the organisation was researched, and all these changes have had an impact on the employee’s opinions and behaviour. It is assumed that within the context of organisational change, different ways of supporting the change will have different effects on the psychological contract of the individual employee. Change in the psychological contract will affect (individual) employee attitudes, which in turn, will affect employees' behaviour (Schalk, Campbell & Freese, 1998). These changes are believed to be one of the major reasons why many qualified and talented employees are leaving the organisation being studied. In the past, these changes were not communicated successfully and resulted in employees feeling confused, betrayed and uncommitted.

2.9 INTEGRATION

In a discipline that examines the effect of numerous policies and practices (eg compensation, training, recruitment) on various employment attitudes (eg fairness, satisfaction) and behaviour (eg performance, extra role behaviour), the study of the psychological contract may be the most critical aspect in human resource management. Moreover, the psychological contract may have changed in the sense that employers are no longer willing or able to offer job security in exchange for productivity (Blancero, 1992). These changes most likely have implications for managing the psychological contract of employees. From hiring and compensation to training and performance management, every human resource (HR) system influences employee performance and thus, the success or failure of a total quality initiative. Keeping HR systems aligned with quality strategies will be the HR challenge of the next decade (Caudron, 1993; Dryer & Holder, 1988). The obvious implication is that the front-line service employee must be fully integrated into the organisation’s strategic planning, while also considering psychological characteristics, personal needs, attitudes and perceptions.
The dynamic quality of the psychological contract means that the organisational and individual expectations and the organisational and individual contributions have a mutual bearing on one another. In other words, the relationship between the manager and the managed is interactive, unfolding through mutual influence and mutual bargaining to establish and maintain a feasible psychological contract. This contract is not written into any identifiable formal agreement between the organisation and the employee, yet it operates as a powerful legal counterpart. Furthermore, it is not static; it is an evolving set of mutual expectations. Thus, neither contributor to the transaction, since the transaction is a continuing one, knows fully what it wants over the length of the psychological contract, although each acts as if there were a stable frame of reference, defining the relationship.

Today's psychological contract needs to reflect the endlessly changing nature of work and business. Principally, managers must be acutely in synchronisation with these changes and how they can impact on the attitudes that different people possess about their work and the company they work for. Furthermore, managers need to understand how these beliefs are then "written" into each person's psychological contract.

2.10 CHAPTER SUMMARY

In this chapter, the author provided a brief overview of the changing employment relationship, followed by the development of the psychological contract. The types of contracts were clearly explained, and the concept "psychological contract" was defined in detail. The relevance of psychological contracts was examined and the importance of expectations in an employment relationship discussed. An outline of the impact of the breach of the psychological contract concludes the chapter. Herewith the first literature objective, namely to conceptualise the psychological contract construct, was reached.
CHAPTER 3: DIMENSIONS OF THE PSYCHOLOGICAL CONTRACT

The objective of this chapter is to identify and describe the various dimensions within the psychological contract and the variables that affect these dimensions. Firstly, the background to how the psychological contract dimensions were identified will be discussed; thereafter, each of the identified dimensions will be examined. Last the various variables, which have an impact on the psychological contract, will be presented.

3.1 BACKGROUND TO PSYCHOLOGICAL CONTRACT DIMENSIONS

While organisations are currently undergoing numerous changes - and it is interesting to note that these changes are occurring on the employer's side - new values, trends and workforce demographics are resulting in revised expectations from employees. There appears, for example, to be a significant shift in employees' attitudes and values with regard to career management, leadership style, motivation and working conditions. The highly educated new generation of workers wants more opportunity for development, autonomy, flexibility and meaningful experience. It also values independence, imagination, tolerance and responsibility (Brewster, Dowling, Grobler, Hollard & Warnich, 2000; Smithson & Lewis, 2000).

From the perspective of the individual, joining and staying with an organisation provides for a continuing source of current economic rewards (ie wages, salary), as well as some degree of future economic security such as retirement benefits. In addition, membership of an organisation can also provide the basis for psychological rewards, such as intrinsic job satisfaction and the support of a friendly, congenial group (ie a potential surrogate family). Thus, the more the employee invests of himself or herself in the organisation, the more potential there is for greater rewards (both economic and psychological) from the organisation (Mowday et al, 1982; Rousseau, 1996a). For the regular employee, employment provides repeated cycles of reciprocal exchange with an organisation that expands the scope of connection to
the organisation. Consequently, the psychological contracts include a broad range of perceived employee obligations.

The psychological contract construct, as an affective workplace reaction, does not exist in isolation. There are many "pet" dimensions researched by occupational psychologists who report alarmingly strong relationships with supposedly conceptually and empirically distinct concepts, such as organisational commitment, job satisfaction and work-life balance. Many conflated relationships are believed to exist due to methods of covariance and other statistical biases. However, it is possible to argue that such relationships are also descriptive of the complex and interdependent nature of workplace reactions. It is with these caveats in mind that relationships can be found between the psychological contract and other measures of workplace perception, attitudes and behaviour (Rousseau & McLean Parks, 1993).

The literature shows that the employers' psychological contract show that organisations are most likely to make promises relating to the provision of training and development opportunities (career development), fair treatment, a safe working environment, feedback on performance, and less likely to make promises on opportunity for promotion (rewards and recognition), enhanced relationships (working relationships), a balanced work life, transparency and involvement, communication process, and levels of commitment and satisfaction (Burack & Singh, 1995; Holmes & Friedman, 1995; Katz, 1999; Morrison & Robinson, 1997; Rousseau, 1997; Rouseau & Geller, 1994). These finding are broadly consistent with the literature that has characterised the employment relationship as changing from long-term loyalty based commitments to those based on short-term needs and the requirements for employees to be flexible (Rousseau, 1995; Rousseau & McLean Parks, 1993).

The dimensions of the psychological contract may be standard, but the specifics have to be discovered. All parties to the contract participate in that discovery (Rousseau, 1995). The individual develops his or her expectations by perceiving and remembering what happens. Contracts are created from what the person does, not from what he or she says he or she will do, or from what someone says he or
she should do. For this reason, the psychological contract is more a reality than are the formal policies. In fact, it is a reality as opposed to what someone says reality should be (Morrison, 1994; Rousseau & McLean Parks, 1993).

With such a diversity of occupations and available job types, it would be impractical to clarify all the dimensions of the psychological contract that encompass the qualities of all employees worldwide. Consequently then, in order to clarify the numerous dimension, the concept of the psychological contract may be differentiated and characterised as being transactional or relational in nature. Transactional terms are usually short term and performance related, involving set monetary exchanges. Conversely, relational contracts are based on significant emotional investment and on financial rewards. They appear to be more long term and involve significant investment by both the employer and the employee. The relational contract is more predominant in Organisation ABC, as it involves extensive career development, rewards, maintaining a work-life balance et cetera. It illustrates, therefore, that the psychological contract may influences employees' opinions and attitudes, which in turn, may shape their workplace behaviour.

The following psychological contract dimensions are briefly explained. It is important to note that this research argues that these psychological contract dimensions pertain principally to the auditing firm that was researched. The dimensions are not listed in order of priority or importance.

The identified dimensions of the psychological contract, namely commitment and satisfaction, working relationships and teamwork, career development, rewards and recognition, and work-life balance will now be discussed.

3.2 COMMITMENT AND SATISFACTION

Employee commitment has long been a concern of organisations, because of their tendency to value employee behaviours such as service, citizenship, learning and attendance (Schalk et al, 1998). At present, the psychological contract appears to be experiencing considerable negative distortion and to have major contradictions
located in it. The employee is expected to be loyal and highly motivated, to achieve quality and performance according to standards, but the long-term employment prospects are being eroded and stress is substituted for job satisfaction (Mumford, 1995). Organisational commitment is defined as "an individual's psychological bond to the organisation, including a sense of job involvement, loyalty, and belief in the values of the organisation" (O'Reilly, Chatman & Cadwell, 1991, p. 490).

3.2.1 Calculative versus affective commitment

Researchers increasingly agree that there are at least two distinct dimensions of commitment to an organisation: calculative commitment and affective commitment (Randall & Driscoll; 1997; Scandura & Lankau, 1997). Calculative commitment reflects a relationship that is based primarily on an exchange between the employee and the organisation; members develop commitment to the organisation, because they see it as beneficial in terms of costs and rewards. Affective commitment, on the other hand, is based on opinions about similar values and goals, and occurs when an individual identifies with, and is involved in, a particular organisation. The employee whose commitment is affective thus stays because he wants to, whereas the employee whose commitment is calculative stays because he has no choice (Randall & O'Driscoll, 1997).

Organisational commitment represents an individual's identification with the goals of the organisation, how much the individual values membership in the organisation and the degree to which he or she intends to work to attain the organisational goals (Scandura & Lankau, 1997, p. 379). Although organisational or employee commitment is a multidimensional concept, the researcher believes that affective commitment is more applicable and relevant when analysing psychological contracts within an organisation. Affective commitment refers to the employee's adoption of the values, attitudes and beliefs of the organisation. It describes the strength of an individual's attachment to an organisation. Commitment to the organisation's values implies a motivation to exert additional effort to achieve the goals of the organisation (Iles, Forster & Tinline, 1996; Iverson, Erwin & McLead, 1996). Job satisfaction is, therefore, the overall summary evaluation a person makes regarding his or her work
environment goals (Scandura & Lankau, 1997, p. 379). The researcher believes that if the employee is not committed to the organisation, it could be due to certain expectations not being met by the employer. The employee will, therefore, look for alternative employment or other coping mechanisms.

3.2.2 Commitment and loyalty

Previous management research conceptualised commitment as a desire for job retention and loyalty to the organisation, together with an internalisation of the organisational goals and values, and a willingness to exert effort on the organisation’s behalf (Rousseau & McLean Parks, 1993). More recent works seek to link high commitment to measures of organisational performance, but the old measures of commitment are still being used. There is a move towards a much more active, challenging and innovative composite commitment to the work, the organisation and the personal career (Singh & Vinnicombe, 2000).

Perceived greed, short-term focus, intensified competition worldwide and unethical leadership behaviour have all contributed to a growing cynicism in the workplace (Katz, 1999). Not surprisingly, therefore, today’s employees are loyal to themselves and their profession, but not to a particular organisation or position. They know that the chances are good that they will switch jobs several times during their lifetimes. They also know that their companies are not promising the long-term contracts that former generations enjoyed (Rogers, 1995). It could be assumed that this is one of the reasons why many competent people are leaving Organisation ABC.

3.2.3 Job satisfaction and work performance

Robbins (1993) refers to job satisfaction as an individual’s general attitude towards his or her job. A person with a high level of job satisfaction has a positive attitude towards the job, while a person who is dissatisfied with his or her job a negative attitude towards the job.
The positive impact of job satisfaction and work performance is well established. Hunt and Nevin (1974), for example, found that job satisfaction results in higher morale, greater cooperation, lower staff turnover, less conflict, greater efficiency, fewer legal proceedings, and a lower likelihood of seeking protective legislation. It is important for the effective functioning of an organisation that satisfaction is high. A high degree of commitment and identification with company goals is demanded. And yet, organisations frequently offer a level of commitment in return, which falls far short of employees' expectations of security (Webber, 1997).

The committed employee is willing to work harder, take on extra projects, make the organisation's wellbeing a priority, and to make win-win decisions for the organisation in interactions with customers (Katz, 1999). The employee will perform at peak levels and will take great pride in personal accomplishments and organisational success. This approach translates into a number of advantages including customer retention, high productivity, high satisfaction levels and increased sales - all of which have a positive on the bottom line (Katz, 1999). However, if the employee believes that he or she is putting in a certain amount of effort; and the employer is not reciprocating in terms of rewards, acknowledgement et cetera. it could lead to the employee feeling that the employer has breached the psychological contract. This is turn, will affect the level of the employee's commitment.

An employment contact is only the framework of commitment. It is the psychological contract that strengthens the relationship and encompasses the real content of commitment. The nature of the psychological contract takes its form when the employees reflect on how they feel about the various aspects of their work life, the organisation, their contribution et cetera. Many competent people are leaving Organisation ABC; and the reasons for this are not clear. Although commitment and loyalty is a thing of the past, it is important to gain an understanding of how committed and satisfied employees are at Organisation ABC. Since the psychological contract is formed on the basis of trust, violation may lead to lower commitment to the organisation and less organisational citizenship behaviour (ie doing things to benefit the organisation which are not necessarily your responsibility).
3.3 WORKING RELATIONSHIPS (team work)

Scandura and Lankau (1997) refer to teamwork as the sense that the employee has that "people like himself or herself" are valued and respected. Psychological contracts deal with the underlying problematic issues between human beings, that is, whether the person is in a dyad or a group. Groups can be as large as organisations. The dynamics are between people, not within individuals, so that they are the link between the individual and the group. They address the sometimes confusing processes in the interpersonal world of work. The issues covered in the contract are emotionally laden; thus, when psychological contracts are not working smoothly, strong feelings are provoked (Morrison, 1994).

The use of teams, which tend to involve personal interaction and social exchange between employees, promotes employee commitment (Zuidema & Kleiner, 1994). The level of passion, dedication and commitment to achieving group goals is formidable to the degree that they can change attitudes, break barriers and achieve the unachievable (Baker, 2000, p. 34). According to Morrison (1994), the unspoken and even unconscious, shared expectations are the weakness and the strength of someone moving into a new culture. The weakness results from not knowing what to expect and thus appearing unpredictable to others. The strength stems from not taking the employee's expectations for granted, otherwise he or she will ask questions or challenge assumptions until he or she becomes acculturated. For this reason, where stubborn interpersonal problems prevail, a group often needs the help of an outsider.

Change is useful for both organisations and individuals, and sometimes it is necessary to make wholesale changes at the top in order to turn a business around. Furthermore, the old approach to joining a company and staying there for decades waiting for a pension is no longer attractive to the young person. The fact that effective teams that can stand together, share a vision and commit to each other and to the organisation, are indispensable ingredients in any search for success; this commitment must, however, always be a two-way street (Mulholland, 1999). Change causes conflict, because it creates new relationships between functions and people. Groups will usually resist - for a while - the notion that the contract can be
changed, because to accept that change may threaten the individual's feeling of equilibrium; by resisting change, the individual denies that the contract has changed and so holds on to the old way. He or she may look for cues to see if there really are new expectations and, if so, what they are. Underneath it all is the desire to find support for the old expectations. New expectations are not yet automatic so the person feels awkward and longs for a more predictable period (Morrison, 1994).

It can be suggested that if the organisation maintains positive working relationships with its employees, and encourages meaningful interaction and teamwork, that the individual's psychological contract with the organisation will be strengthened.

3.4 CAREER DEVELOPMENT

The nature and structure of careers are changing quickly, and with that evolution, the area of career development has become more important and more challenging than ever before. The changing employment contract and the drive for organisations to be lean are factors that have reduced the stability of a traditional career, as well as affecting morale, loyalty, and employee expectations. The employee cannot count on long-term commitment from his or her employer, nor can he or she necessarily count on their skills being valued in the job market (Hardijzer, 2000; May, 1997). In today's increasingly flat, lean and global companies, career paths are more difficult to define. Rapid changes in job content, organisational structures, and talent requirements result in shorter-term career planning and step-by-step progression. More flexible approaches for resourcing and for guiding career development are now used. The employee needs to adapt by becoming more self-reliant in defining his or her career opportunities (Hardijzer, 2000, p. 21).

3.4.1 The changing career

Careers are changing in a number of specific ways. To name a few, a person is less likely to remain in one job or area of specialisation for a long time, and effective performance in many jobs requires continuous learning and acquisition of new skills.
The individual is less likely to remain employed by the same company and the overall responsibility for developing and enhancing careers is shifting more heavily to the employee. These changes create an environment in which the employee must re-evaluate his or her capabilities and career plans on a regular basis, and the organisation is less likely to cultivate loyalty and commitment. Careers are more likely to consist of lateral and diagonal moves; the employer and employees alike are more likely to take risks when matching people and jobs, and the need for more creativity and dialogue about how to put the employee's talents to use is increasing (May, 1997, p. 1).

If the employee is not being fulfilled in his or her career, and only tolerates his or her job as a means to an economic end, he or she is unlikely to be loyal to the organisation and might engage in sabotage, absenteeism, alcohol and drug abuse, creating labour management conflict or suffer from boredom and personal stress which would adversely affect his or her productivity (Ngambi, 2000).

