

The psychological contract in relation to employment equity legislation and intention to leave in an open distance higher education institution

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Abstract

In recognition of the injustices of South Africa's apartheid past, employers have a responsibility to ensure that employment equity practices are implemented, without harming important aspects of the employment relationship, such as the psychological contract and the intention to leave. The aim of this study was to determine the relationship between the psychological contract, employment equity legislation practices and the intention to leave (as measured by structured questionnaires comprising standardised scales) in an open distance higher education institution. In this regard, special attention was given to the influence of employment equity on employees' intention to leave, which forms an important part of the psychological contract. The study also focused on the differences that exist between the three different social groupings (Africans, white males and white females, coloureds and Indians), gender and qualification levels regarding their perceptions about how the psychological contract influences employment equity legislation practices and intention to leave. A quantitative survey was conducted on a stratified random sample of employees (N = 339) who were white (58.4%), male (50.1%) and between the ages of 31 and 60 and were all employed at an open distance higher education institution. Correlational statistics and multiple regression analyses revealed a number of significant relationships between the three variables. In the South African employment equity context, the findings provide valuable information that can be used to inform managers and human resource practitioners on employment equity strategies. The practical implications of the findings also add new insights in terms of the psychological contract, intention to leave and management of the employment relationship.

Key words: *psychological contract, intention to leave, employment equity*

1 Introduction

After South Africa's first democratic election in 1994, efforts had to be made to ensure that the community became more just and equal (Vermeulen & Coetzee 2006). To

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compensate for the inequities of the apartheid past, it was necessary to change South Africa's socio-economic and political order in a radical way (Ferreira 2005). One of the main goals of the newly elected South African government was to lay the foundations of a democratic society based on the values, among others, of equality, non-racism and non-sexism (Ferreira 2005). In order to achieve this, government introduced legislation and regulations aimed at enabling previously disadvantaged citizens. This was done to give them full access to all facets of society to which they were denied access in the past, including company ownership, a share in capital and top-level management positions (Wöcke & Sutherland 2008).

The transformation of South Africa's workplace into an "equal playground" for all role players has led to the introduction of various pieces of legislation dealing with equitable employment, the most important of which are the Constitution of the Republic of South Africa in 1996, the Employment Equity Act in 1998 (Wöcke & Sutherland 2008) and, more recently, the Broad-Based Black Economic Empowerment Act in 2003 (Venter & Levy 2011). The Employment Equity Act is aimed at creating a diverse labour force that is representative of all South Africans (Nel, Kirsten, Swanepoel, Erasmus & Poisat 2012). The main purpose of the BBBEE Act is to remove the disparities that have resulted from oppressive policies implemented before 1994 which excluded black South Africans from active participation in the economy and from owning big businesses (Nel et al 2012).

While these transformation changes were taking place in South Africa in general, massive transformation changes were also taking place in the South African higher education environment in particular (Mafuma 2011). Various pieces of legislation, policies and reports contributed to the transformation of the South African higher education environment. These included the following (Moraka & Mapesela 2009): the Labour Relations Act 66 of 1995; the Employment Equity Act 55 of 1998; the Skills Development Act 97 of 1998; the National Skills Development Strategy of 2005; the Higher Education Act 101 of 1997; the Education White Paper 9 of 1997; and the National Plan for Higher Education of 2001. The main objective of this legislative framework in the South African higher education environment is to redress the inequities/inequalities of the past by the provision of stringent rules for the inclusion of blacks, employees and students (Mafuma 2011).

The Employment Equity Act is one of the most controversial pieces of legislation promulgated in post-Apartheid South Africa, since its regulations only benefit people who were previously disadvantaged and it promotes fair discrimination (Thompson & Van der Walt 2008). This means that people from designated groups (women, people with disabilities and blacks, namely Africans, Indians and coloureds) are given opportunities ahead of previously advantaged people, in particular white males (Maharaj, Ortlepp & Stacey 2008).

The Employment Equity Act plays a significant role in the diversification of employees in the South African higher education environment. All institutions within the South African higher education environment are subject to this Act, which means that the corrective measures referred to in the Act apply to all institutions (Hay & Wilkinson 2002). All institutions are required to complete audits regarding their current policies with the objective of eliminating unfair discrimination as well as drafting and implementing an employment equity plan (Portnoi 2009). Institutions within the higher education environment are faced with a unique composite of limitations and challenges with regard to employment equity legislation specialised for higher education in South Africa and policy developments, the skills pool issue, funding and rationalisation, the

role of universities as a unique workplace, and the apartheid legacies at universities (Portnoi 2003).