3.4.2 Employability

In recent years, as restructuring, downsizing, outsourcing and de-layering have accelerated, there has been extensive discussion about the ways in which psychological contracts have shifted from employment security to employability security (Waterman, Waterman & Collard, 1994). Instead of the organisation paternalistically taking responsibility for career management through job security and upward promotions, the employee is now expected to exercise greater responsibility for his or her own career development through enriched jobs, lateral moves and multiple career paths. Rather than exchanging security and upward mobility for loyalty and adequate performance, the organisation increasingly demands growth, development and updated skills in return for employment flexibility and unrelenting commitment (Hall, 1996; Hall & Moss, 1998; Hallier & Butts, 1999). Conceptualisations such as "career resilience" demand that the employee demonstrates both commitment and flexibility in return for challenging work, development opportunities and career planning support (Illes et al, 1996).
The psychological contract has re-defined the relationship between the organisation and its people. No longer does the organisation offer the prospect of long-term employment in return for good performance and effort. No longer does the organisation think it is wise to provide a career inside the company with all that it implies, that is, a sequence of positions, and training and development opportunities. A word that is used regularly is "employability"; although the organisation promises challenging jobs and interesting assignments that will help the individual to build his or her skills, they do not offer long-term career promises. Instead, the only promise is that the work and the skills acquired on the job will help to make the person more employable if and when he or she has to leave. Meanwhile, the implication emerges that, since the organisation will not look out for the employee's interests any longer, he or she should look after himself or herself by taking individual responsibility for his or her career (Jeffrey, 1998).

There is an agreement between the employer and the employee that the employee will provide the skills and knowledge required by the employer while, in return, the employer uses and pays for these, and helps the employee to develop them further (Mumford, 1995). The changing employment contract is having a profound impact on the individual worker's life, on work organisations and on the nation. The growth of contingent workers and contracting has considerably reduced individual opportunities for career advancement within the organisation. Firm internal labour markets that once filled up job ladders with ambitious employees are rapidly being dismantled and replaced by short term, hazardous career lines where the worker must take great responsibility for his or her acquisition of new skills (Waterman et al., 1994). Since workers can no longer expect to spend much of their life working for one organisation, they must be prepared to deal with the disruptions caused by moving from one place to another. They must plan for continual retraining throughout their work lives, often at their own expense.

Employee attitudes, conditioned by hard experience, are changing. They no longer see the employer as responsible for their employability. They take responsibility for it themselves, building theirs skill levels and managing their own CV, accurately assessing their own market worth. The old model of job security in exchange for loyalty is dead, and, significantly, it is hard to see what could make the employee
give that control and responsibility back to the employer (Cappelli, 1999). This new work reality says that no matter how competent and/or loyal the employee is, they can no longer count on long-term, guaranteed, lifetime employment. Loyalty to the organisation is replaced by loyalty to one’s own career, causing the individual to separate what he does, from what he is (Allen, 1997). The psychological contract between the employer and employee reflects the fact that there is no promise of a career for life. This contract is now perceived as being transactional, rather than relational, meaning being well-paid in return for hard work, rather than job security and promotion in return for loyalty and trust.

Pascale (1995) challenges the viability of the notion of "employability", that is, where the organisation provides higher salaries and investments in employee development instead of the traditional values of job security and long-term employment. He argues that the concept has limited value, providing false hope in the search for the "happy ending" to the impact of downsizing. Pascale (1995) further promotes the view that the organisation needs to be more realistic with the employee about the real nature of change in the psychological contract. He states the following: "The predictable reconciliation is a shift to a more contingent form of employment security in which individual performance and firm's success determines the length of tenure. Employability will be a nuance in more contingent employment relationships – nothing more"

3.5 REWARDS AND RECOGNITION

Approximately eighty percent of Fortune 1 000 companies report that retaining talent is a major issue for them; nearly half are planning to offer more generous compensation packages next year to keep employee loyalty. Compensation is important, but most employees consider it a right – an exchange for work one does (Nelson, 1999). The employee wants pay systems and promotion policies that are just, unambiguous; and in line with expectations. When remuneration is seen as fair and based on job demands, satisfaction is likely to result (Robbins, 1993).
According to Drucker: "Economic incentives are becoming rights rather than rewards. Merit raises are always introduced as rewards for exceptional performance. In no time at all, they become a right. To deny a merit raise or to grant only a small one becomes punishment. The increasing demand for material rewards is rapidly destroying the usefulness of incentives as managerial tools" (as cited in Nelson, 1996, p. 1). From a performance management point of view, the ultimate objective is to create a workplace environment that is filled with both natural (intrinsic) work reinforces and external rewards and recognition, all directed to those behaviours necessary to achieve results and to make a difference (Wilson, 2000). The organisation needs to provide a method for reinforcing the value-added contributions of each individual through the application of talents, growth of capabilities, and the performance of actions consistent with the key success factors of the organisation (Wilson, 2000).

3.5.1 Employee Benefits

Employee benefits are believed to be an important element in the exchange between employers and employees (Gerhart & Milkovich, 1992; Lucero & Allen, 1994). The employer offers benefits to help mitigate the employee's current (eg health care) and future risks (eg retirement) in exchange for the employee's contributions such as organisational membership. Lucero and Allen (1994) argue that the employee views recent actions by employers to control costs by reducing coverage or shifting costs to the employee, as violations of the implicit contract. Under the implicit contract model, cost containment actions by the employer, especially when taken unilaterally, are in effect a renegation of implicit understandings. Reneging is the flip side of committing, and it becomes especially problematic under implicit or incomplete contracts, since ambiguities in understanding may exist (Milgrom & Roberts, 1992). Lucero and Allen (1994, p. 426) believe that "it is quite possible that adverse reactions associated with the reduction of current benefits are greater than alternative approaches to cost control". Behavioural decision theory predicts that the departure from the status quo tends to be revisited. Employee benefits have long been believed to influence organisational commitment and satisfaction (Gerhart & Milkovich, 1992).
3.5.2 Informal rewards

The act of recognising and rewarding the employee communicates the message about what the organisation values. When an award is granted to recognise goal achievement, the organisation is signalling that those goals are important (Robbins, 1993). Such awards focus the employee’s efforts and communicate to him or her what it is important to accomplish. Unless reward programmes have clearly stated objectives and are used to recognise individual, group, or organisational goal achievement, the programme will lack direction and is likely to be ineffective as a management tool. The value of informal, spontaneous, nonmonetary forms of recognition as employee motivators is increasing for two reasons. Firstly, traditional rewards such as compensation and promotions – although still important – are becoming less effective in motivating today’s employee to achieve high performance. Secondly, informal rewards are effective and highly desired by today’s employees (Nelson, 1996).

Studies have shown that praise and recognition tend to build employee loyalty. A person wants to feel that what he or she does makes a difference. Money alone does not do this; personal recognition does. The effectiveness of informal rewards can be traced back to the fundamental principles of positive reinforcement. The desired behaviour in the work setting is increased if a person perceives a positive relationship between effort and performance. The behaviour is further increased if there is a positive relationship between good performance and rewards, especially if the rewards are valued (Nelson, 1996).

Informal rewards are personal and flexible, and can thus be more widely used. They have greater impact in motivating more people and in helping to reinforce more formal organisational systems. With relatively little effort and expense, management can reap the benefits for an informal reward system that works in harmony with more formal reward programmes to obtain maximum individual performance and productivity for the organisation (Nelson, 1996; Robbins, 1993). This may lead to a fall in job satisfaction, performance and motivation as the employee can no longer rely on promised inducements.
3.6 COMMUNICATION

The employee gives many reasons for his or her departure from an organisation, but the most significant reason is the lack of communication and inclusion between himself or herself and his or her manager. He or she feels a critical need for ongoing, timely and honest interaction. Instead, he or she complains about being ignored, disregarded, brushed aside and made to feel worthless (Katz, 1999). The employee expects employer behaviour that is ethical and trustworthy. The formation of a psychological contract can begin even before an employee joins a firm. It is up to the organisation to communicate in a clear and honest way the responsibilities and requirements of employees, as well as what will be given in exchange (Singh, 1998).

When an individual joins an organisation, he or she has expectations of what he or she expects to receive (e.g., advancement opportunities, salary, status, office space and decor), as well as expectations of what he or she expects to give (e.g., technical skills, time and energy commitment, communication ability, supervisory skills, loyalty). The organisation also has expectations of what it expects to receive from the new employee, (examples of which are similar to what the employee expects to give) and expectations of what it expects to offer him or her in return (examples of which are similar to what the employee expects to receive). Effective communication can take away at least part of the feelings of uncertainty and lack of information, reducing speculation and unfounded fears. When interest (support) is shown in the employee's feelings and perceptions, he or she is less likely to be defensive and more willing to share concerns (Schalk et al., 1998).

Top management frequently appears reluctant to disclose information during stressful times, apparently feeling that it is better for people not to know too far in advance when their world is about to be turned upside down (Allen, 1997). Inadequate communication contributes to excessive psychological distance in an indirect way. Morrison (1994) emphasises that with incomplete information about important aspects of the work, the individual feels vulnerable and becomes guarded. In an attempt to understand what the new expectations are, he or she talks more to
others who have the same psychological contracts he or she has. People who are familiar and who act in predictable ways are trusted.

The human environment (including the organisation) is made more predictable through communication, which is only partially verbal. To determine predictability, more attention is paid to what is done than to what is said (Morrison, 1994). When the psychological contract is ill-defined, there is insufficient interpersonal communication; and the expectations of both sides are not spelt out; a vicious cycle develops where contract violations of the one results in actions by the other, which, in turn forces the first part to adjust again. The working relationship becomes less and less acceptable and leads to more serious actions being taken by both parties (Beukes, 1996).

Some people blame poor communication on the individual. They might say, for example, that the manager shirked or her responsibility, particularly when it comes to delivering bad news about performance, project failures, finances or downsizings. Others insist that the individual cannot write, read, listen or present ideas effectively. Although good communication is a personal responsibility, the individual does not deserve all the blame. Some blame poor communication on the organisation as a whole. A culture of distrust, no formal channels to hear from the front line, lip service from leaders, kill the messenger tactics – all of these can be the basis of poor communication. Communication helps define business needs and establish working partnerships. They clarify expectations, goals and plans of action (Booher, 2000).

According to Daniels (2000), the key to unlocking the motivational needs of employees is recognising that businesses must have many different kinds of people in order to work - decision makers, risk-takers, leaders and followers. Communicating effectively with each of these groups requires a keen awareness in managers and executives alike. Effective communication – reaching people on the level where they hear most clearly – is a springboard to motivation. Communication creates a level playing field, a work environment where every personality type thrives equally, because they receive clear communication and because they respect each other’s different communication needs.
With regard to the expectancy theory (Robbins, 1993), the degree of effort an individual exerts depends on his or her perception of the effort-performance, performance-reward, and performance-goal satisfaction linkages. If the individual is not given the necessary data to make the perceived probability of these linkages high, motivation will suffer. If rewards are not made clear, if the criteria for determining and measuring performance are ambiguous, or if the individual is not relatively certain that his or her effort will lead to satisfactory performance, then effort will be reduced. Thus, communication plays a significant role in determining the intensity of motivation (Robbins, 1993).

Based on the review of content analysis, communication plays an important role in the management of the psychological contract in two ways (Lengnick-Hall & Wolff, 1998). Communication with the employee that is aimed at clarifying the nature of the employment relationship is the most frequently made recommendation regarding the management of the changing employment relationship. Failure to communicate with the employee about his or her requirements and wants, before communicating the terms of the new deal to the employee, is a step that is critically detrimental, given the importance of meeting employee requirements in forging effective employment relationships and the possibility of significant differences across employee groups. Honest two-way communication is an important characteristic in developing an employment relationship. This characteristic appears to be one of the least controversial, one that most employers and employees desire.

Employee surveys suggest open, honest, two-way communication is something that most employees want in an employment relationship (Milligan, 1996). The employer's need to share information to empower employees to contribute as partners in the organisation's business is also widely recognised (Kim, 1998; Lengnick-Hall & Wolff, 1998). In practice, however, many managers are wary about open, two-way communication with employees (Milligan, 1996). The manager is concerned about making mistakes if he or she communicates before having all the information, saying something that inadvertently creates a binding contract, or asking the employee what he or she wants when the manager is not able to address those wants. As a result, one of the least controversial characteristics of the employment
relationship promises to be one of the most difficult for the employer to implement effectively.

3.7 WORK-LIFE BALANCE

Previously, employers were concerned about retaining all their employees. In return, the employee was likely to be that the person who would want to stay in the organisation and who would be prepared to work hard (Milligan, 1996). Since the 1970s, more women have started to enter the full-time workforce, and there has been a shift of career management responsibility from organisation to individual in the new era of corporate downsizing and outsourcing – the new psychological contract between employer and employee (Rousseau, 1995). At the same time, there are demands from the employee, particularly women, for family-friendly work arrangements. Simultaneously, there is pressure from the organisation for the individual to accept flexible contracts (ie short-term or part time contracts, with fewer benefits). While the individual may continue to work with commitment, there are inevitably changes in the trust relationship with the employer (Milligan, 1996).

Lewis and Cooper (1998) suggest that a large proportion of women experience conflict regarding their ability to play the role of wife, mother and worker simultaneously. Women are often forced to choose between upward mobility in career and family status. The structures of organisations can also work against maintaining simultaneous career and family roles and, as women still take responsibility for the main caring roles, it is women who are disadvantaged by these structures (Mavin, 1999). However, the conflict between the demands of work and personal life is out in the open. It is no longer marginalised as a problem confined to the career woman with children; it is now recognised as something that concerns every employee in every employment sector.

The work life field has re-invented itself at least three times over the past fifteen years – moving from work-family to work-life to "healthy work environments" – and yet there is still no consensus about boundaries or even the primary goals of its endeavours (Barnett, 1999). In South Africa, the worker is becoming increasingly
unenthusiastic about conventional jobs in traditional autocratic structures. Changes in the labour force are producing increasingly dissatisfied workers, including managers and professionals competing for a scarce resource, namely good jobs. Under the circumstances, traditional approaches to managing organisations will not work. Quality of work life, understood in this light, is no longer a fringe benefit (Ngambi, 2000). In essence, the employee would like to have substantially more influence in the work environment than was traditionally acceptable; this he or she could do by participating in decisions relating to his or her work, thereby enhancing self-esteem and worker satisfaction (Ngambi, 2000).

These problems may be attributed to job alienation and worker dissatisfaction with the quality of work life including lack of recognition, uninteresting work, poor relationships with colleagues, isolation because of working on their own, and a lack of meaning because the worker does not experience a sense of fulfilment from what he or she is producing (Ngambi, 2000). Work-life balance is central to future economic and social wellbeing. A lack of balance is creating a vicious cycle with affects the quality of personal, working and community lives, and relationships (Nelson, 1999).

Motowidlo (1984) states that employees' feelings of satisfaction are associated with patterns of behaviour at work that reflect interpersonal sensitivity and kindness (eg listening to others, showing awareness and concern for the needs and feelings of others, tact, emotional control, and acceptance of others). Interpersonal sensitivity and consideration are likely to be important in jobs where success is dependant on an ability to provide personal services and satisfaction to others through personal contact. Puffer (1987) showed that the employee who feels deprived or unfairly treated is less inclined to help others, and suggests that insecurity about one's personal situation impedes one's ability to focus on, and react to, external situations (eg working with customers and colleagues).

A desire for flexibility can be found on both sides of the employment relationship. The organisation facing increasing competition and rapid technological change, favours, if not require, greater flexibility (Burack & Singh, 1995). In contrast, the employee increasingly desires flexibility in addressing work and nonwork related
needs and interests, as a result of changing workforce demographics and work values. The norm of reciprocity, thought to be a universal norm, suggests that if the organisation expects the employee to be willing to be flexible in order to address the employer's needs, the organisation ought to offer the employee flexibility to meet his or her needs and interests. In other words, flexibility in the employment relationship should be viewed as a two-way street, and it would be an oversight for the employer to treat it otherwise (Holmes & Friedman, 1995; Rousseau, 1995).

According to HOP Associates (2000), the modern western lifestyle encompasses the following: stress levels on an ever upward trend, people working longer hours than ever, an increasing proportion of households with both partners out at work, or where the only parent has to work all hours to make ends meet. With flexible working hours, these problems can be reduced as follows:

- The employee can reduce stress and become more productive, motivated, and happier, as he or she achieves a better work-life balance.
- The company can boost staff morale and introduce practices that are more efficient and effective.
- Socially excluded groups who, of necessity, have prioritized home life (because of caring responsibilities) may gain access to employment opportunities with companies that allow a better balance.

There are a range of flexible employment practices which can be used to achieve a better work-life balance – examples include flexible hours, part-time work, job sharing, term-time working, home-based working, telecentre working and paternal leave. These are not magic solutions. Particular arrangements have to be put in place to ensure the continuity of work and these include: adequate supervision and monitoring, good communication with staff, operating flexible and equitable arrangements for all staff (eg not implementing arrangements only for those with families), and protecting existing rights and benefits. On the employer's side, as well as more balanced, motivated and appreciative staff, there are business benefits to be gained from implementing flexible work arrangements (HOP Associates, 2000).
3.8 BIOGRAPHICAL VARIABLES IMPACTING ON THE PSYCHOLOGICAL CONTRACT DIMENSIONS

A number of variables affect both the individual and organisation's psychological contracts (Hendry & Jenkins, 1997; Kessler & Shapiro, 1996; Rousseau, 1995, Singh & Vinnicombe, 2000). The psychological contract arises in the context of a relationship (which can be relatively short term or of a long duration). Relationships are interactions and exchanges with the expectation of some continuity into the future. Research suggests that opinions about the psychological contract are influenced by an employee's age and work experience, as well as his or her initial level of trust in the organisation (De Meuse & Tornow, 1990). Some may be demographic factors (eg age or gender), while others may result from an individual's career experiences, for example, the length of time the person has worked within the organization. In addition, the type of role undertaken (managerial or technical) may be relevant. Thus, the effects of the following five variables tenure, age, occupational position, population group and gender - have an impact on the psychological contract.

3.8.1 Tenure

Rousseau (1989) suggests that some of the variability in the understanding of psychological contracts may be related to employee characteristics. Length of employment, for example, may increase the employee's expectation that loyalty and hard work will be rewarded with secure employment. Expected tenure or length of stay in the organisation is positively related to a perceived relational contract with the employer. The employee, who views his or her employment with a particular organisation as a stepping-stone to a better job elsewhere, is adopting a more transactional view of his or her employment (Rousseau, 1990). The individual who can easily find similar employment elsewhere may be less willing to continue working for an organisation that cannot be trusted to keep its promises. In contrast, the worker without attractive alternatives may feel that he or she has no option but to maintain the existing relationship with the employer, despite the psychological contract violation (Rousseau, 1995).
Robinson et al (1994) found that an employee's view of his or her psychological contract with his or her respective organisation changed significantly over time. As time went by, employees believed that their employers owed them more. Rousseau (1989) maintains that the more enduring the relationship between the individual and the organisation, involving repeated cycles of contribution and reciprocity, the more relational and contractual the orientation will be. The employee's expectations about employment security will increase with tenure. This implies that the importance of employment security will increase with tenure.

### 3.8.2 Occupational position

In the wake of restructuring, redundancy and outsourcing, the professional and managerial worker now faces greater workloads, longer working hours and the demise of his or her traditional job security. In addition, the preferred treatment once afforded to all managers has diminished, and it has become less easy to distinguish a manager's conditions of work from the conditions of the subordinate worker. This has signified not only change in the content of jobs, careers and security, but a transition between contractual agreements formed to sustain the employment relationships of the manager in an early era, and those now favoured to support emergent organisational strategies. Empirical studies have found that recent graduates report different needs than employees in advance career stages. It has also been suggested that the important differences exist in the desired employment relationships of core versus peripheral employees (Milligan, 1996) and clerical versus managerial employees (Herriot & Pemberton, 1997).

### 3.8.3 Age

Research suggests that attitudes toward the psychological contract are influenced by an employee's age and experience. The newest generation of employees appears to be in a good position to take advantage of the many opportunities that exist under the current psychological contract (high compensation and highly flexible working arrangements). In contrast, older workers who have spent the majority of their
careers under the more traditional psychological contract may have fewer opportunities and be less optimistic (De Meuse et al, 2001).

The American Institute of Certified Public Accountants (AICPA) (1997), Under 35 Symposium found that the attitudes and lifestyles of the younger members of accounting firms (male and female) differ in several ways from the attitudes and lifestyle of an older counterpart: (i) There are more dual career families. (ii) They tend to focus on a better quality of life (as even older partners express regret over their lack of work-life balance). (iii) They question whether the demands on their time are really necessary to meet client needs or are an artifact of older and more traditional work structures. (iv) They indicate a lack of acceptance of "hours worked" as the primary measure of performance. Management of the largest accounting firms confirm that these attitudes exist among their employees. Shellenbarger (1998) noted that the former Big Six Accounting Firms are profiled in their attempts to "beat" each other to the top of the "employee friendly workplace" list. Among the issues highlighted are increased focus on internally created "workaholic" cultures, the demise of "up or out" career paths, the creation of alternative career paths, part-time partnership, and the notion of rewarding results instead of face time. The most prominent issue mentioned was alternative or flexible work arrangements as a successful retention tool.

The new generation of worker is in a position to take advantage of many opportunities that exist under the current psychological contract. Munk (1998) has labelled the young, highly mobile, professional worker of the 1990s as the "gold collar". Although this new generation of professional cannot expect lifetime employment with one organisation, he or she can expect a number of perks (eg a large salary and flexible work arrangements in exchange for technologically up-to-date skills) (Munk, 1998). The older worker, who has spent the majority of his or her career under the more traditional psychological contract, may be less optimistic. Indeed, the individual who has been accustomed to a psychological contract based on loyalty and job security, appears to be slow in accepting, the more contemporary contract (Mirvis & Hall, 1994).
It is possible that the young employee who has witnessed his or her parent(s) experience dramatic workplace changes, has unfrozen his or her perceptions and opinions of employer obligations, and shifted (and subsequently refrozen) his or her expectations to align more closely with the psychological contract of today. Consequently, it may be reasonable to expect the younger generation (the so-called Generation X employees) to have a more positive perception of today's contract than older or retired people (Munk, 1998). Younger employees in their naivety expect too much from their employers, basing their expectations on the idealistic conditions of their contract. A poll conducted by International Survey Research (Hiltrop, 1995) found that the young employee looks for different rewards from work (involvement, flexibility, quality of life) than the older worker does (hard work, loyalty).

Examining this issue from Organisation ABC's perspective, it may be reasonable to expect the younger generation to have different needs and expectations than the older employees. It can, therefore, be argued that the younger employees, who come into the organisation with different needs, will have different expectations of the various psychological contract dimensions than the older employees.

### 3.8.4 Population Group

The psychological contract is based on perceived promises that can be conveyed to employees through such mechanisms as documents, discussions and organisational practices. It is precisely this perceptual nature of the psychological contract that raises questions about the possibility of the influence of cultural differences. Individuals in different cultures learn different sets of values; these values develop into cognitive frameworks which in turn are used to help process information about situations (e.g., an employee's relationship with his or her employer).

Limited research has been done to determine if employees of different population groups vary in their opinions about the dimensions of psychological contracts. Possible differences in development and content of the psychological contract may result, in part, from individual cultural differences. Enz (1998) suggests the need for a more Eurocentric analysis of the concept, arguing that cross-cultural differences in
the development and management of psychological contracts will result in differential outcomes for both individuals and organisations. Changing demographics represent new challenges that must be acknowledged, understood and ultimately addressed.

Although Organisation ABC has predominantly white employees, all employees with various backgrounds will have different expectations of the employer. A young black employee, for example, will have different needs and expectation than a young white female employee. It therefore stands to reason that employees from different ethnic backgrounds will have different opinions about the various psychological contract dimensions.

3.8.5 Gender

Although there have been a number of legislative changes in the past few years, gender is still seen as an important factor by individuals and society in general. Organisations still seem to perceive women as less committed than men, particularly if they are of childbearing age and are in a stable heterosexual relationship. Singh & Vinnicombe's research (2000) show than women are as committed as men, but in less obvious, more team-orientated ways. According to Mavin (2000), most career development frameworks do not take into account women's differing career experiences and expectations. Women may, therefore, feel that their psychological contract is unfair, as it does not cater for their specific needs and aspirations. The market sector still plays a significant role in how gender is viewed. CEO's of organisations, for example, are generally expected to be males, while administrative staff and secretaries are typically expected to be female.

There has been scant research on how gender differences could be responsible for differing opinions that exist within the psychological contracts of organisations. Gender may influence employees' perceptions of the workplace and their attitudinal reactions to the organisation. Gender theory suggests that women are socialised to view their primary role as within the family (Robbins, 1993). Women also experience discrimination and sex role stereotyping, which may reinforce the relative importance of the family role over the work role. Men and women are thus exposed to different
responses to work in terms of organisational commitment and job satisfaction when family-responsive policies are offered (Scandura & Lankau, 1997).

According to De Meuse and Tornow (1990), men and women may develop different psychological contracts in an organisation. A woman, in contrast to a man, is more committed and satisfied with work when she perceives that the organisation offers policies that are compatible with the family role. Flexible work hours may enable the woman to better balance the conflicting demands between work and family roles. Aven, Parker and McEvoy (1993) focused on gender and attitudinal commitment using data from 27 samples with over 14 000 subjects. They found that attitudinal commitment was not related to gender as a moderator of the relationship. Their key findings were that gender did not have a significant impact on an individual's belief in the organisational goals, or on his or her willingness to exert additional pressure on behaviour of the organisation.

Although Organisation ABC is predominantly male, the female employees face various challenges in the work environment. It can, therefore, be argued that the female opinions of the psychological contract dimensions will differ from the male employees' opinions.

The psychological contract is not static and can be affected by a number of factors and variables (Hall & Moss, 1998; Hiltrop, 1996; Rousseau, 1994). Although each variable is important in its own right, it is the specific combination that influences the psychological contract. For example, a black married man, aged 35 with two children, employed in the Management Consulting division for the last 10 years is likely to have different expectations from a single white woman, aged 27 who was recently employed in the Information Systems department of the auditing firm. These individual characteristics and circumstances make it difficult to generalise about the opinions of psychological contracts.
3.9 CHAPTER SUMMARY

This chapter began by focusing on the background of psychological contract dimensions (step 2 of phase 1). Thereafter it explored each dimension of the psychological contract, namely commitment and satisfaction, working relationships, career development, rewards and recognition, communication and work-life balance. The variables tenure, age, occupational position, population group and gender, which have an impact on the psychological contract, were also discussed.
3.10 INTEGRATION

There appears to be almost universal agreement that as a result of changes in the economic and social environment in which organisations operate, the nature of the employment relationship is undergoing fundamental changes which have important implications for all employers' human resource policies and practices (Mowday et al, 1992; O'Reilly et al, 1991; Robinson & Morrison, 1995; Rousseau, 1996; Schalk et al, 1998). According to Hiltrop (1996), this new contract can be defined as follows: There is no job security, the employee will be employed as long as he adds value to the organisation, and is personally responsible for finding new ways to add value. In return the employee has the right to demand interesting and important work, has the freedom and resources to perform it well, receives pay that reflects his/her contribution and acquires the experience and training needed to be employable elsewhere. Human resources practices have an important effect on the maintenance of a healthy psychological contract, especially those relating to equal opportunities, training and development, and family-friendly policies. Such knowledge transfer is likely to be mediated by employee opinions and perceptions of psychological contracts, including organisational justice, fairness and trust in management, as well as the extent to which promises on the career development “deal” had have been delivered through the “transfer climate” (Pate, Martin, Beaumont & McGoldrick, 2000).

Spindler (1994) states that, if organisations need to have a committed, energised workforce, then they need a workforce comprised of individuals who are working for that employer because they want to and not because they have no other option. No employer can have a creative workforce if it is composed of slaves. Commitment cannot be obtained through bribery, trickery, or coercion. An employee can be committed only if he or she is free to withhold commitment. The most productive workforce is comprised of individuals who are confident that they can obtain alternative employment at no extreme sacrifice, but who choose to stay where they are because they want to contribute to achieving the organisation’s goals which they understand and endorse. The nature of the employment contract is tenuous. If organisations are to remain viable, managers have to continually evaluate the organisation against either internal or external standards, and engender a focus on
efficiency and effectiveness throughout the organisation. This focus can lead to an incompatibility between the two parties and a contract where management seeks commitment, creativity and more work from staff; if this is not achieved, management should be able to exert its prerogative of adjusting payment to staff or even choosing not to retain staff. Employees, on the other hand, are seeking improved quality of working life, which is often presented as greater control over the job, fairness and honesty from employees and a psychologically and materially rewarding environment (Kraut & Korman, 1999; Mumford, 1995).

Feldheim (1999) argues that the transactional contract has a monetary base with clear expectations about the obligations of the organisational actors to fairly compensate performance, to reward appropriate behaviours, and to punish inappropriate ones. The relation contract is more complex, for it has a socio-emotional base that underlies expectations of reciprocal interpersonal caring, shared ideas and values, and shared organisational identity. In either case, so long as the contract is operating, organisational loyalty is high and job performance is dependable. When psychological contracts contain a large number of inducements from an organisation, the individual has positive relationships with the organisation, and he or she reciprocates by contributing to it. These contributions include obedience, loyalty and cooperative behaviour. In instances when psychological contracts are less positive, the worker reciprocates with less committed behaviour (Robinson et al, 1994). A strong organisational image based on involvement in good works (the environment and the like), with an economic prowess (a strong market share, strong earning ability or, in the case of a nonprofit corporation, a strong ability to create service that an employee can be proud of) and the proper work environment based on good compensation, fairness, family values, individual needs, and group needs (teams and belonging), is what must be created. This does not happen overnight, or even within a few years. Taking steps towards the creation of such a work environment and culture now, and maintaining these efforts, seems to be the road to survival (Lynch, Eisenberger & Armeli, 1999). The psychological contract is dynamic, voluntary, subjective and informal. It accomplishes two tasks, namely to define the employment relationship and to manage mutual expectations. Thus, with changes taking place for the employer as well as the employee, a new type of psychological contract is emerging – one that is more situational and short
term, and which assumes that each party is much less dependent on the other for survival and growth (Brewster et al, 2000).

There seems to be consensus that flexible, empowered employees are characteristic of the new employment relationship. These characteristics make employee commitment even more of a central concern because employers need to be assured that the empowered employee exercises his or her discretion in the organisation's interest (Tsui, Pearce, Porter & Tripoli, 1997). The committed employee with autonomy of action will be more likely to align his or her actions with the organisation's interests than the employee with autonomy who feels little commitment towards the organisation or its goals. Without commitment, even the most skilled employee will be of little value to the employer (Ulrich, 1997). Most employees feel that their psychological contract have been violated in some way by the employer at some time. Violations are most commonly concerned with training and development, pay and benefits, and promotion opportunities. When employees feel that their employer has violated their psychological contract, they are inclined to feel a sense of obligation and less commitment to the organisation.

In summary, the new psychological contract will rest on a theme of recognising that the individual will not automatically be loyal to the organisation as a whole, but will engage with the organisation through loyalty to his or her own skills and disciplines. As a result, the individual should expect to be employed for as long as the organisation views him or her as valuable. In other words, "employability security" appears to be the new way to capture loyalty, commitment and motivation. The implications here are considerable for the HR function. Incentivisation will need to switch from careers, status and promotion, to personal reputation, teamwork and challenging work; the individual thus becomes more job and role-focused, rather than career-focused.
CHAPTER 4: EMPIRICAL INVESTIGATION

This chapter has been written in with the third aim of this research, which is to plan an empirical investigation to evaluate some of the psychological contract dimensions. The sample is identified and the measuring instrument discussed. The data gathering and data analysis processes are presented, followed by the formulation of hypotheses.

4.1 CHOOSING THE SAMPLE

The empirical study targets employees of an international auditing firm, the population of which comprises 91,209 respondents who participated in the Express Survey. From this and for the purpose of this research, three departments within the South African Practice of the Organisation ABC/ ORG ABC (N = 912) were selected using an probability sample. The researcher decided to compare three major departments within the auditing firm because of their levels of internal competitiveness and their similar standards. These three departments are Management Consulting/MC (n=60), Audit/AD (n=262) and Information Systems/IS (n=72). The total number of respondents involved in the research is 394. This represents 43.2% of the total South African Organisation's respondents. The measuring instrument is explained in the following section.

4.2 THE MEASURING INSTRUMENT

An instrument called “The Express Survey” (Appendix B) was chosen as the instrument for collecting data in this study. The main reason for choosing the Express survey is that employee surveys provide a picture of the organisation’s needs. These surveys can be used to solicit employees attitudes on a variety of issues relating to the working environment (eg commitment and satisfaction, rewards and recognition) This instrument is discussed next with reference to the development, purpose and rationale, and the dimensions of the Express Survey. Thereafter, the administration,
interpretation, reliability, validity and justification for choosing the questionnaire is discussed.

4.2.1 Development of the Express Survey

Organisation ABC identified the need to conduct an Express Survey in order to establish employees attitudes on a variety of issues that affect their working relationships with the organisation. International Survey Research (ISR), an independent consulting firm specialising in the area of employee and management opinion research, developed the "Express Survey" (Appendix B). ISR's client base is extensive and international, covering over 2,000 organisations in over 100 countries. In the auditing sector, four of the "Big Five" are ISR clients and these include: namely Ernst & Young, PWC, KPMG and Cap Gemini (ISR, 1998).