This is why Maharaj et al (2008) state that employment equity legislation has the potential to influence the expectations of the parties to the employment relationship, namely employers and employees. These parties' expectations concerning the employment relationship are called the psychological contract (Maguire 2001).

As will be demonstrated in detail below, the psychological contract forms the foundation of the employment relationship and comprises the expectations of employees regarding the benefits that they believe they are entitled to (Wärnich, Carrel, Elbert & Hatfield 2015). The psychological contract is a subjective, individual perception of the obligations that an employee has towards his/her organisation and of the obligations that the employer has towards his/her employee (Maharaj et al 2008:17; Zagenczyk, Cruz, Cheung, Scott, Kiewitz & Galloway 2014). Psychological contracts theory proposes that if organisations satisfy unwritten promises, employees will recognise that the employer is interested in developing positive social exchange relationships (Rousseau 1995; Zagenczyk et al 2014). Such fundamentally subjective promises typically develop during recruiting, socialising and through interactions with co-employees and supervisors (Rousseau 2001).

Studies on the psychological contract have found that it influences job satisfaction, organisational commitment, sense of organisational security, employment relations, motivation, organisational citizenship and the intention of employees to leave the organisation (Guest 1998:661; Rayton & Yalabik 2014). Balanced and fulfilled psychological contracts may not necessarily result in excellent performance; but unbalanced and unfulfilled psychological contracts have a tendency to act as demotivators and can be reflected in lower organisational commitment and job turnover and heightened absenteeism (Maguire 2001).

From the above discussion it is clear that employment equity legislation and practices can influence the expectations of employees regarding their employer's obligations towards them and can therefore affect the psychological contract as well as the intention to leave. It is clear from the preceding paragraphs that the psychological contract is an important aspect of the employment relationship.

Research objectives

The present study aimed to empirically assess the relationship between employment equity legislation and practices on the one hand, and the psychological contract and intention to leave the organisation on the other, at an open distance higher education institution. The following research questions were posed:

- What are the interrelationships between the employee's psychological contract, employment equity legislation practices and intention to leave as manifested by a sample of respondents in the South African context?
- Do the biographical variables (gender, qualification levels and the three social groupings) differ significantly in terms of the employee's psychological contract, employment equity legislation practices and intention to leave?
- Do the employee's psychological contract and employment equity legislation practices differ significantly in terms of intention to leave?

Assessing such a relationship may provide valuable information for managers and human resource and labour relations practitioners concerned with strategies related to the psychological contract, employment equity practices and intention to leave.

2 The literature review

2.1 *The psychological contract*

The relationship between an employer and an employee is typically guided by formal agreements such as the individual contract of employment, collective agreements and labour legislation (Shruti & Hermanth 2012). There is, however, an unwritten contract between the employer and the employee that can be regarded as even more important, namely the psychological contract.

Rousseau (1995) defines the psychological contract as individual, subjective beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisation. The binding nature of the psychological contract then becomes much stronger than the generic perception of social exchange. More recently, Leigh (2008) indicated that the psychological contract can be defined as the subjective beliefs held by an individual employee and the employer about what they expect of each other. The psychological contract consists of expectations and obligations as opposed to the tangible content of the written employment contract (Bal, Kooij & De Jong 2013; Leigh 2008). For the purposes of this study, this definition is regarded as the most relevant and appropriate definition of the concept of the psychological contract.

In contrast to the written statement of terms and conditions that employees receive, which is a written, generic statement for groups of employees doing the same job, the psychological contract is subjective and consists of a unique combination of beliefs held by the employer and the employee regarding their expectations of each other (Leigh 2008). These expectations are undoubtedly affected by organisational policies pertaining to employment equity and affirmative action. Research provides evidence that organisational mechanisms and practices, such as HRM policies and practices, have an impact on the type and fulfilment of an employee's psychological contract (Festing & Schafer 2013; Guest & Conway 2001; Sonnenberg, Koene & Paauwe 2011).

The main characteristic of the psychological contract is that it is subjective (Botha 2007). Willems, Janvier and Henderickx (2004) confirm that the foremost characteristics of the psychological contract are that it is subjective, it is usually implicit, it is dynamic, it entails a norm of reciprocity and it is multi-faceted. The characteristics of the psychological contract clearly make it vulnerable to influences from external factors such as employment equity legislation and practices. It is especially because the psychological contract is subjective, in other words it differs from one individual to another, that one employee experiences the application of employment equity practices as fair and the outcome may be a positive psychological contract, while another employee experiences the application of employment equity practices as unfair, which in turn may lead to a weakening of the psychological contract. The question that arises is what happens when an employee experiences his or her psychological contract as negative. It is furthermore important to investigate in greater detail how employment equity and intention to leave are related to the psychological contract and to a breach of the psychological contract.