ISR (1998) conducted full employee attitude surveys during 1997 for Organisation ABC's international branches. Following this trend, the South African branch of Organisation ABC also conducted employee surveys so that they can compare their practice with the international norm. The survey covered a number of areas, such as leadership, working relationships and training.

The advantage of this approach, over surveying a sample, is that it allows a high level of employee participation. Furthermore, it has the potential to produce reports and track results for all relevant subgroups. For a population of 91,209, a sample large enough to yield statistically valid groups for analysis, would not offer any significant cost advantage over a full census (ISR, 1998).

Both ISR and Organisation ABC's International Practice, therefore, developed the Express Survey. When the Express Survey was used in Organisation ABC, however, it was customised to suit the South African working environment. The Express Survey has a specific purpose and consists of a number of dimensions, which are discussed in the following section.
4.2.2. Purpose of the Express Survey

The main purpose of the survey is to give individuals an opportunity to express their opinions about a variety of subject matters relating to their jobs and the auditing firm (ISR, 1994). The objective of the survey is to obtain data concerning employees' attitudes about Organisation ABC as a place to work, and to obtain suggestions from employees about how their work environment could be improved.

A professionally conducted survey is one of the best ways an organisation can determine what employees are honestly thinking and feeling about various aspects of their work environment. The Express Survey was developed to measure employees' general attitudes within the organisation, but when further analysed, the researcher believes that it also measured some of the psychological contract dimensions namely, commitment and satisfaction, working relationships and teamwork, career development, rewards and recognition, communication and work-life balance. It was originally hypothesised that some of the problems that existed within the organisation, were related to employees psychological contracts with the organisation not being fulfilled. At this point in time, no more applicable instrument could be found, thereby utilising the results of various dimensions within the Express Survey to meet the needs of this research.

4.2.3 Dimensions of the Express Survey

As outlined in chapter 3, there are many psychological contract dimensions that affect the employment relationship. However, the researcher has decided to focus on six dimensions that are affecting the attitudes of employees at Organisation ABC. For the purpose of this research, only the six major dimensions, namely commitment and satisfaction, working relationships and teamwork, career development, rewards and recognition, communication and work-life balance were analysed (based on the literature review in chapters 2 and 3).

The "Express Survey" consists of 101 items and 16 dimensions. Each dimension contains between four to ten questions. Appendix C outlines all the dimensions and
the item loading of each dimension. The following questions under each of the six dimensions were intended to illustrate the theme of the questions included in each category.

• Commitment and Satisfaction (4 items)

Theme:
Are you satisfied with Organisation ABC as a place to work? Are you satisfied with your current work responsibilities? Are you committed to Organisation ABC and your Department?

Questions:
26. I would recommend this organisation as a good place to work.
52. How satisfied are you with the following aspects of your current work situations:
   a. The type of work you do
   b. Your job security
   c. Being treated with respect and fairness
53. Taking everything into account, how satisfied are you with this organisation as a place to work.
54. At the present time, are you seriously considering leaving the organisation.

• Working relationships and teamwork (5 items)

Theme:
Are all employees treated with respect? Is their good teamwork within the department and within Organisation ABC?

Questions:
66. People are treated with respect within the organisation, regardless of the position they hold.
8. At the organisation, teamwork is
19. There is good cooperation among
   a. departments  
   b. organisations in different countries

32. The people I work with are willing to help each other even if it means doing something out of their usual activities.

35. Morale in my department is generally high.

• Career Development (5 items)

Theme:
Personal objectives can be achieved within Organisation ABC? Are there good international opportunities with Organisation ABC? Are competent employees promoted fairly?

Questions:
7. I am confident I can achieve my personal career objectives within the organisation.
14. The organisation provides good opportunities for working abroad to those seeking international experience.
22. In my opinion, my department does a good job of promoting the most competent people.
40. Gaining international experience through the expatriate assignment enhances one’s career opportunities at the organisation.
41. I believe becoming a partner at the organisation is
   a. A desirable goal in general
   b. A realistic goal for me
• Rewards and Recognition (6 items)

Theme:
Does Organisation ABC remunerate and reward employees fairly? How does your rewards and recognition compare to other professional firms? Is your performance matched to your remuneration?

Questions:
21. Compared with other people on my level, I think I am fairly paid.
38. In my opinion, our remuneration is as good or better as that provided in other professional service firms.
42. For the work I do, I am very much underpaid.
43. From what I hear, our benefits are as good or as better than the benefits in other professional services organisations.
52. How satisfied are you with the following aspects of your current work responsibilities?
   a. recognition for performance
50. How good a job is the organisation doing in matching remuneration to performance?

• Communication (4 items)

Theme:
Do you trust official channels of communication? Does Organisation ABC keep you informed? Are your opinions actively sought by the organisation? Do you know enough about future plans or company performance?

Questions:
4. We usually hear about important organisation matters first through rumours.
11. The organisation does an excellent job of keeping employees informed about matters affecting us.
17. I am sufficiently informed about
a. Plans for the firm  
b. The firm's performance

29. Little effort is made getting the opinions and thinking of people in this organisation.

- Work-life Balance (4 items)

Theme:
Can you cope with pressure at work? There is a balance in my work and private life. Organisation ABC supports the balance in my work and private life.

Questions:
27. I am often bothered by excessive pressure at work.
28. The person or people I report to are considerate of my life outside of work.
33. The demands of my work seriously interfere with my private life.
46. The organisation actively supports a balance between work life and home private.

The items were printed in a questionnaire format with a rating scale for each question. Respondents chose the rating that best accorded with their attitude towards the different psychological contract dimensions. Scale or rating questions are often used to determine attitudes. The most common approach is the Likert-style rating scale, in which you ask the respondent how strongly they agree or disagree with a statement on a four-or-five point scale (Saunders, Lewis & Thornhill, 1997). The Express Survey consisted of two Likert-style scales, namely 5-point and 4-point scales. Four point scales can be used to force respondents to express their feelings. The following section explains how the survey was administered.

4.2.4 Administration of the Express Survey

The Express Survey is a self-administered questionnaire. He or she completes the biographical part of the survey, and then proceeds to answer the items on various
types of Likert scales. The respondent is encouraged not to omit any items. One and a half hours is allowed for the completion of the survey. Most items in the Express Survey required the respondent to place a cross in the box that best described his or her attitude on various dimensions. There were five boxes, namely: Agree, Tend to agree, Uncertain, Tend to disagree and Disagree.

4.2.5 Interpretation of the Express Survey

The results are computer generated and based on a scale where a high score (5/4) indicated a favourable response, and a low score (1/2) an unfavourable response. The survey results are tabulated by category to show percentages of employees who gave favourable responses. A favourable response is one that indicates agreement or satisfaction with a certain dimension. The percentage of employees who responds favourably is thus an index of the proportion of people who are satisfied with that particular dimension of the psychological contract.

The results of the survey enabled the researcher to rank items or categories for a group by the total favourable score, total unfavourable score and the differences when compared to other groups. Three departments, namely Management Consulting (MC), Auditing (AD) and Information Systems (IS), were compared on the six psychological contract dimensions that were identified in chapter 3.

4.2.6 Reliability of the Express Survey

ISRs extensive normative and client database facilitates the conduct of various reliability studies (ISR, 1994). ISR pursues several approaches in pursuing the issues of reliability. The test-retest approach is frequently used to study the stability of reliability estimates across different administration facets of a survey (Hofmeyer, 2000). This is made possible, in part, because of their large database of repeat clients. In addition, ISR also uses the equivalent form approach to study reliability. In this method, reliability indices are computed and investigated across two or more different forms of the same measure.
4.2.7 Validity of the Express Survey

ISRs approach to the study of validity is the appropriateness, meaningfulness and usefulness of the specific inferences made from test scores (ISR, 1998). ISR staff collaborates with experts from academia and business to study item content, wording and response formats. ISR also routinely works with clients to assess the usefulness and predictive power of its item database. Among others, linkage studies have uncovered meaningful relationships between dimensions such as working relationships, job satisfaction and organisational outcomes. In addition, job design has been linked to time lost due to sickness and disability (Meyer, 2000).

The face validity of the questionnaire is increased, because the results of the questionnaire are based on information obtained from investigations/surveys done in different organisations including other financial institutions with more than 100 000 respondents (Hofmeyer, 2000). Pre-tests and focused groups were conducted in order to test the face validity of the questionnaire. Extensive diagnostic interviews were designed to elicit input from staff on the questionnaire design, to ensure the content validity. ISRs professionals were also adept to item design, ensuring items are not ambiguous or double barrelled. ISR also investigated and researched the response bias effects of different response scales. The standard 5-point ISR scale is statistically proven to reduce central tendency bias in survey populations.

4.2.8 Justification for choosing the Express Survey

In virtually all organisations, employees are a source of valuable information. They are typically aware of strengths and weaknesses within an organisation. Employee Surveys evaluate employees' opinions, perceptions, attitudes and feelings about their working environments, management practices, policies and procedures. By addressing employees' opinions, organisations can greatly increase productivity and morale, resulting in less turnover, higher quality performance and retaining the necessary skills and competence.
Individuals often base their actions on the interpretation of the reality that their cognitive structure provides, rather than reality itself. The Express Survey results were used to determine the existing employees' psychological contracts within Organisation ABC. This appeared to be the most appropriate instrument, given that the empirical aim of the study was to examine the opinions of employees on the six dimensions of the psychological contract.

One of the prime reasons for choosing the Express Survey was that it was customised to suit the South African work environment, and it addressed the six dimensions of the psychological contract. The questionnaire was designed to assist the researcher to determine the existing attitudes of the psychological contract of the employees within Organisation ABC.

4.3 DATA GATHERING

Employees were notified via e-mail, a week before the survey administration of the process to be followed when completing the survey. On the day of administering the survey, the procedure is clearly outlined at the beginning of the survey. The covering letter (Appendix A) and the Express Survey (Appendix B) were distributed to the sample in various geographic locations via the auditing organisation's internal mailing system. Completed questionnaires were sent directly back via the internal mailing department for delivery to the external consultant who captured and scored the questionnaire data. The researcher then analysed, interpreted and draws conclusions to the findings and results of the Express Survey.

ISR administered the Express Survey through the international and national branches of the organisation. Bews and Martins (1997) outline the following reasons for utilising consultants to assist with the data gathering procedure:

- It raises the level of confidentiality. The survey can be returned to a neutral address and be processed neutrally.
• It introduces an element of objectivity. A report from the outsider may carry more weight with some employees, and outside professionals can be used as sounding boards.
• It introduces a wider range of experience and resources that can be called on internally, thus limiting the number of basic errors particularly common to the first or second surveys.

The organisation chose ISR to conduct the survey. They believed that the use of an outside firm is the most objective way to determine people's attitudes and to assume anonymity.

The following steps were followed to ensure the successful implementation of the survey:

Table 4.1. STEPS IN THE DATA GATHERING PROCEDURE

<table>
<thead>
<tr>
<th>ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>
| 8        | Three hundred and ninety four completed surveys (from within the three
departments, Management Consulting, Audit and Information Systems) were returned.

9 Completed questionnaires were sent directly to the organisation's mailing department, and were then delivered to the external consultant.

10 The data was captured by the external consultant, and the statistical analysis done by the researcher.

4.4 DATA ANALYSIS

A software package called "The Interactive Survey Report" was developed by ISR and used to analyse the data (ISR, 1998). The statistical significance of the result is the probability that the observed relationship or difference in the sample occurred by pure chance, and that in the population from which the sample was drawn, no such relationships or differences exit (Marketing Power, 2002). The population consisted of all employees within ORG ABC, however, for the purpose of this research, the sample consisted of respondents from the three departments (Management Consulting, Auditing & Information Systems) within ORG ABC.

"The results of the survey were probability sampling is used can be evaluated within known statistical limits of error. A sample survey deals with a microcosm of the total population and from the results it is impossible to discover the exact proportion of people who act in a certain way. By determining the standard error of sample, it is possible to say, with a pre-determined degree of accuracy, that the true proportion falls within certain limits" (Market Research Africa, 2000). The data was analysed by utilising the Table of Margin Error at the 95% confidence level. In many areas of research, the p-value of 0.5 is treated as a "border-line acceptable" error level (Marketing Power, 2002). The confidence level of 95 percent is the most commonly used and means that there are only five chances in a hundred that a difference that large could occur by chance, given the size of the groups compared and the distribution of scores (ISR, 1999). If a negative percentage variance occurs, it is an indication that immediate attention should be given to this area to determine the
causes and possible means for improvement of the score, to meet with or exceed the national norm of the last survey's results.

Biographical and organisational questions are usually categorical in nature so that it is usual to give frequency distributions of the responses to such questions (ISR, 1994). The survey results were cross-tabulated in dimensions to show the percentage of employees who gave favourable responses. A favourable response is one that indicates agreement or satisfaction with a company practice or an aspect of the job. The percentage of employees who respond favourably is thus an index of the proportion of people who are satisfied with that particular aspect of working in the organisation.

Each percentage score represents the overall favourable percentage or responses for an entire category, which in most cases consists of several different questions. Adding up the score for dimensions and responses and multiplying by 100/1 calculates percentages.

4.5 HYPOTHESIS

According to Erwee and Rossouw (1996), null hypotheses are, in a sense, the reverse of research hypotheses. They are also statements about the reality of things, except that they serve to refute or deny what is explicitly indicated in a given research hypothesis. Null hypotheses are, therefore, hypothetical models used to test research hypotheses. They do not nor were ever intended to exist in reality. Based on the literature and the empirical results, the researcher formulated the following null hypotheses:

HO1 The opinions of employees in Management Consulting, Auditing and Information Systems do not differ from the opinions of the group as a whole on the dimensions of the psychological contract.
HO2 The opinions of employees in Management Consulting, Auditing and Information Systems do not differ on the dimensions of the psychological contract

HO3 The opinions of employees in the three departments with different tenure, occupational position, age, gender and population group do not differ on the dimensions of the psychological contract

4.6 CHAPTER SUMMARY

In this chapter, steps 1-5 of phase 2 of the research methodology were discussed. The sample was analysed, followed by the discussion on the measuring instrument. The data analysis process was outlined. The formulation of the hypotheses concluded this chapter.
CHAPTER 5: RESULTS OF THE EMPIRICAL INVESTIGATION

Chapter 5 contains the empirical results with regards to the specific aim of analysing employees' opinions about various dimensions within the psychological contract construct. A detailed description of the sample will be discussed. More specifically, the quantitative results will be reported, by means of tables and graphs, which compare the various departmental results, followed by a discussion of the most significant findings. The interpretation of the results will be done at the end of the chapter.

5.1 DESCRIPTION OF THE SAMPLE

The following descriptive statistics for the sample \( (n = 394) \) provides a profile of the respondents in terms of tenure (years of service), occupational positions, age, gender and population groups to which they belong. The main sample comprises of three departments, namely Management Consulting (MC), Audit (AD) and Information Systems (IS). Organisation ABC will be known as ORG ABC. The three departments will also be compared against the total Organisation ABC \( (N=912) \) South African practice, on the overall performance of the various psychological contract dimensions.

5.1.1 Frequency distribution of tenure

The frequency distribution of employees' tenure in Organisation ABC, and within the three departments is displayed in table 5.1.
Table 5.1. Frequency distribution: tenure (years of service)

<table>
<thead>
<tr>
<th>TENURE</th>
<th>ORG (N=912)</th>
<th>MC (n=60)</th>
<th>AD (n=262)</th>
<th>IS (n=72)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freq</td>
<td>%</td>
<td>Freq</td>
<td>%</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>231</td>
<td>25.33</td>
<td>18</td>
<td>30</td>
</tr>
<tr>
<td>1 – 3 years</td>
<td>313</td>
<td>34.32</td>
<td>21</td>
<td>35</td>
</tr>
<tr>
<td>4 – 5 years</td>
<td>105</td>
<td>11.51</td>
<td>10</td>
<td>16.7</td>
</tr>
<tr>
<td>6 – 10 years</td>
<td>120</td>
<td>13.16</td>
<td>11</td>
<td>18.3</td>
</tr>
<tr>
<td>11 – 15 years</td>
<td>65</td>
<td>7.13</td>
<td>21</td>
<td>8</td>
</tr>
<tr>
<td>More than 15 years</td>
<td>78</td>
<td>8.55</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>912</td>
<td>100</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5.1 indicates that the majority of employees within each department have one to three years of service within the firm, with the exception of IS, where 44.44 percent of their employees have been with the department for less than a year.

5.1.2 Frequency distribution for occupational positions

Table 5.2 contains the frequency distribution for positions in Organisation ABC and for the three departments.