2.2 *Breach of the psychological contract*

As indicated, the employee-organisation relationship is rooted in the psychological contract, which consists of beliefs about reciprocal obligations between the two parties (Leigh 2008). The state of the psychological contract is a measure of the trust held by

employees and of their belief in their employer. Nonetheless, employees often perceive that their organisation has failed to fulfil that contract adequately – this is known as a breach of the psychological contract (Person, Kernen & Choi 2011). Psychological contracts are breached when employees perceive that their employers have failed to fulfil at least one obligation or promise (Ng, Feldman & Butts 2014; Turnley, Bolino, Lester & Bloodgood 2003; Turnley & Feldman 1999). Breach of the psychological contract has numerous negative outcomes for an organisation, such as a loss of trust, reduced job satisfaction and higher turnover intentions (Clinton & Guest 2014; Person et al 2011). This insight is extremely important for the purposes of this study, since it is aimed at determining whether external factors such as employment equity legislation and practices can have an effect on the psychological contract, establish whether this effect is positive or negative, and also whether, if the effect is negative, it will lead to breach of the psychological contract and in turn, impact on employees' intention to leave the organisation.

Morrison and Robinson (1997:230) refer to breach of the psychological contract as "the cognition that one's organisation has failed to meet one or more obligations within one's psychological contract". Therefore, breach is essentially the identification of perceived unmet obligations. This consequence may be fairly short-term and result in individuals' returning to their relatively "stable" psychological contract state; alternatively it may develop into full psychological contract violation (De Jong, Schalk & De Cuyper 2009; Pate, Martin & McGoldrick 2003).

Psychological contract violation is an emotional and affective state that may follow from the belief that one's organisation has failed to adequately maintain the psychological contract (Morrison & Robinson 1997; Robinson & Morrison 2000; Van der Elst, De Cuyper, Baillien, Niesen & De Witte 2014). Sparrow and Cooper (2003:43) define it as "strong affective responses to more extreme breaches of contract, such as feelings of injustice, betrayal and deeper psychological distress, whereby the victim experiences anger, resentment, and a sense of wrongful harm". In essence, psychological breach of contract is the experience of unmet expectations; and psychological contract violation refers to the emotional reactions that follow; thus breach leads to violation.

In conclusion it stands to reason that fulfilment and breach represent opposite poles of the psychological contract. According to Van den Heuvel and Schalk (2009), a large number of previous studies have shown that fulfilment of the psychological contract has consequences for organisational outcomes, such as trust in the organisation, employee satisfaction, job performance and turnover.

On the other hand, psychological breach of contract and resulting psychological contract violation can result in a number of negative attitudinal and/or behavioural responses, including reduced organisational commitment and job satisfaction (Robinson & Morrison 1995). In addition, employees may become more cynical as a result of psychological contract violation (Pate 2003). Turnley et al (2003) add that breaching of the psychological contract results in a wide array of negative outcomes, including reduced job satisfaction, reduced trust in the organisation, increased cynicism about organisational life in general, and increased intention to leave the organisation (Avanzi, Fraccaroli, Sarchielli, Ulrich & Van Dick 2014).

2.3 Employment equity and the psychological contract

Employment equity legislation (the Employment Equity Act 55 of 1998) makes it clear that unfair discrimination must be eradicated from all employment policies and practices

and that there may be no discrimination against any person on any grounds, including race, gender or disability (Vermeulen & Coetzee 2006). It is not, however, regarded as unfair discrimination to implement affirmative action measures which are consistent with the purposes of the Act (Du Plessis & Fouché 2006).

It is largely dependent on individual perceptions whether these measures are perceived as fair or unfair by the employee (Maharaj et al 2008). Individual perceptions are shaped by people's past experiences (Maharaj et al 2008). This means that the manner in which people from different backgrounds, for instance white males and black women, experience an organisation's implementation of employment equity practices will have an effect on the psychological contract (Maharaj et al 2008).

The implementation of employment equity practices like affirmative action measures is likely to affect employees' compensation levels, future earning prospects, access to training and development opportunities, work relationships and also organisational culture in either a positive or a negative way (Barker 2007). This effect is again likely to have an impact on the perceived expectations and fulfilment of obligations by the employer and the employee, which will inevitably influence the psychological contract.