Table 5.2. Frequency distribution: occupational positions of respondents

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>ORG (N=912)</th>
<th>MC (n=60)</th>
<th>AD (n=262)</th>
<th>IS (n=72)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freq</td>
<td>%</td>
<td>Freq</td>
<td>%</td>
</tr>
<tr>
<td>Professional staff</td>
<td>250</td>
<td>31.45</td>
<td>98</td>
<td>37.40</td>
</tr>
<tr>
<td>Supervisor</td>
<td>170</td>
<td>13.84</td>
<td>55</td>
<td>21</td>
</tr>
<tr>
<td>Director/ Senior</td>
<td>95</td>
<td>10.69</td>
<td>26</td>
<td>40.35</td>
</tr>
<tr>
<td>Manager/ Principal</td>
<td>Senior</td>
<td>98</td>
<td>11.07</td>
<td>11</td>
</tr>
<tr>
<td>Consultant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager/ Senior</td>
<td>Consultant</td>
<td>114</td>
<td>9.69</td>
<td>12</td>
</tr>
<tr>
<td>Assistant Manager/</td>
<td>Consultant</td>
<td>185</td>
<td>23.27</td>
<td>11</td>
</tr>
<tr>
<td>Admin &amp; Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>912</td>
<td>100</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5.2 provides an overview of the sample size per occupational position. As shown above, the majority of the respondents are in professional positions, with the
exception of MC, where the majority of respondents (40.35%) within their division are either Directors/Senior Managers or Principal Consultants. It is important to note that the Directors/Senior Managers or Principal Consultants are professionals within their field (e.g. Industrial Psychologists, supply chain experts).

5.1.3 Frequency distribution for age

The frequency distribution for age within Organisation ABC and the three departments is displayed in table 5.3.

<table>
<thead>
<tr>
<th>AGE</th>
<th>ORG (N=912)</th>
<th>MC (n=60)</th>
<th>AD (n=262)</th>
<th>IS (n=72)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freq</td>
<td>%</td>
<td>Freq</td>
<td>%</td>
</tr>
<tr>
<td>Less than 25</td>
<td>179</td>
<td>19.67</td>
<td>26</td>
<td>43.33</td>
</tr>
<tr>
<td>25 – 34</td>
<td>435</td>
<td>47.80</td>
<td>21</td>
<td>35</td>
</tr>
<tr>
<td>35 – 44</td>
<td>158</td>
<td>17.36</td>
<td>13</td>
<td>21.67</td>
</tr>
<tr>
<td>45 – 54</td>
<td>101</td>
<td>11.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>55 +</td>
<td>39</td>
<td>4.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>912</td>
<td>100</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

According to table 5.3, the majority of the respondents are between 25-34 years of age, with the exception of AD, who have 19.44 percent of their respondents less than 25 years of age. The majority of IS employees lie within the 25-34 age group. These characteristics of the sample group should be considered when interpreting and generalising the results of the study.

5.1.4 Frequency distribution for gender

Table 5.4 contains the frequency distribution for gender in Organisation ABC, and for the following three departments: Management Consulting (MC), Audit (AD) and Information Systems (IS).
Table 5.4. Frequency distribution: gender

<table>
<thead>
<tr>
<th>GENDER</th>
<th>ORG (N=912)</th>
<th>MC (n=60)</th>
<th>AD (n=262)</th>
<th>IS (n=72)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freq</td>
<td>%</td>
<td>Freq</td>
<td>%</td>
</tr>
<tr>
<td>Male</td>
<td>453</td>
<td>49.67</td>
<td>37</td>
<td>61.67</td>
</tr>
<tr>
<td>Female</td>
<td>459</td>
<td>50.33</td>
<td>23</td>
<td>38.33</td>
</tr>
<tr>
<td>Total</td>
<td>912</td>
<td>100</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Although there are 50.33 percent female respondents within Organisation ABC, table 5.4 indicates that there are greater numbers of males within the three departments. There is a general perception that the auditing environment is still primarily a male dominated industry. This could be due to the role played by consultants, that is, a role which requires more travelling and less time at home; this in turn, affects work-life balance.

5.1.5 Frequency distribution for population groups

Table 5.5 contains the frequency distribution of the population group in Organisation ABC and for the three departments.

Table 5.5. Frequency distribution: population group

<table>
<thead>
<tr>
<th>POPULATION</th>
<th>ORG (N=912)</th>
<th>MC (n=60)</th>
<th>AD (n=262)</th>
<th>IS (n=72)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freq</td>
<td>%</td>
<td>Freq</td>
<td>%</td>
</tr>
<tr>
<td>White</td>
<td>529</td>
<td>58.25</td>
<td>46</td>
<td>77.67</td>
</tr>
<tr>
<td>Black</td>
<td>168</td>
<td>18.6</td>
<td>* 14</td>
<td>23.33</td>
</tr>
<tr>
<td>Coloured</td>
<td>86</td>
<td>9.3</td>
<td>27</td>
<td>10.31</td>
</tr>
<tr>
<td>Asian</td>
<td>129</td>
<td>13.84</td>
<td>38</td>
<td>14.50</td>
</tr>
<tr>
<td>Total</td>
<td>912</td>
<td>100</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

* Asian and coloured respondents within the MC department classified themselves as black.

From table 5.5, it can be seen that throughout Organisation ABC, the majority of the respondents fall into the white population group. White employees are dominant (77.67%) in the MC department.
5.2 REPORTING THE RESULTS

The results of the empirical study are subsequently reported according to the hypotheses presented in chapter 4, section 4.5. The survey results are tabulated by category to show percentages of employees who gave favourable responses (based on a scale where a high score 5/4 indicated a favourable response). A favourable response is one that indicates agreement or satisfaction with a certain dimension. Percentage differences were interpreted given the principles of significance discussed in 4.4.

5.2.1 Comparison between Organisation ABC and the three departments on the psychological contract dimensions

With regards to H01, the opinions of employees in Management Consulting, Auditing and Information Systems does not differ from the opinions of Organisation ABC as a whole on the dimensions of the psychological contract.

Graph 5.1. Comparison between the total scores of Organisation ABC and the three departments on the psychological contract dimensions
As mentioned in chapter 4, each percentage score represents the overall favourable percentage of responses for an entire category. The researcher has chosen to utilise the margin of error at the 95% confidence level. Graph 5.1 indicates that there are significant differences on two of the dimensions when the ORG is compared to individual departments. The dimensions are rewards & recognition and communication.

Rewards and recognition: Graph 5.1 depicts those employees from ORG who rate rewards and recognition less favourably. However, there is a significant difference between MC and ORG ABC. MC rated the most favourable on this dimension.

Communication: MC rates much more favourably on the communication dimension (57%) than the ORG (58%). It is interesting to note that both the ORG and AD have the same rating (58%). AD is the largest department within the sample.

From Graph 5.1, it appears that the individual departments rate more favourably on all the psychological contract dimensions than that of the total Organisation ABC. This could be indicative that the individual departments have less employees and are able to give employees individual attention, as well as able to address issues on a departmental level instead of on organisational level. It thereby provides the departments with an opportunity to closely maintain the psychological contract with their employees.

The findings subsequently reject HO1, as the opinions of employees in Management Consulting, Auditing and Information Systems differs from the opinions of the ORG as a whole on two of the dimensions of the psychological contract. The two psychological contract dimensions are rewards & recognition and communication.
5.2.2 Comparison between Management Consulting, Auditing and Information Systems

With regards to H02, the opinions of employees in Management Consulting (MC), Auditing (AD) and Information Systems (IS) do not differ on the dimensions of the psychological contract.

Graph 5.2. Comparison between Management Consulting, Auditing & Information Systems on the psychological contract dimensions

From Graph 5.2, there appears to a significant difference on one of the psychological contract dimensions, when the individual department ratings are compared.

Rewards and recognition: Graph 5.2 indicates that employees in both AD and IS perceive rewards and recognition as a problem within their department, whereas MC rates this dimension much more favourably.

Graph 5.2 also indicates that MC rates the most favourably in all psychological contract dimensions, except working relationships. This could be because there are only 60 employees within MC. The smaller the departments are, the more favourable the ratings on the psychological contract dimensions are. AD, who has the largest number of employees (n=262), rates the lowest on nearly all the psychological contract dimensions.
The above findings, therefore, reject H02, in that the opinions of employees in Management Consulting, Auditing and Information Systems do differ on the rewards and recognition dimension of the psychological contract.

5.2.3 Impact of variables on the psychological contracts dimensions

With regards to H03, the opinions of employees in the three departments with regards to tenure, occupational position, age, gender and population group do not differ on the dimensions of the psychological contract. The variables will be discussed individually.

5.2.3.1 Tenure

Graph 5.3 below indicates the impact of tenure on the psychological contract dimensions within the three departments.

Graph 5.3. Impact of tenure on the psychological contract dimensions within the three departments
According to Graph 5.3, there is a clear indication that there is a significant difference in tenure on three dimensions of the psychological contract dimensions.

Career development: There are comparable differences between new employees and employees employed for more than 10 years. The graph indicates that the longer the employee is in MC, the more favourable they see their career development dimension. No all employees who have been in the department for 11-15 years however view their career development favourably (41%).

Rewards and recognition: Employees from MC who have been in the department for 6-10 years rate the reward and recognition dimension (71%) much more favourably than their colleagues who have spent less time in the department. One can assume that the longer employees have worked in the department, the longer they have had to build up their competencies. The graph also depicts that employees throughout AD and IS rate rewards and recognition less favourably.

Work-life balance: There is a significant difference between employees in AD and IS, who have been in their departments for between four and five years. MC is the only department that rated rewards and recognition favourably. It can be assumed that employees throughout the auditing organisation perceive this area to be a major problem.

It is interesting to note that IS employees do not stay in the department for more than four years whereas employees from the AD department stay with Organisation ABC longer than the other two departments.

The second variable to be discussed is the impact of occupational positions on the various dimensions of the psychological contract.

5.2.3.2 Occupational Position

An employee's occupational position and levels have an impact on his or her opinion of the various psychological contract dimensions. Employees on different
occupation levels have different opinions about which dimensions are most important to the individual. Graph 5.4 illustrates the impact of the various occupational positions on the psychological contract dimensions within the three departments.

**Graph 5.4. Impact of occupational position on the psychological contract dimensions within the three departments**

![Graph showing the impact of occupational position on psychological contract dimensions](image)

From Graph 5.4 there appears to be a significant difference on two of the psychological contract dimensions, namely career development and rewards and recognition.

Career development: It appears that the admin/support employees in AD rate their career development less favourably than their colleagues and the other departments. There are 55 admin/support employees within AD. AD has the largest number of employees and it can be assumed that not much attention is given to career development for the lower level employees. It can be said that new employees come with a lot of expectations and promises that still have to be assessed and tested within the department.
Rewards and recognition: There are significant differences in the rewards and recognition of the three occupational groupings and these can be seen in the job levels: namely professional staff, assistant managers/consultants, and administration/support. Professional staff within the IS department felt the least favourable (24%) on this dimension. Graph 5.4 indicates that overall rewards and recognition are favourable within MC, whereas employees on all occupational levels within AD and IS rated rewards and recognition less favourably.

The third variable to be discussed is the impact of age on the psychological contract dimensions.

5.2.3.3 Age

Younger employees come into the organisation with expectations that are different to those of the older employees; these expectations may impact on the dimensions of the psychological contract. Graph 5.5 indicates the impact of age on the psychological contract dimensions within the three departments.
Graph 5.5. Impact of age on the psychological contract dimensions within the three departments

Graph 5.5 indicates that there are comparable differences between certain psychological contract dimensions when compared to the age variable.

Rewards and recognition: There is a significant difference with regards to various age groups, both within each department, and when compared against each other. The younger employees (<25 yr) in all three departments are not satisfied with their rewards and recognition. Employees in the age group 35 – 54, also rate this dimension less favourably.

The forth variable that has an impact on the dimensions of the psychological contract, is gender.

5.2.3.4 Gender

Both male and female employees have different expectations of the employer. Male employees may view certain psychological contract dimensions more favourably
than their female counterparts. Graph 5.6 indicates the impact of gender on the psychological contact dimensions.

**Graph 5.6. Impact of gender on the psychological contract dimensions within the three departments**

Graph 5.6 indicates that there are comparable differences between males and females in the various departments. There is also evidence that there are differences between the gender groups in the different departments on the various psychological contract dimensions.

Rewards and recognition: There is a significant difference between males from all three departments. Female employees rated rewards and recognition lower than their male counterparts in all three departments. Both male and female employees in AD and IS, however, rated this dimension the least favourably.

Work-life balance: There is a significant difference between males and females on the work-life balance. Male employees within AD rated work-life balance (47%) the least favourably.
The final variable that impacts on the psychological contract dimension is population group.

5.2.3.5 Population group

It is believed that an employee's ethnic origin or race has an impact on how he or she views the psychological contract dimensions. Graph 5.7 below indicates the impact of population group on the various psychological contract dimensions.

Graph 5.7. Impact of population group on the psychological contract dimensions within the three departments

From the above graph, there appears to be a comparable difference on three of the psychological contract dimensions. The dimensions are, career development, rewards & recognition and work-life balance. It is important to note that Indian and coloured employees within MC classified themselves as black.

Career development: There is a significant difference between white and black employees on career development. However, there is also evidence that there are
differences between the same population groups from the different departments. White employees from MC rated this dimension much more favourably than white employees from the other two departments.

Rewards and recognition: Black employees in MC are more satisfied with rewards and recognition than black employees in AD and IS. White employees in all three departments see their rewards and recognition slightly more favourably than their black colleagues. Indian and coloured employees view this dimension the lowest and least favourably. They are not satisfied with their rewards and recognition.

Work-life balance: White employees in all three departments rate work-life balance less favourably than the other population groups. All employees within AD, with the exception of coloured employees, viewed their work-life balance less favourably. The above graph indicates that white employees in MC see all the psychological contract dimensions more favourably than employees in AD and IS. It also indicates that white employees rate each dimension (with the exception of work-life balance), more favourably than the other population groups.

The research findings, therefore, reject H03, in that the opinions of employees in terms of tenure, occupational position, age, gender and population groups do differ on certain dimensions of the psychological contract. The research indicates that the above variables do have an impact on employees' opinions of the psychological contract.

5.3 INTEGRATION OF THE RESEARCH FINDINGS

The aim of the empirical study (stated in chapter 1) was addressed and achieved in chapters 4 and 5. The quantitative results were reported by means of tables and graphs. The results were interpreted to determine the prevailing opinions about the various dimensions of the psychological contract, as well as how variables such as tenure, occupational position, age, gender and population groups impact on the employees' psychological contracts with the organisation.
In order to survive economically and socially, the organisation must discover the principles and parameters of a new organisational paradigm, which is organic, adaptive and innovative. Employees are not all alike, nor do they have the same objectives. Employees come to the organisation with an assorted array of education and experiences, attitudes and ambitions, values and perceptions. In order to achieve this end, managers must be more aware of individual requirements and find ways to accommodate them. This can be achieved by understanding the diversity of their workforce in terms of physical, psychological and ability attributes. With the knowledge of how their employees think, it will be possible to target the area that needs attention so as to create an equitable environment.

The empirical study indicated that employees' opinions towards the psychological contract are influenced by an employee's tenure, occupational position, age, gender and population grouping. The findings, therefore, indicate that different people have different opinions about the psychological contract, even within the same department and the same organisation. The content of the psychological contract is specific to a time, a person, and to the characteristics and level of skill of a job.

5.3.1 Tenure

Employees' perceptions about the various dimensions of the psychological contract were reasonably favourable, with the exception of the rewards and recognition and work-life balance dimensions. Employees with various lengths of service in the organisation were very discontent about the rewards and recognition dimension. This may indicate that even through employees stay for long periods of time in certain departments, they perceive that their value and contributions are not recognised and rewarded accordingly. This is contrary to the literature analysis (Rousseau, 1990; 1995), indicated that the longer the employee is in the organisation, the more committed the employee will be, thereby being rewarded accordingly. The empirical investigation indicated that employees throughout Organisation ABC believed that they are the not rewarded fairly. Although employees rated the reward and recognition dimension less favourable, they rated the commitment and satisfaction dimension more favourably.
The results also indicate that the longer employees are in the organisation, the more dissatisfied they are with the work-life balance. This could be due to the increased internal competition, more family commitments and different phases on an individual career development. However, the results supported Rousseau (1989) investigation, in that employees' commitment and satisfaction will increase with tenure, thereby creating an expectation that there is job security in Organisation ABC.

There is evidence that the smaller the department is, the longer the employees remain, and the more favourable they perceive their rewards and recognition.

5.3.2 Occupational position

It is evident that employees in various occupational groupings are not satisfied with the rewards and recognition dimension. Professional staff in the Information Systems department rated rewards and recognition the lowest (24%). One may assume that many professional and competent employees are leaving Organisation ABC, as they are not rewarded appropriately. This can be perceived as an breach in the employees psychological contract, as the employer has not adhered to this expectation of employees. Employees at the higher levels within the organisation, are not satisfied with this dimension, and the fact that they are more employable than employees at a lower level, make it easier for the competent employees seek alternative employment.