There is likely to be a difference in the perceptions regarding employment equity practices between the three social groupings (blacks, white males and the middle group consisting of white females, coloureds and Indians) that are found in organisations (Wöcke & Sutherland 2008). Wöcke and Sutherland (2008) explain that white males may feel threatened by employment equity practices due to a perceived lack of future opportunities and the feeling that they are not valued in organisations. White males are excluded from the designated groups that are identified in the Act; they are thus viewed as the group in society that was advantaged by previous unfair discrimination. In contrast, black individuals have received political power through employment equity legislation and practices and view employment equity as a positive aspect that can contribute to the process of transformation (Wöcke & Sutherland 2008). The middle group consists of white females, coloureds and Indians, who were "not sufficiently white or of the wrong gender to benefit from apartheid and now find themselves not being black enough" (Wöcke & Sutherland 2008:532).

It is evident from the foregoing why employment equity legislation has an effect on the psychological contract, and also why it is anticipated that the perceptions of this effect will differ among the three social groupings within organisations.

The following research objectives were therefore formulated:

- to determine the relationship between the psychological contract, employment equity legislation practices and intention to leave at an open distance higher education institution;
- to compare the differences between gender, qualification levels and the three social groupings (Africans, white males and a group consisting of white females, coloureds and Indians) in an open distance higher education institution with regard to the psychological contract, the effect of employment equity practices and intention to leave; and
- to determine whether the psychological contract and employment equity legislation practices differ significantly in terms of their effect on intention to leave at an open distance higher educational institution

The next section of the article will elaborate on the research design, which covers the research approach and method, followed by the presentation of the results and a discussion of the findings. The article concludes with a brief synopsis of the main

conclusions, implications for practice and recommendations for potential future research.

3 Research design

3.1 Research approach

For this exploratory study, a quantitative survey design was used to achieve the research objectives (Shaughnessy & Zechmeister 2003).

3.2 Research method

3.2.1 Participants

The participants were a stratified random sample of 339 adults out of a total population of $N = 900$ (response rate = 38%), who were all employed at an open distance higher education institution. The sample was made up of predominantly white (58.4%) and male (50.1%) participants who had been employed for around 21 years (23.3%) and had either a certificate/diploma (23.3%) or a Master's degree (18.8%). The participants were mostly between the ages of 31 and 60 years (77.8%) and fell into three age groupings (31–40, 41–50 and 51–60). The distribution of participants' designated groups was slightly skewed towards white male participants (58.4%), with Africans the second highest (28.6%) and white females, Indians and coloureds representing only 8% of the sample. Furthermore, the distribution of participants was heavily skewed towards participants without disabilities (89.4%) in relation to participants with disabilities (6.8%).

The sampling method that was used in this study was stratified random sampling: the population was divided into three social groupings (Africans, white males, and white females, Indians and coloureds), as explained in the previous section. A random sample was then selected from all levels of employees in these three social groupings.

3.2.2 Measuring instruments

The three main aspects that were measured regarding the participants were the state of their existing psychological contract with their employer, how this relates to employment equity legislation practices and their intention to leave the organisation. A questionnaire was compiled comprising the following three instruments:

The Psychological Contract (PC)

The Psychological Contract questionnaire (PC) is a self-rated multifactorial measure. This section of the questionnaire consisted of four subsections: (1) *employer obligations (ERO)* (15 items), (2) *employee obligations (EEO)* (16 items), (3) *emotions associated with the psychological contract (EPC)* (6 items), (4) *the overall state of the psychological contract (OSPC)* (7 items). The *psychological contract (PC)* of respondents was measured using the Psycones Questionnaire, which contains questions regarding specific employer and employee obligations as viewed by an employee (Psycones 2006). Questions were selected to determine the psychological contract component.

The ERO and EEO subsections of the questionnaire used a 5-point Likert-type scale (1 = Yes, but promise not kept at all and 5 = Yes, promise fully kept) for the responses to each of the questions (Psycones 2006). The EPC subsection of the questionnaire used a 5-point Likert scale (1 = Strongly disagree and 5 = Strongly agree) and the last subsection OSPC also used a 5-point Likert scale (1 = Not at all and 5 = To a great

extent) for the responses to each of the questions. Previous research reported very high Cronbach's alpha coefficients for the Psycones Questionnaire, with employer and employee obligations ($\alpha = .95$), emotions concerning the psychological contract ($\alpha = .70$), and the state of the psychological contract ($\alpha = .93$) (Psycones 2006). These are acceptable Cronbach's alpha coefficients according to the guideline of $\alpha > .70$ (Wöcke & Sutherland 2008), which indicates that the Psycones Questionnaire is a reliable and valid measuring instrument.