5.3.3 Age

Employees of all age groups are not satisfied with the rewards and recognition dimension. The results indicate that the older employees are more satisfied with their work-life balance than the younger employees. It is assumed that as employees get older, they are more experienced in handling the various work-life challenges they are confronted with. The younger employees in IS saw their work-life balance the most favourably; this could be due to the fact that they are still very young (under 25), with less family commitments and they come with less experience
into the organisation. This evidence supports De Meuse et al (2001), in that younger employees come into the organisation with less experience and baggage, therefore having a more simplistic psychological contract than older employees.

Career development is seen relatively favourably by employees of all ages. However, in the larger department like AD (n=262), the literature (Cappelli, 1999; Hall and Moss, 1998; May, 1997) supports the empirical analysis that the younger employees will see more development opportunities than older employees, who are still more traditional, who view their career in a more traditional way and who have to face challenges like affirmative action, younger people entering the workforce and the knowledge explosion.

5.3.4 Gender

The result is supportive of the literature analysis (Lewis and Cooper; 1998; Marvin, 1999) in that female employees who view their work-life balance positively, are more committed and satisfied in their work environment. There is also evidence that male employees rated career development much more favourably than female employees. This could be indicative of the various pressures that females face in the work environment; work-life balance, frustration with the glass, attitudes, stereotypes and discrimination.

5.3.5 Population group

Employees of all population groups were not satisfied with the reward and recognition dimension, with the exception of employees in Management Consulting.

Most employees in the Auditing Department did not rate work-life balance favourably. However, not enough research has been done to substantiate this finding.
The overall results of the empirical study indicated that employee's perceptions differ significantly on all the psychological contract dimensions. This empirical study supports the literature analysis in that an employee's tenure, occupational group, age, and gender and population group influence employees' opinions of the psychological contract.

It has also indicated that employees throughout the three departments were not satisfied with Organisation ABCs reward and recognition dimension. One of the core reasons why employees are leaving Organisation ABC is because of their ineffective reward and recognition aspect.

Other areas of concern are work-life balance and career development. This research suggests that there are multiple constructs of the employment contract and psychological contract that are central to employees' responses in their work environment; this means that employees' value and perhaps even expect, returns in exchange for their contributions that go well beyond the stipulated written contract.

From the empirical investigation, it can be concluded that the existing psychological contract between the employee and employer is not consistent, as the employees perceive that the employer is not fulfilling their obligations on certain psychological contract dimensions. The main areas of concern within the departments are rewards and recognition and work-life balance. According to Veldsman (1996), the psychological contract serves as a source of trust, security and legitimacy between the employer and the employer. According the employees opinions on certain psychological contract dimensions, the employer is not maintaining a reciprocal relationship. Employees believe that they are sacrificing their work-life balance in order to be competent and efficient at the work, however, they are not rewarded accordingly. This support McDonald and Makin (2000) view, that individuals interpret the various actions of the organisation and infers their psychological contract with the organisation on the basis of these actions. If companies take note of their employees' opinions, they will be able to effect change. The challenge for Organisation ABC is to explore the reasons behind them. With this information it is possible to develop a programme of action.
5.4 CHAPTER SUMMARY

This chapter reported the quantitative results of the empirical study by means of tables and graphs. Organisation ABC and the three departments psychological contract dimensions, namely commitment and satisfaction, working relationships, career development. Rewards and recognition, communication and work-life balance were compared. Thereafter, each variable that impacts on the psychological contract dimensions, that is, tenure, occupational position, age, gender and population groups were also compared and analysed. Lastly, the findings and the interpretations of the most significant results were presented. This meets the specific aim of determining and measuring employees' perceptions of the various psychological contract dimensions.

The next chapter focuses on the conclusions, limitations and recommendations of the research study.
The objective of this chapter is to formulate conclusions with regards to the aims of this research. Recommendations will be made based on the major findings, and the future role of psychological contracts within organisations will be outlined. Finally, the limitations of the research will be discussed with reference to future areas of investigation.

6.1 CONCLUSIONS

This research explored the current psychological contract within Organisation ABC. As such, it provided invaluable guidance to the organisation and managers, by pinpointing how they should invest time and effort to get the best of their most important resources, their employees. While it is understood that this research is not an exhaustive study, it does give Organisation ABC an idea of how employees feel about the various psychological contract dimensions; it also helps the organisation to develop plans of action to manage these areas.

Specific conclusions can be made about the two phases of the investigation (ie the literature review and the empirical study) and will be discussed separately in the following sections. The major findings are addressed in the next section.

6.1.1 Conclusion with respect to the literature review

The first aim of this research was to conceptualise and define the psychological contract construct. Although employment contracts have become tenuous, the psychological contract, the unwritten exchange relationship between employee and employer, is as strong as ever. The psychological contract is the employee's expectation that he or she will be treated well in return for being a loyal and committed member of the organisation. Most employees cannot remember the
details of their formal employment contract, but they can recall instances where the psychological contract has been breached or strengthened.

There are conflicting ideas about what forms the foundation of psychological contracts. The majority of the theories are based on two assumptions. Firstly, the terms of the psychological contract have changed as a result of different organisational changes. The structure of the organisation is becoming flatter, while work is being defined more broadly and is changing more frequently so as to keeping with business needs. The relationship between organisations and people is also changing continuously. Organisations expect their employees to have a flexible set of skills, and the desire and ability to learn. The nature of the employment contract is vastly different than that of earlier decades in terms of average length of relationship, employee expectations of employers, and the basis of continued employment. Secondly, it is assumed that the psychological contract is only held between the employer and the employee. Individuals however, have multiple forms of psychological contracts within an organisation, namely, with their manager, colleagues, department and the organisation as a whole.

Although there are numerous definitions of the psychological contract construct provided in the literature review, the researcher believes that due to the continuously changing work environment, the internal and external motivator factors that influence individuals perceptions and opinions, makes is extremely difficult to determine what an individual’s psychological contract is. Each employee has its own perception of what the organisation owes him or her, and they trust the organisation to fulfil these expectations if they have performed accordingly. It can be concluded that the underlying expectations and perceived promises that the employee has of his or her employer, are very subjective, since they are in the “eye of the beholder”. The psychological contract is unpredictable and dynamic, and thus changes over time according to prevailing circumstances.

The second aim of this research was to identify and describe the various dimensions of the psychological contract, and the variables which affect these dimensions. Although there are numerous dimensions of the psychological contract, the researcher elected to study those dimensions affecting the auditing organisation
being researched. These dimensions were commitment and satisfaction, working relationships, career development, rewards and recognition, communication, and work-life balance.

Existing literature suggested that the psychological contract would vary to a greater or lesser extent, between individuals as a result of key structural factors, such as tenure, occupational groups, age, gender and population groups. These individual attributes have a considerable impact on the employer-employee relationship.

The versatility of the psychological contract shows that it has an essential role to play in work behaviour and that is to specify the dynamics of the employment relationship. It is clearly an important component in the business relationship between the employer and employee, and can be a compelling deterrent of negative workplace behaviours and attitudes. Such contracts are subject to change and develop throughout the length of employment. Due to their subjective nature, however, the potential does exist from them to be violated on both sides. While most individuals are not out to deceive others, mild deception may occur due to the fact that everyone has their own interpretation of the content of their psychological contract. Organisations trying to improve the quality or efficiency of employees’ work can gain a great deal when taking into consideration the psychological contract and it’s numerous consequences. It can be concluded, therefore, that due to the multifaceted nature of the psychological contract, it would require continuous active renegotiation by both the employer and employee to continuously improve the employment relationship.

6.1.2 Conclusion with respect to the empirical investigation

The third aim of the research was to plan and execute an empirical investigation to evaluate employees’ opinions of some of the psychological contract dimensions. A self-administered employee survey called the “Express Survey” was used to determine employees’ opinions of certain dimensions of the psychological contract. The sample for the research consisted of 912 employees from the auditing organisation; the 912 respondents were drawn from three departments within the
organisation. These departments were Management Consulting, Auditing and Information Systems. Although the survey look at various dimensions and aspects of the employees work environment, the following psychological contracts dimensions were analysed: commitment and satisfaction, working relationships, career development, rewards and recognition, communication, and work-life balance.

The fourth aim of the research was to report the results of the evaluation of the dimensions of the psychological contract. This was done is chapter 5. The results of the empirical study indicated that employees' opinions of the various dimensions of the psychological contract do differ. It can be concluded that the following hypotheses could not be validated, since the results of the empirical study proved that there were differences in each of the null hypothesis.

With reference to HO1, the results show that the opinions of the employees from Management Consulting, Auditing, and Information Systems do differ from the opinions of Organisation ABC as a whole in terms of certain dimensions of the psychological contract, namely the rewards & recognition and communication.

The results indicated that the individual departments rated more favourably than the organisation as a whole. The individual departments consist of less employees which suggest that the relationship with individual departmental managers is more controlled than that of the entire organisations. Individuals develop a psychological contract with their managers before they develop one with the organisation. The way they perceive their psychological contract with their manager will, therefore, have an impact on their psychological contract with the organisation as a whole.

With regards to HO1, there were comparable differences on two of the psychological contracts dimensions; rewards & recognition and communication. The rewards and recognition dimension was rated the least favourable throughout the organisation, including AD and IS. This could imply that most employees are not satisfied with the reward structure within Organisation ABC, and this could lead to employees seeking alternative employment where they will be rewarded equitably. Although MC rated this dimension more favourably, the overall rating is still low. The individuals reward
and recognition process depends highly on the organisation's overall reward structure.

Communication is rated less favourably in the organisation as a whole. This could imply that because there are less people in the departments, communication is done quickly and in an effective manner. However, communication to the wider organisation is not as effective, as the information first has to be disseminated in various communication mediums, to all levels of the organisation.

With reference to HO2, the results indicate that the opinions of employees in Management Consulting, Auditing and Information Systems do differ on one of the dimensions of the psychological contract, namely rewards and recognition.

MC rated all the psychological contract dimensions with the exception of working relationships more favourably than AD and IS. This could be due to the fact that most of the employees within MC are consultants, and most of their time is spent at the client site. This has an impact on the working relationships, since the consultants spend less time at the office and do not have the time or the luxury to establish relationships with the rest of their department. The favourable ratings on the psychological contract dimensions in MC could be due to it being the smallest department (n=60) in the research sample. It appears that if there are less people in the department, the employer is more likely to fulfil the various psychological contract expectations that each individual has. Individual work is being recognised and rewarded, employees are likely to have career plans in place, communication is more effective, and the employer is able to control the work-life balance which results in increased employee commitment and satisfaction.

The auditing department had the largest number of employees. There were comparable differences on the rewards and recognition, communication and work-life balance dimensions. It can be assumed that because there are so many employees, managers do not have the time or the capacity to fulfil every individual's psychological contract. Employees are competing with each other to be recognised and rewarded for their performance and contributions; communication is less effective, as information has to be disseminated to more people using a variety of
communication mediums. Managers do not have control over the work-life balance; employees' therefore, is working longer hours, competitions between colleagues are higher etc. This could have an impact on the individual's commitment to the organisation. As stated in the literature, if employee's expectations are not met, they perceive a breach in the psychological contract and will behaviour accordingly.

Employees in the Information Systems department rated rewards and recognition the least favourably out of all the departments. IS comprises of 72 employees and rated favourable on most of the psychological contract dimensions. The IS department consists of IT people. The IT industry is characterised by well-paid jobs, highly skilled individuals and there are plenty of employment opportunities in the market. The IT department with ORG ABC rated the rewards and recognition dimensions the lowest. They believe that they are not rewarded fairly, nor are they recognised for their contributions. These employees are likely to leave the organisation much easier than employees in other departments.

With reference to H03, the results indicate that the opinion of employees with regard to tenure, occupational position, age, gender and population groups differ on all the dimensions of the psychological contract. The major differences between these variables were outlined in chapter 5.

One of the significant findings is that black employees throughout the three individual departments rated all the psychological contract dimensions less favourably, with the exception of work-life balance, than their counterparts. White employees rated work-life balance the lowest. It can be suggested, therefore, that white, coloured and Indian employees feel more integrated in the work environment and rate higher on the psychological contract dimensions. Black employees, in contrast, appear to have more of a psychological contract with family, and rate higher on work-life balance than any other population group. This could be a potential area of research, as there are limited investigations into the differences between population groups' psychological contract. This can be extended further by looking at the differences between population groups and gender, occupational groupings, age et cetera.
Although each variable is important in its own right, the combination of these variables impacts on the individual employee's psychological contract with the organisation.

It may be further concluded, that with the knowledge of employees' current opinions of the psychological contract dimension, it will be possible to target areas that need specific attention. These areas include the Organisation ABC's rewards and recognition procedures, work-life balance, career development and communication. The measurement of employees' opinions can help organisations to manage change. The challenge is for the organisation to acknowledge these opinions and results, and to explore the reasons behind them. With this information, it becomes possible to prepare a programme of action. This study opens up a rich agenda for future research into the employer-employee relationship, not least the importance for greater understanding towards the relationship between the two parties. The psychological contract is unpredictable and dynamic and allows for their adjustment over time according to prevailing circumstances.

6.2 RECOMMENDATIONS

In view of the above-mentioned conclusions and the areas of concern highlighted in this investigation, further research is deemed necessary, to confirm the association that was found in the dimensions of the psychological contract.

The main purpose of the recommendations is that these actions will lead to the overall improvement of the existing psychological contract between the employer and employee. The following recommendations will look at the role of psychological contracts in organisations.

6.2.1 The role of psychological contracts in organisations today

Owing to the rapid economic and organisational changes facing management today, employers are tasked with preserving a positive employment relationship built on
mutual trust and respect that is necessary for the effective and efficient functioning of a successful organisation.

Whilst this widespread acceptance and adoption of the construct is to be encouraged, researchers should not be vigilant that the term "psychological contract" does not become an "umbrella" descriptor of all to do with organisations. It seems that the construct is salient in so many areas of organisational behaviour, including career development and management, organisational performance, the political nature of downsizing and restructuring decisions, the changing relationship between employee and employer, and the management of that changing relationship that it is at risk of becoming diluted in meaning and its explicative power (McLean Parks & Kidder, 1994).

This research indicates that employers can affect how their employees feel by taking positive steps to create a work environment that indicates, by action, that the employee is valued. It is evident that the major areas of concern are the reward and recognition, career development and work-life balance dimensions. Pay is only one important part. Employers must address fairness, quality of supervision and support for employee lifestyle, such as flexible work hours for child rearing or aging parents, and time off to deal with hobbies, politics or other interests. Research indicates that the following can influence employees' positive feelings about their employer:

- sufficiency about pay, benefits and rewards
- family-orientated policies and actions
- quality of supervisory relationships
- favourable developmental training and experiences; leads to career development and promotions
- clearly stated guidelines defining appropriate work behaviour and job demands
- participation in goal setting
- continuous performance feedback
- supportive communications with immediate supervisors and upper management
• procedural justice in performance, that is, appraisal decisions
• evaluative and objective measures of performance.

The reality is that true employers of choice will win the battle to attract and retain talented employees. This could be achieved by adopting a far more strategic approach to workforce management and creating new win-win employment relationships based on what the employer needs from its employees – typically to have ownership of the business, to deliver excellent work, to support teamwork and to practice open communication. Employees, in return, need a far higher level of work-life flexibility than currently exists, a motivating environment to work in, a link between financial business success and personal rewards, and workplace marketability and employability.

In order to achieve this end, managers must to be more aware of individual requirements and must find ways to accommodate them. This can be achieved by understanding the diversity of their workforce in terms of physical, psychological and ability attributes.

Ultimately, the relationship between the individual and organisation is interactive, unfolding through mutual influence and mutual bargaining to establish and re-establish a workable psychological contract. We cannot understand the psychological dynamics if we look only into the individual's motivations or to organisational conditions and practices. The two interact in a complex fashion that demands a systems approach capable of handling independent phenomena.

6.2.2 Focus areas for Organisation ABC

Employees in the organisation, in different departments and with different variables, have viewed the reward and recognition dimension of the psychological contract, less favourably. It could be assumed that this is one of the prime reasons why so many people are leaving Organisation ABC. The biggest gap in the perceptions of employees and employers, concerns the amount of recognition provided by the
organisation. It is important that organisations balance the monetary and nonmonetary rewards structurally in order to retain employees.

It is also recommended that the employer attempt to make the implicit contract more explicit and verbal, so that expectations and promises are stated. This will help to forge a better understanding between the employer and employee. When the psychological contract is broken or violated, both the employee and employer will be fully aware of the reasons and consequences.