Employment Equity Legislation Practices (EEL)

The employment equity legislation practices questionnaire (EEL) is a self-rated multifactorial measure. The section of the questionnaire used consisted of two subsections: (1) *Employment equity legislation and practices (EE)* (11 items) and (2) *Affirmative action (AA)* (7 items). The employment equity legislation practices were measured using the Maharaj questionnaire (2003) as well as the questionnaire developed by Strydom (2009). The questionnaire assesses employees' beliefs regarding the influence of employment equity practices on their relationship with their employer (Maharaj et al 2008).

The two subsections EE (1 = Not at all and 5 = To a great extent) and AA (1 = Strongly disagree and 5 = Strongly agree) of the questionnaire used a 5-point Likert-type scale for the responses to each of the questions (Maharaj 2003; Strydom 2009). Previous research reported Cronbach's alpha coefficients of .92 for the Maharaj questionnaire, which indicates a high level of reliability (Maharaj et al 2008). In Strydom's study (2009) these questions relating to affirmative action produced a Cronbach's Alpha coefficient of .76, which indicates internal consistency reliability (Strydom 2009).

Intention to leave (ITL)

The Intention to leave questionnaire (ITL) is a self-rated multifactorial measure. The section of the questionnaire consisted of 3 items. The questionnaire that was used to measure intention to leave was developed by Cook, Hepworth, Wall and Warr (1981). The first item in this questionnaire used a 4-point Likert-type scale (1 = Not at all likely and 5 = Extremely likely), and the last two items in this questionnaire used a 7-point Likert-type scale (1 = Strongly disagree and 5 = Strongly agree) with high scores indicating a strong intention to leave the organisation (Maharaj et al 2008). Previous studies indicated a Cronbach's Alpha coefficient of .83, which confirmed a high level of internal consistency reliability (Maharaj et al 2008).

3.2.3 Research procedure

The aim of the study, the confidentiality of the responses and instructions for completing the questionnaire were explained to the respondents. Each questionnaire included a covering letter inviting subjects to participate voluntarily in the study and assuring them that their individual responses would remain confidential. The covering letter also stated that completing the questionnaires and returning them constituted agreement to use the results for research purposes only. In terms of ethics, permission for the research was obtained from the institution's research ethics committee. A total of 339 participants returned the questionnaire, yielding a response rate of 38%.

3.2.4 Statistical analysis

The data analysis procedures chosen for this research were based on their applicability to the nature of the research design. In order to achieve the objectives of this research,

data were analysed using the Statistical Package for the Social Sciences (SPSS, Version 17). Cronbach's Alpha coefficients were calculated to determine the internal consistency reliability of the three measures. Descriptive statistics and inferential statistics were used to analyse the data. Pearson product-moment correlations and multiple regression analysis were performed to test the research objectives. Although a cut-off point of $p \leq .05$ was set, a practical effect size of $r \geq .30$ (medium effect, Cohen 1992) was also considered for the correlational analyses to be able to interpret the practical significance of the findings. In terms of the multiple regression analyses, the value of adjusted R^2 was used to determine the proportion of the total variance of the dependent variable (ITL) that is explained by the independent variables (PC and EEL). The F-test was used to test whether there was a significant regression ($p \leq .05$) between the independent and dependent variables.

4 Results

The results of the data analysis of the empirical study are presented below.

4.1 Descriptive statistics: Means, standard deviations and internal consistency reliabilities

The means, standard deviations and internal reliability coefficients for the PC, EEL and ITL variables are shown in Table 1 below. Cronbach's alpha coefficients for all the dimensions were acceptable, except for AA (.10), which was lower than the cut-off point of .70. AA consisted only of a few questions and the overall constructs EEL's Cronbach alpha was acceptable. The participants obtained the following mean scores on the PC subscales ranging from the highest to the lowest: EEO (M = 3.95; SD = .90); EPC (M = 3.02; SD = .44); OSPC (M = 2.88; SD = 1.06) and ERO (M = 2.48; SD = 1.24). The participants furthermore obtained the following means scores on the EEL subscales: AA (M = 3.25; SD = .47) and EE (M = 3.10; SD = 1.10). In terms of the three overall variables PC, EEL and ITL, the highest mean scores were obtained on the EEL (M = 3.16; SD = .64), PC (M = 3.09; SD = .80) and ITL (M = 2.91; SD = 1.56). Kurtosis coefficients fell within the normality range, ranging between -.87 and 5.76. Similarly, the skewness coefficients fell within the normality range, ranging between -.01 and .47.