The researcher believes that the major challenge to hold on to people, need no longer be fought. Falls in profit, heavy job losses and increasing uncertainty means that the balance of power has shifted from employees with scarce skills to employers with scarcer employment opportunities. However, there is still a market for top performers. Organisations that believe that they no longer have to take the trouble to retain people are in danger of losing them. Given the current uncertainties, the offers needed to entice them away need not be particularly great; so the danger of losing the most talented people, therefore, is probably bigger than ever before.

In conclusion, it can be argued that the findings and results presented in this research support the usefulness of conducting further research relating to the implementation of psychological contracts, especially when data pertaining to such contracts are collected from both the organisation and the employee. The organisational environment is continuously changing and the organisation needs to be aware of the employment relationships in various situational circumstances (e.g. virtual teams, telecommunicating, international managers, project-based forms of organisations). A comprehensive understanding of the employment relationship will benefit both the organisation and the employee.

The psychological contract has been shown to be a vastly subjective concept. Each individual’s experience, both at work and in their personal lives, helps to define current and future opinions of the employment relationship. This distinctiveness makes the psychological contract a fascinating research subject; broad findings demonstrate similarities across studies, but comprehensive responses will always exhibit a component of uniqueness.
6.3 LIMITATIONS

The current study has some limitations that should be taken into account. In this section, the researcher identifies these limitations and uses them as indicators for future research on psychological contracts and its relationship with employee's opinions. The limitations of the research will be elaborated on with regard to the literature review and the empirical study.

6.3.1 Limitations with respect to the literature review

A primary limitation of this research was that there was limited literature research on the various psychological contract dimensions. This allowed the researcher to choose the dimensions to be investigated, based on the problems perceived in the organisation that was investigated. However, the psychological contract dimensions in this research seem to be superficial and contain generalised links to the theory.

Previous conceptualisations of the psychological contract have almost exclusively focused on the single relationship between the employee and the organisation. It has been established in the literature review that the psychological contract views the organisation as a single entity, but from the broader organisational behaviour literature, there is considerable evidence to show that organisations and employees do not always share the same goals. For most employees, the notion of "the organisation" is a construct that is represented by several groups within the organisation, including the immediate team, top management, subordinates and other individuals whom employees have contact with as part of the organisational setting. Given the number of potential psychological contract in existence, this would be a major step in understanding the employment relationship.

6.3.2 Limitations with respect to the empirical investigation

The first limitation of the empirical study is the data collection instrument itself. The Express Survey was not the ideal instrument to measure psychological contract, as it
focused on employees’ opinions of a wide range of factors affecting their work environment. Once the researcher actually analysed and interpreted the data, many loopholes and inconsistencies were discovered. Among these inconsistencies, were the actual validity and reliability of the questionnaire. A possible weakness of the survey is that all measures are self-reported by the employee.

A second limitation of this research is that it was based on a quantitative analysis of employees’ perceptions of the psychological contract. Qualitative interviews could have been conducted in order to give the researcher more in-depth knowledge on employees’ opinions of the various psychological contract dimensions. In addition, a greater understanding could have been gained of the functions and activities within each department. It has been recommended to do focus groups on various groups that rated various psychological dimensions less favourably.

A third limitation is that due to the implicit nature of the psychological contract, it encompasses the actions employees believe are expected of them and the response they expect in return. Conceptually, the psychological contract is based on expectations of fairness and equity. A major problem is that individuals have selective perceptions. The psychological contract is based on employees’ perceptions and beliefs and is by definition, therefore, subjective.

The forth limitation is that the empirical study was restricted to one organisation and to three departments within that organisation. This makes it difficult to verify results and interpretations with similar studies in other organisations. Since data for this study was obtained from a single organisation, the use of generalisations may be limited. A longitudinal survey, conducted over time, would be of value to this organisation. The impact of different strategies and interventions could be tracked by such a survey. Researchers may want to further explore possible differences in perceptions of the psychological contract across the auditing environment, industries and occupations. A comprehensive understanding of the changing nature of the employment relationship will benefit both the employer and the employee. It is important to note that in the timeframe of this research, the auditing environment has changed dramatically. The Management Consulting department is now a separate entity and no longer forms part of the auditing environment.
The fifth limitation of the empirical study is limited to employees' perceptions of the psychological contract, and does not take into account the employer's side of the psychological contract. Both sides of the psychological contract still need to be explored.

It is clear that a longitudinal research in this area is critical. Only by examining these relationships over time can we have definite results. The psychological contract is a dynamic relationship and longitudinal studies will allow researchers to document change.

6.4 CHAPTER SUMMARY

In conclusion, the research has provided a glimpse into the current perceptions and opinions of the psychological contract for a small sample of employees in an auditing organisation.

In this chapter, the conclusions, recommendations and limitations of this research were discussed. Herewith, the specific aims, namely to formulate recommendations that would assist the organisation to acknowledge and see the value of the psychological contract to enhance the employment relationship.
REFERENCES


Hofmeyer, K. (2000, March 27). Subject of message: Express Survey. Available: E-mail: "Karl Hofmeyer" <hofmeyrk@gibs.co.za>.


Dear Colleague,

As intellectual capital is our most valuable asset, it is very important to know how you feel about working at Organisation ABC so that we can, wherever possible, change things that you may not like and build on those things you do like. In becoming the "Global Employer of Choice", we need to attract, motivate, develop and retain the best people. Establishing an open and consistent two-way communication culture is an integral part of our firm values and a critical success factor for this strategy. One of the ways in which we will measure our success is through people opinion surveys such as this.

As the project sponsor of "EXPRESS 99 - Its About All of Us", I, together with other key executives, are very supportive of the process and survey instrument used and are committed to acting on the results. These will be also be communicated openly for your information in Eye Witness and other communication forums, and regular feedback will be given on initiatives relating to issues arising from the survey.

I appeal to you to use this opportunity to express your thoughts and opinions openly and honestly on important issues that affect you. Only in this way can we truly work towards being the "Global Employer of Choice"

Kind regards,
APPENDIX B: EXPRESS SURVEY

INTRODUCTION

The purpose of this survey is to give you the opportunity to express your views on a variety of matters relating to Organisation ABC and your job.

The survey items were developed by ISR International Survey Research Limited (ISR), an independent consulting firm. The survey covers a number of areas such as leadership, working relationships and training.

ASSURANCE OF CONFIDENTIALITY

Protecting your confidentiality is a critical component of the Opinion Survey process. Your responses to the questions contained in this survey will be kept strictly confidential and will be:

- The survey results will be tabulated by ISR.
- ISR will report only statistical summaries of the results for whole groups of employees. No group of fewer than 10 respondents will be reported. No attempt will be made to identify individual respondents.
- No one in Organisation ABC will see any completed questionnaires.

This survey is divided into two sections:

I. CODING SECTION

In this section you are asked to provide a minimum of information about your position within Organisation ABC to enable ISR to report results for different groups of employees. All responses are anonymous and under no circumstances will individual responses be identified.

II. OPINION SECTION

In this section you are asked to express your view regarding a number of issues by selecting the appropriate response. This is not a test, there are no right or wrong answers. We simply ask for your opinion, based on your current experience or perception of the way Organisation ABC South Africa operates. The survey is designed to gain an in-depth understanding of a number of issues. Therefore, some questions cover the same ground from different angles.

Because we are all different, some of the items may not be worded exactly as you would wish. However, please indicate the response which most closely reflects your view. In most cases a "?" or a "No Opinion" response option is provided if you cannot decide about a statement or it does not apply to you.
INTRODUCTION

The purpose of this survey is to give you the opportunity to express your views on a variety of matters relating to Organisation ABC and your job.

The survey items were developed by ISR International Survey Research Limited (ISR), an independent consulting firm. The survey covers a number of areas such as leadership, working relationships and training.

ASSURANCE OF CONFIDENTIALITY

Protecting your confidentiality is a critical component of the Opinion Survey process. Your responses to the questions contained in this survey will be kept strictly confidential and will be reported only in aggregate form.

* The survey results will be tabulated by ISR.

* ISR will report only statistical summaries of the results for whole groups of employees. No group of fewer than 10 respondents will be reported. No attempt will be made to identify individual respondents.

* No one in Organisation ABC will see any completed questionnaires.

This survey is divided into two sections:

I. CODING SECTION

In this section you are asked to provide a minimum of information about your position within Organisation ABC to enable ISR to report results for different groups of employees. All responses are anonymous and under no circumstances will individual responses be identified.

II. OPINION SECTION

In this section you are asked to express your view regarding a number of issues by selecting the appropriate response. This is not a test, there are no right or wrong answers. We simply ask for your opinion, based on your current experience or perception of the way Organisation ABC South Africa operates. The survey is designed to gain an in-depth understanding of a number of issues. Therefore, some questions cover the same ground from different angles.

Because we are all different, some of the items may not be worded exactly as you would wish. However, please indicate the response which most closely reflects your view. In most cases a "?" or a "No Opinion" response option is provided if you cannot decide about a statement or it does not apply to you.
I. CODING

The following classification is designed to help determine whether different groups of employees have different opinions.

To maintain confidentiality, ISR will not report individual responses for groups of less than 10 employees.

**INSTRUCTIONS FOR COMPLETING THE QUESTIONNAIRE**

Please observe the following requirements carefully to ensure that your responses are correctly recorded:

* Use a BLUE or BLACK pen.
* Place a cross ("X") in the box which best describes you. Please do not use ticks or any other type of mark.
* Mark only one response for each question. If you wish to change your mind, please black out your first answer entirely and then put a cross in the new box.

**EXAMPLE:**

1. Do you work for Organisation ABC?
   - 1. Yes
   - 0. No

1. Where is your office located? *(Please mark only one response)*
   - 1. Bellville
   - 2. Cape Town
   - 3. Durban
   - 4. Johannesburg
   - 5. Pietermaritzburg
   - 6. Pretoria

2. What is your job position? *(Please mark only one response)*
   - 01. Partner
   - 02. Director / Senior Manager / Principal Consultant
   - 03. Manager / Senior Consultant
   - 04. Assistant Manager / Consultant
   - 05. Supervisor
   - 06. Other professional staff (including accounting trainees under contract)
   - 07. IT Technical support
   - 08. Administrative and support (including secretaries, personal assistants, office and clerical support)
   - 09. Other (includes security and canteen and refreshment services)
3. What Department do you work in? *(Please mark only one response)*

<table>
<thead>
<tr>
<th>Audit</th>
<th>IS</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Financial Services Group</td>
<td>013. Estates / Personal Financial Services</td>
</tr>
<tr>
<td>02. Consumer Products</td>
<td>014. Forensic Accounting</td>
</tr>
<tr>
<td>03. Energy, Mining, Construction</td>
<td>015. Finance and Administration</td>
</tr>
<tr>
<td>04. Emerging Markets (including public sector, technology, communication and entertainment)</td>
<td>016. Human Resources &amp; Development</td>
</tr>
<tr>
<td>05. Administration, Support and Other</td>
<td></td>
</tr>
<tr>
<td>06. Building infrastructure and related services (security, facilities management, catering and refreshment services)</td>
<td></td>
</tr>
<tr>
<td>07. Business Risk Consulting</td>
<td></td>
</tr>
<tr>
<td>08. Centre for Business Knowledge</td>
<td></td>
</tr>
<tr>
<td>09. Corporate Finance and Advisory Services</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Entrepreneurial Services</th>
<th>IS</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. Audit</td>
<td>017. Assurance Services</td>
</tr>
<tr>
<td>11. Client Accounting</td>
<td>018. Data Engineering Services</td>
</tr>
<tr>
<td>12. Outsourcing</td>
<td>019. Information Security Services</td>
</tr>
<tr>
<td></td>
<td>020. Application Controls Consulting</td>
</tr>
<tr>
<td></td>
<td>021. Administration and Support</td>
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<td></td>
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<tr>
<td>22. Management Consulting</td>
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<tr>
<td>23. NIS &amp; T</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>24. Sales, Marketing &amp; Communication</td>
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<td></td>
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<tr>
<td>25. Tax Compliance</td>
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<tr>
<td>26. Tax Consulting</td>
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<td></td>
<td></td>
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<tr>
<td>27. National Responsibility / Other</td>
<td></td>
</tr>
</tbody>
</table>

4. How long have you been working for Organisation ABC? *(Please mark only one response)*

<table>
<thead>
<tr>
<th>Less than 1 year</th>
<th>1.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 3 years</td>
<td>2.</td>
</tr>
<tr>
<td>4 - 5 years</td>
<td>3.</td>
</tr>
<tr>
<td>6 - 10 years</td>
<td>4.</td>
</tr>
<tr>
<td>11 - 15 years</td>
<td>5.</td>
</tr>
<tr>
<td>More than 15 years</td>
<td>6.</td>
</tr>
</tbody>
</table>

5. Do you work? *(Please mark only one response)*

<table>
<thead>
<tr>
<th>Full-time</th>
<th>1.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part-time</td>
<td>2.</td>
</tr>
</tbody>
</table>
6. **What is your age?** *(Please mark only one response)*

- [ ] 1. Less than 25 years old
- [ ] 2. 25 - 34 years old
- [ ] 3. 35 - 44 years old
- [ ] 4. 45 - 54 years old
- [ ] 5. 55 years old or older

7. **What is your gender?**

- [ ] 1. Female
- [ ] 2. Male

8. **What is your designated group in terms of the Employment Equity Act?**

- [ ] 1. African Black
- [ ] 2. Asian
- [ ] 3. Coloured
- [ ] 4. White

9. **Are you disabled in any way?**

- [ ] 1. Yes
- [ ] 2. No

**Definition:** For purposes of this question the following are defined as disabilities: Spinal injury, physical disability/deformity, epilepsy, brain injury/neurological disorder, blindness, deafness, psychiatric condition and learning disability.
II. OPINION

This section consists of a series of statements concerning various aspects of your work. There are no right or wrong answers. All that is requested are your own opinions based on personal experience. Please read the following definitions before you begin:

**INSTRUCTIONS FOR COMPLETING THIS SECTION**

To complete this section, place a cross ("X") in the box which best expresses your opinion, as shown below. If you cannot decide about a statement, or it does not apply to you, choose the "?" response.

**EXAMPLE:**

1. The purpose of this survey is to find out employees' views ........................................................... [X] □ □ □ □ □

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
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<td></td>
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<tr>
<td>2.</td>
<td></td>
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<tr>
<td>3.</td>
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<tr>
<td>4.</td>
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<td>5.</td>
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<td></td>
<td></td>
<td>Agree</td>
<td>Tend to Agree</td>
<td>?</td>
<td>Tend to Disagree</td>
</tr>
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<td>-----------------------------------------------------------------</td>
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</tr>
<tr>
<td>6.</td>
<td>The training I have received at Organisation ABC has adequately prepared me for the work I do</td>
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<tr>
<td>7.</td>
<td>I am confident I can achieve my personal career objectives with Organisation ABC</td>
<td></td>
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<tr>
<td>8.</td>
<td>At Organisation ABC, teamwork is: (Please answer each item)</td>
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<tr>
<td></td>
<td>a. Encouraged</td>
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<tr>
<td></td>
<td>b. Recognised</td>
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<td>9.</td>
<td>There are usually sufficient people in my Department to handle the workload</td>
<td></td>
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<tr>
<td>10.</td>
<td>I regularly receive feedback on my performance from the person or people to whom I report</td>
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<td>11.</td>
<td>This Firm does an excellent job of keeping employees informed about matters affecting us</td>
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<td>12.</td>
<td>In my judgement, the following are well managed: (Please answer each item)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>a. My Department</td>
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<td></td>
<td>b. Organisation ABC as a whole</td>
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<td>13.</td>
<td>Organisation ABC commitment to quality is apparent in what we do on a day-to-day basis</td>
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<tr>
<td>14.</td>
<td>Organisation ABC provides good opportunities for working abroad to those seeking international experience</td>
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<td>15.</td>
<td>I have sufficient authority to do my work well</td>
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<tr>
<td>16.</td>
<td>I have a clear understanding of the goals and objectives of: (Please answer each item)</td>
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</tr>
<tr>
<td></td>
<td>a. My Department</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Organisation ABC as a whole</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>17.</td>
<td>I am sufficiently informed about: (Please answer each item)</td>
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<tr>
<td></td>
<td>a. Plans for the Firm</td>
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<tr>
<td></td>
<td>b. The Firm's performance</td>
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<tr>
<td>18.</td>
<td>Work priorities in my Department change so frequently I have trouble getting my work done</td>
<td></td>
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</tbody>
</table>
19. There is good cooperation among:
(Please answer each item)
- a. Departments .................................................
- b. Organisation ABC organisations in different countries

20. I understand how my performance is evaluated .................................

21. Compared with other people at my level, I think
I am paid fairly ..............................................................

22. In my opinion, my Department does a good job
of promoting the most competent people ......................................

23. In general, the person or people I report to:
(Please answer each item)
- a. Are available when needed ...........................................
- b. Manage people well ....................................................
- c. Communicate effectively ..............................................

24. Organisation ABC shows very little interest in
developing its people ............................................................

25. My Department:
(Please answer each item)
- a. Actively seeks to understand client requirements
   and expectations ......................................................
- b. Is responsive to client needs .....................................

26. I would recommend Organisation ABC as a good
place to work ..........................................................................

27. I am often bothered by excessive pressure at work .........................

28. The person or people I report to are considerate
of my life outside of work ..................................................

29. Little effort is made to get the opinions and thinking
of people in this Firm ..........................................................

30. My Department has established a climate where:
(Please answer each item)
- a. Innovative ideas can fail without penalty to the
   originating person or group ............................................
- b. People can challenge the Firm's traditional ways
   of doing things ..................................................................

<table>
<thead>
<tr>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
31. Organisation ABC is highly regarded by:
(Please answer each item)

<table>
<thead>
<tr>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Its clients</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Its people</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Its competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

32. The people I work with are willing to help each other, even if it means doing something outside their usual activities

33. The demands of my work seriously interfere with my private life

34. I have enough flexibility in my work to do what is necessary to provide good service to clients

35. Morale in my Department is generally high

36. I have sufficient technology support to do my work effectively

37. The national leadership of the Firm is providing a clear sense of direction for the Firm

38. In my opinion, our remuneration is as good as or better than that provided in other professional services Firms

39. The Firm gives me sufficient opportunity to develop new skills through projects assigned to me

40. Gaining international experience through an expatriate assignment enhances one's career opportunities at Organisation ABC

41. I believe becoming a partner at Organisation ABC:
(Please answer each item)

<table>
<thead>
<tr>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. A desirable goal in general</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. A realistic goal for me</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

42. For the work I do, I am very much underpaid

43. From what I hear, our benefits are as good as or better than the benefits in other professional services Firms
44. In my experience, the national leadership of the Firm:
(Please answer each item)

<table>
<thead>
<tr>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Demonstrate values and principles that I admire and respect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Are effective leaders</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

45. If my Department needs specialist skills or knowledge from other Departments:
(Please answer each item)

<table>
<thead>
<tr>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. We know how to find out whether such skills or knowledge exists</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. The skills or knowledge are readily available</td>
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<td></td>
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</tbody>
</table>

46. The Firm actively supports a balance between work life and home life

<table>
<thead>
<tr>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
</table>

47. Knowledge sharing in Organisation ABC is:
(Please answer each item)

<table>
<thead>
<tr>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Actively encouraged</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Adequately recognised</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>c. Something I feel committed to achieve</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

48. Have you had an annual performance review in the last 12 months?

<table>
<thead>
<tr>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
</table>

49. How do you rate your last annual performance review in terms of the following:
(Please answer each item)

<table>
<thead>
<tr>
<th>Very Good</th>
<th>Good</th>
<th>Average</th>
<th>Poor</th>
<th>Very Poor</th>
<th>Don't know/ No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Helping you pinpoint your strengths and weaknesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Helping you improve your performance</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

50. How good a job is Organisation ABC doing in matching remuneration to performance?

<table>
<thead>
<tr>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
</table>
51. In your judgement, how does your Department compare with its competitors on each of the following:

(Please answer each item)

<table>
<thead>
<tr>
<th></th>
<th>The Best</th>
<th>Better Than Most</th>
<th>Same as Most</th>
<th>Not as Good as Most</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Quality of services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Responsiveness to changes in the marketplace</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Effectiveness of marketing</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

52. How satisfied are you with the following aspects of your current work responsibilities:

(Please answer each item)

<table>
<thead>
<tr>
<th></th>
<th>Very Satisfied</th>
<th>Satisfied</th>
<th>Neither Satisfied Nor Dissatisfied</th>
<th>Dissatisfied</th>
<th>Very Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The type of work you do</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>b. Your job security</td>
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<tr>
<td>c. Recognition for performance</td>
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<tr>
<td>d. Being treated with respect and fairness</td>
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</tbody>
</table>

53. Taking everything into account, how satisfied are you with Organisation ABC as a place to work?

<table>
<thead>
<tr>
<th></th>
<th>About Right</th>
<th>Too Fast</th>
<th>Too Slow</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

54. In my Department the pace of change is:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

55. At the present time, are you seriously considering leaving Organisation ABC?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
56. If you were to consider leaving Organisation ABC, how important would each of the following factors be in your decision to stay or leave? (Please answer each item)

- a. Work/life balance issues ................................................................. [ ] [ ] [ ] [ ]
- b. Remuneration ....................................................................................... [ ] [ ] [ ] [ ]
- c. Advancement opportunities ................................................................. [ ] [ ] [ ] [ ]
- d. Recognition for your contributions ................................................... [ ] [ ] [ ] [ ]
- e. Learning opportunities ........................................................................... [ ] [ ] [ ] [ ]
- f. Alternative career paths ........................................................................ [ ] [ ] [ ] [ ]
- g. The nature of the work itself ................................................................. [ ] [ ] [ ] [ ]
- h. Reasons unrelated to the job ................................................................. [ ] [ ] [ ] [ ]

57. Looking ahead to the next year or so, I think Organisation ABC will: ................................................................. [ ] [ ] [ ] [ ]

58. I think the national leadership of the Firm will: (Please answer each item)

- a. Carefully consider problems brought to its attention in this survey ................................................................. [ ] [ ] [ ] [ ]
- b. Act on problems identified ...................................................................... [ ] [ ] [ ] [ ]
<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Tend to Agree</th>
<th>?</th>
<th>Tend to Disagree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>59. Relationships between employees in Organisation ABC are based on openness, trust and honesty</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>60. The person I report to involves me in: (Please answer each item)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>a. Solving problems related to our work</td>
<td></td>
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<tr>
<td>b. Making decisions that affect our work</td>
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<tr>
<td>61. In my department we do a good job of celebrating individual and department successes</td>
<td></td>
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<tr>
<td>62. Where I work, we are encouraged to use our &quot;gut feel&quot; and intuition</td>
<td></td>
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<tr>
<td>63. In my department, conflict is resolved constructively</td>
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<tr>
<td>64. The person I report to does a good job of building up people's self-esteem and confidence</td>
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<tr>
<td>65. The management of the Firm supports diversity in the workplace (recognising and respecting the value of human differences)</td>
<td></td>
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<tr>
<td>66. The relations between employees of different races or ethnic backgrounds are usually good</td>
<td></td>
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<tr>
<td>67. I am often worried about the following: (Please answer each item)</td>
<td></td>
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</tr>
<tr>
<td>a. Being laid off</td>
<td></td>
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<tr>
<td>b. Crime and violence in South Africa</td>
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<tr>
<td>c. The economic and political future of South Africa</td>
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<tr>
<td>68. I feel comfortable expressing my views about the Firm openly and honestly and without fear of reprisal from anyone within the Firm</td>
<td></td>
<td></td>
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<tr>
<td>69. There is sufficient contact between management and employees in this Firm</td>
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<tr>
<td>70. The IT we use in our Department is: (Please answer each item)</td>
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<tr>
<td>a. Well maintained and supported</td>
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<tr>
<td>b. Sufficiently up-to-date to enable me to do my work effectively</td>
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<tr>
<td>Question</td>
<td>Agree</td>
<td>Tend to Agree</td>
<td>?</td>
<td>Tend to Disagree</td>
<td>Disagree</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
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<tr>
<td>71. From what I have seen, Organisation ABC has made significant progress in moving towards a more sales oriented culture</td>
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<tr>
<td>72. Organisation ABC is too lenient with employees who perform poorly</td>
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<tr>
<td>73. From what I have seen, people in my Department are living the Firm’s values (Service, Teamwork, Respect, Integrity, Professionalism, Excellence)</td>
<td></td>
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<td>74. When people are evaluated in Organisation ABC what is emphasised more, people skills or technical skills?</td>
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<tr>
<td>75. If I had the opportunity, I would leave South Africa to live in another country?</td>
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<td>76. How much of a hindrance are the following factors to the advancement of previously disadvantaged groups within your Department?</td>
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</tr>
<tr>
<td>a. The Firm's values and ethics</td>
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<td>b. The Firm's management style</td>
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<tr>
<td>c. Lack of experience amongst previously disadvantaged staff</td>
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<tr>
<td>d. Lack of programmes and policies to support advancement</td>
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<tr>
<td>e. Lack of commitment from the top management of the Firm</td>
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</tbody>
</table>
77. Please consider each of the factors listed below for your Department as a whole and indicate how you think they have changed in the past year or so:

(Please answer each item):

<table>
<thead>
<tr>
<th>Factor</th>
<th>Changed for the Better</th>
<th>Stayed the Same</th>
<th>Changed for the Worse</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Morale</td>
<td></td>
<td></td>
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<tr>
<td>Teamwork</td>
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<td></td>
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<tr>
<td>Quality of customer service</td>
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<td></td>
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<tr>
<td>Race relations</td>
<td></td>
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</tbody>
</table>

THANK YOU FOR YOUR PARTICIPATION
## APPENDIX C: EXPRESS SURVEY CORE DIMENSIONS & ITEMS

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Dimension Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Strategic Direction &amp; Goal Clarity</td>
<td>37. The national leadership of the Firm is providing a clear sense of direction for the Firm.</td>
</tr>
<tr>
<td></td>
<td>16. I have a clear understanding of the goals and objectives of:</td>
</tr>
<tr>
<td></td>
<td>a. My Department</td>
</tr>
<tr>
<td></td>
<td>b. Organisation ABC as a whole</td>
</tr>
<tr>
<td></td>
<td>54. In my Department the pace of change is:</td>
</tr>
<tr>
<td></td>
<td>57. Looking ahead to the next year or so, I think Organisation ABC will:</td>
</tr>
<tr>
<td>2 Leadership</td>
<td>12. In my judgement the following are well managed:</td>
</tr>
<tr>
<td></td>
<td>a. My Department</td>
</tr>
<tr>
<td></td>
<td>b. Organisation ABC as a whole</td>
</tr>
<tr>
<td></td>
<td>23. In general, the person or people I report to:</td>
</tr>
<tr>
<td></td>
<td>a. Are available when needed</td>
</tr>
<tr>
<td></td>
<td>b. Manage people well</td>
</tr>
<tr>
<td></td>
<td>c. Communicate effectively</td>
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<tr>
<td></td>
<td>44. In my experience, the national leadership of the Firm:</td>
</tr>
<tr>
<td></td>
<td>a. Demonstrates values and principles that I admire and respect</td>
</tr>
<tr>
<td></td>
<td>b. Are effective leaders</td>
</tr>
<tr>
<td>3 Communication</td>
<td>4. We usually hear about important Firm matters through rumours</td>
</tr>
<tr>
<td></td>
<td>11. This Firm does an excellent job of keeping employees informed about matter affecting us</td>
</tr>
<tr>
<td></td>
<td>29. Little effort is made to get the opinions and thinking of people in the Firm.</td>
</tr>
<tr>
<td></td>
<td>17. I am sufficiently informed about:</td>
</tr>
<tr>
<td></td>
<td>a. Plans for the Firm</td>
</tr>
<tr>
<td></td>
<td>b. The Firm's performance</td>
</tr>
<tr>
<td>4 Working Relationships / Teamwork</td>
<td>5. Organisation ABC people are treated with respect within the Firm, regardless of the position they hold.</td>
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<tr>
<td></td>
<td>32. The people I work with are willing to help each other, even if it means doing something outside their usual activities.</td>
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<td></td>
<td>35. Morale in my Department is generally high.</td>
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<td>8. At Organisation ABC, teamwork is:</td>
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<tr>
<td></td>
<td>a. Encouraged</td>
</tr>
<tr>
<td></td>
<td>b. Recognised</td>
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<td></td>
<td>18. There is good cooperation among:</td>
</tr>
<tr>
<td></td>
<td>a. Departments</td>
</tr>
<tr>
<td></td>
<td>b. The Firm's Organisations in different countries</td>
</tr>
<tr>
<td>5 Empowerment</td>
<td>15. I have sufficient authority to do my work</td>
</tr>
<tr>
<td></td>
<td>30. My Department has established a climate where:</td>
</tr>
<tr>
<td></td>
<td>a. Innovative ideas can fail without penalty to the originating person or group</td>
</tr>
<tr>
<td></td>
<td>b. People can challenge the Firm's traditional way of doing things</td>
</tr>
<tr>
<td>Dimensions</td>
<td>Dimension Items</td>
</tr>
<tr>
<td>------------------</td>
<td>----------------------------------------------------------------------------------</td>
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</tbody>
</table>
| **6** Training   | 6. The training that I have received at Organisation ABC has adequately prepared me for the work I do.  
|                  | 24. Organisation ABC shows very little interest in developing its people.     
|                  | 39. The Firm gives me sufficient opportunities to develop new skills through projects assigned to me. |
| **7** Career Development | 7. I am confident I can achieve my personal career objectives within Organisation ABC. 
|                  | 14. Organisation ABC provides good opportunities for working abroad to those seeking international experience. 
|                  | 22. In my opinion, my Department does a good job of promoting the most competent people. 
|                  | 40. Gaining international experience through an expatriate assignment enhances one's career opportunities at Organisation ABC. 
|                  | 41. I believe becoming a partner at Organisation ABC is: 
|                  | a. A desirable goal in general  
|                  | b. A realistic goal for me |
| **8** Performance Management | 1. I have a very clear idea of my responsibilities. 
|                  | 10. I regularly have feedback on my performance from the person or people to whom I report.  
|                  | 20. I understand how my performance is evaluated. 
|                  | 49. How do you rate your last annual performance review in terms of the following: 
|                  | a. Helping you to pinpoint your strengths and weaknesses 
|                  | b. Helping you to improve your performance 
|                  | 48. Have you had your annual performance review in the last 12 months? |
| **9** Rewards & Recognition | 21. Compared with other people on my level, I think I am paid fairly. 
|                  | 38. In my opinion, our remuneration is as good or better than that provided in other professional services Firms. 
|                  | 42. For the work I do, I am very much underpaid. 
|                  | 43. From what I hear, our benefits are as good as or better than the benefits in other professional services Firms. 
|                  | 50. How good is a job is Organisation ABC doing in matching remuneration to performance? 
|                  | 52. How satisfied are you with the following aspects of your current work responsibilities: 
|                  | c. Recognition on performance |
| **10** Client Services | 2. My department gets feedback on how satisfied our clients are with work we perform. 
|                  | 13. Organisation ABC's commitment to quality is apparent in what we do on a day-to-day basis. 
|                  | 34. I have enough flexibility in my work to do what is
<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Dimension Items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>necessary to provide good service to clients.</td>
</tr>
<tr>
<td></td>
<td>necessary to provide good service to clients.</td>
</tr>
</tbody>
</table>
| 11 Firm Image and Competitive Position | 25. My Department:  
|            | a. Actively seeks to understand client requirements and expectations  
|            | b. Is responsive to client needs |
| 12 Work / Life Balance | 27. I am often bothered by excessive pressure at work.  
|            | 28. The person or people I report to are considerate of my life outside of work.  
|            | 33. The demands of my work seriously interfere with my private life.  
|            | 46. The Firm actively supports a balance between work like and home life. |
| 13 Infrastructure & Operating efficiency | 3. I have access to the information I need to do my work effectively.  
|            | 9. There are usually sufficient people in my Department to handle the workload.  
|            | 19. Work priorities in my Department change so frequently I have trouble getting my work done.  
|            | 36. I have sufficient technology support to do my work effectively. |
| 14 Knowledge Management | 44. If my department needs specialist skills or knowledge from other Departments:  
|            | a. We know where to find out whether such skills or knowledge exists  
|            | b. The skills or knowledge are readily available  
|            | 47. Knowledge sharing in Organisation ABC is:  
|            | a. Actively encouraged  
|            | b. Adequately recognised  
|            | c. Something I feel committed to help achieve |
| 15 Commitment & Satisfaction | 26. I would recommend Organisation ABC as a good place to work.  
|            | 55. At the present time, are you seriously considering leaving Organisation ABC?  
|            | 53. Taking everything into account, how satisfied are you with Organisation ABC as a place to work?  
|            | 52. How satisfied are you with the following aspects of your current work responsibilities:  
|            | a. The type of work you do  
|            | b. Your job security  
<p>|            | c. Being treated with respect and fairness |</p>
<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Dimension Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention</td>
<td>56. If you were to consider leaving Organisation ABC, how important will each of the following factors be in your decision to stay or leave? a. Work/life balance issues b. Remuneration c. Advancement opportunities d. Recognition for your contributions e. Learning opportunities f. Alternative career paths g. The nature of work itself h. Reasons unrelated to the job.</td>
</tr>
</tbody>
</table>