Table 1
Descriptive statistics: Means, standard deviations and internal consistency reliability summary statistics (PC, EEL and ITL) (N = 339)

Scale dimension	Mean (M)	Standard deviations (SD)	Skewness	Kurtosis	Cronbach's alpha coefficient
Psychological contract (PC)	3.09	.80	-.72	1.15	.93
<i>ERO</i>	2.48	1.24	-.20	-.79	.94
<i>EEO</i>	3.95	.90	-2.04	5.76	.91
<i>EPC</i>	3.02	.44	.12	3.59	.91
<i>OSPC</i>	2.88	1.06	-.01	-.87	.91
Employment equity legislation (EEL)	3.16	.64	-.40	-.17	.82
<i>EE</i>	3.10	1.10	-.27	-.89	.92
<i>AA</i>	3.25	.47	-.24	2.25	.10
Intention to leave (ITL)	2.91	1.56	.47	-.94	.79

4.2 Research objective 1: Correlation statistics

The first type of inferential statistics that was applied was the Pearson product-moment correlation, which is used to determine correlations between variables. Table 2 sets out the Pearson product-moment correlation coefficients between the variables PC, EEL and ITL.

The overall PC variable correlated negatively with the ITL variable ($r = -.32$; $p = .00$; small practical effect). The ERO variable correlated negatively with ITL ($r = -.34$; $p = .00$; small practical effect) as well as the OSPC variable ($r = -.50$; $p = .00$; small practical effect). None of the other PC variables correlated positively with ITL.

It was found that none of the EEL variables correlated significantly positively with ITL.

Table 2
Pearson product-moment correlations: PC, EEL and ITL (N = 339)

	ITL (dependent variable)	
	<i>r</i>	<i>p</i>
Psychological Contract (independent variable)	-.32+	.00***
Employee Obligation (EEO)	-.04	.59
Employer Obligation (ERO)	-.34+	.00***
Emotions associated with the psychological contract (EPC)	.96	.14
Overall state of the psychological contract (OSPC)	-.50+	.00***
Employment Equity Legislation (independent variable)		
Employment Equity (EE)	.08	.25
Affirmative Action (AA)	-.06	.40

*** $p \leq 0.001$; ** $p \leq 0.01$; * $p \leq 0.05$ (two-tailed); + $r \leq 0.30$ (small practical effect size); ++ $r \geq 0.30 \leq 0.49$ (medium practical effect size); +++ $r \geq 0.50$ (large practical effect size)

4.3 Research objective 2: Tests for significant mean differences

The aim of this section was to determine by empirical investigation whether significant differences exist between the biographical variables, the independent variables (PC and EEL) and the dependent variable (ITL).

4.3.1 Differences for mean scores in terms of gender groups

The t-test results and mean scores provided in Table 3 indicate that the female participants obtained significantly higher mean scores in the EEL on the variable EE ($M = 3.25$; $SD = 1.08$) than males ($M = 2.96$; $SD = 1.09$). No significant differences were evident between the gender groups regarding their psychological contract (PC). Furthermore, no significant differences were observed between the males and females with regard to their intention to leave (ITL).

4.3.2 Differences for mean scores in terms of qualification levels

Table 4 indicates differences in terms of mean scores on the various elements in relation to the participants' level of education. The ANOVA indicated that the participants with a degree showed significantly lower mean scores ($M = 2.82$; $SD = .57$) than the participants with Grade 12 or below ($M = 3.20$; $SD = .43$) regarding the EPC of the PC. The ANOVA indicated that the participants with a degree ($M = 2.66$; $SD = 1.07$) showed a significant lower mean score than the participants with an honours degree ($M = 3.32$; $SD = .98$) in respect of the OSPC of the PC. No other significant differences were found in terms of the variables with regard to qualification levels.

Table 3
Independent T-Test Results for Gender: PC, EEL and ITL (n = 339)

	Females			Males			Sig
	N	Mean	SD	N	Mean	SD	
Psychological contract	135	3.15	.73	147	3.03	.86	.22
EEO	120	4.04	.85	127	3.85	.93	.09
ERO	135	2.58	1.13	147	2.38	1.32	.17
EPC	121	3.01	.41	127	3.02	.46	.82
OSPC	121	2.85	1.05	128	2.91	1.08	.69
Employment equity legislation	114	3.22	.64	118	3.10	.64	.15
EE	107	3.25	1.08	106	2.96	1.09	.05*
AA	114	3.24	.44	118	3.26	.49	.88
Intention to leave	118	3.08	1.63	124	2.75	1.47	.09

*** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

Table 4
ANOVA on qualification levels (PC, EEL & ITL) (n = 339)

	Group	Means	N	Standard deviation	Sum of squares	Sig.
Psychological contract	Grade 12 or less	3.06	21	.82	4.35	.24
	Diploma/Certificate	3.09	72	.75		
	Degree	2.83	32	.87		
	Honours Degree	3.28	54	.71		
	Master's Degree	3.13	58	.85		
	Doctorate	3.02	45	.85		
EEO	Grade 12 or below	3.97	17	.54	1.90	.80
	Diploma/Certificate	3.93	65	1.00		
	Degree	4.05	28	.84		
	Honours Degree	4.00	44	.74		
	Master's Degree	3.99	52	.76		
	Doctorate	3.77	41	1.16		
ERO	Grade 12 or below	2.48	21	1.50	14.96	0.08
	Diploma/Certificate	2.32	72	1.20		
	Degree	2.08	32	1.17		
	Honours Degree	2.80	54	1.14		
	Master's Degree	2.67	58	1.22		
	Doctorate	2.34	45	1.27		
EPC	Grade 12 or below	3.20	17	.43	2.36	0.02**
	Diploma/Certificate	3.08	65	.48		
	Degree	2.82	28	.57		
	Honours Degree	3.04	45	.35		
	Master's Degree	2.94	52	.40		
	Doctorate	3.06	41	.33		
OSPC	Grade 12 or below	2.71	17	1.07	12.01	0.05*
	Diploma/Certificate	2.78	65	1.08		
	Degree	2.66	29	1.07		
	Honours Degree	3.32	45	.98		
	Master's Degree	2.90	52	1.06		
	Doctorate	2.76	41	1.05		

continued/

	Group	Means	N	Standard deviation	Sum of squares	Sig.
Employment equity legislation	Grade 12 or below	3.13	16	.67	2.55	.29
	Diploma/Certificate	3.29	60	.53		
	Degree	3.11	25	.68		
	Honours Degree	3.07	42	.62		
	Master's Degree	3.05	51	.68		
	Doctorate	3.27	38	.72		
EE	Grade 12 or below	3.11	15	1.11	9.92	.14
	Diploma/Certificate	3.40	50	.91		
	Degree	3.16	23	1.11		
	Honours Degree	2.87	39	1.12		
	Master's Degree	2.86	48	1.09		
	Doctorate	3.23	38	1.24		
AA	Grade 12 or below	3.15	16	.34	49.46	.47
	Diploma/Certificate	3.25	60	.50		
	Degree	3.14	25	.45		
	Honours Degree	3.24	42	.41		
	Master's Degree	3.26	51	.55		
	Doctorate	3.37	38	.41		
Intention to leave	Grade 12 or below	2.78	17	1.64	14.13	.33
	Diploma/Certificate	2.85	64	1.50		
	Degree	3.40	28	1.76		
	Honours Degree	2.80	42	1.55		
	Master's Degree	2.65	52	1.45		
	Doctorate	3.20	39	1.60		

*** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

4.3.3 Differences in mean scores in terms of race

Table 5 also indicated that the race of the participants appeared to differ significantly in respect of their response to employment equity and affirmative action and their intention to leave. The ANOVA indicated that the white male participants showed significantly lower mean scores ($M = 2.73$; $SD = 1.10$) than the African participants ($M = 3.43$; $SD = 1.05$) regarding the EE variable of the EEL. The ANOVA also indicated that the African participants ($M = 3.06$; $SD = .56$) showed a significantly lower mean score than the white male participants ($M = 3.36$; $SD = .41$) in respect of the AA variable of the EEL. The ANOVA further indicated that the white male participants ($M = 2.61$; $SD = 1.44$) showed a significantly lower mean score than the African participants ($M = 3.40$; $SD = 1.72$) in respect of the ITL overall variable. No other significant differences were found in terms of the variables with regard to race.

The differences between the results of the groups helped to achieve the research objective of determining whether a significant and positive relationship exists between gender, qualification level and race.

Table 5
ANOVA on race (PC, EEL & ITL) (n = 339)

	Group	Means	N	Standard deviation	Sum of squares	Sig.
Psychological contract	Africans	3.08	79	.93	0.50	0.96
	White males	3.11	75	.77		
	White Females, coloureds and Indians	3.09	128	.74		
EEO	Africans	3.91	64	1.10	1.27	.46
	White males	3.86	72	.69		
	White females, coloureds and Indians	4.02	111	.88		
ERO	Africans	2.48	79	1.33	.13	.96
	White males	2.44	75	1.32		
	White females, coloureds and Indians	2.49	128	1.14		
EPC	Africans	2.96	65	.50	.28	.47
	White males	3.03	72	.45		
	White females, coloureds and Indians	3.04	111	.38		
OSPC	Africans	2.84	65	1.19	2.05	.41
	White males	3.02	72	1.03		
	White females, coloureds and Indians	2.81	112	1.01		
Employment equity legislation	Africans	3.18	60	.64	1.52	.16
	White males	3.04	68	.66		
	White females, coloureds and Indians	3.23	104	.62		
EE	Africans	3.43	46	1.05	14.8	.00***
	White males	2.73	66	1.10		
	White females, coloureds and Indians	3.20	101	1.05		
AA	Africans	3.06	60	.56	3.33	.00***
	White males	3.36	68	.41		
	White females, coloureds and Indians	3.29	104	.41		
Intention to Leave	Africans	3.40	61	1.72	21.71	.01**
	White males	2.61	71	1.44		
	White females, coloureds and Indians	2.84	110	1.49		

*** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

4.4 Research objective 3: Multiple regression analysis: PC, EEL and ITL

Multiple regression analysis was performed to assess the psychological contract and employment equity legislation variables that provide the best explanation for the proportion of the total variance in the scores of the intention to leave variable.

Table 6 shows that the regression of the overall psychological contract (PC) variable upon the intention to leave (ITL) variable produced a statistically significant model ($F(2; 229) = 16.5$; $p \leq .001$), accounting for $R^2 = 3\%$ (small practical effect) of the variance in the intention to leave (ITL) variable. Only the overall state of the psychological contract

(OSPC) variable significantly and negatively predicted the intention to leave (ITL) variable ($\beta = -.45$; $p \leq .00$). None of the other variables significantly predict intention to leave.

Multiple regressions are shown in Table 6.

Table 6
Multiple regression analyses: PVS-II & OCS (n = 355)

Variable	Unstandardised coefficient		Standardised coefficient					
	B	SE B	β	t	p	F (df)	Adjusted R^2	R
1 Constant (Intention to leave) (ITL)	4.77	.65		7.31	.00	16.35 (2;229)	.12	0.35+
Psychological contract (PC)	-.76	.14	-.35	-5.59	.00***			
Employment Equity Legislation (EEL)	.17	.15	.07	1.14	.26			
2 Constant (Intention to leave) (ITL)	4.56	1.01		4.51	.00***	12.09 (6;206)	0.24	0.26+
EEO	.06	.11	.04	.55	.59			
ERO	-.08	.10	-.06	-.77	.44			
EPC	.28	.23	.08	1.24	.22			
OSPC	-.66	.12	-.45	-5.62	.00***			
EE	0.07	.09	.05	.77	.44			
AA	-.26	.22	-.08	-1.23	.22			

*** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$ (two-tailed); + $R^2 \leq .12$ (small practical effect size); ++ $R^2 \geq .13 \leq .25$ (medium practical effect size); +++ $R^2 \geq .26$ (large practical effect size)

In this regard, the correlation and regression results provided supportive evidence for associations between the psychological contract (PC) and the intention to leave (ITL), but not for employment equity legislation and practices (EEL).

5 Discussion

The main purpose of this study was to examine the relationship between the psychological contract and employment equity and intention to leave in an open distance higher educational institution.

The results yielded by the measuring instrument revealed that employment equity legislation and practices do not have a significant effect on employees' psychological contract and intention to leave. This is because employees' responses indicated that employment equity only had a moderate influence on their employment relationship and that on average they felt neutral about affirmative action policies at their organisation (an open distance higher education institution). On the whole participants said that they did not think their organisation had an affirmative action policy and did not know whether their organisation applied equal opportunity practices in the workplace. This could be the case because the application and promotion criteria in an academic context are so exclusive and well known among all employees – inside and outside the organisation – that employment equity and affirmative action do not have an impact on employees' employment relationship, their psychological contract and their intention to leave the organisation. Several studies were conducted in this regard but none of them were conducted at higher education institutions (Maharaj 2003; Wöcke & Sutherland 2008). In the aforementioned studies, the results indicated that there was indeed a

significant relationship between employment equity policies and employees' psychological contract (Maharaj 2003; & Wöcke & Sutherland 2008). This is contradictory in terms of the finding that employment equity practices do not appear to relate to employees' psychological contract in a higher academic context.

As mentioned previously, the psychological contract forms the foundation of the employment relationship (Wärnich, Carrel, Elbert & Hatfield 2015). The state of the psychological contract among employees working at an open distance higher education institution was rated as average. This finding is due to the fact that on average the participants indicated that their employer kept promises made to them only to a small degree, or only partially kept the promises that had been made. In contrast the participants felt that they largely kept the promises that they had made towards their employer. Furthermore, the participants felt neutral emotions regarding the extent to which their organisation has kept the promises made to them, and they felt neutral regarding the overall state of their employment relationship.

It was also found that there was a significant relationship between the employees' psychological contract ("Employer Obligations", "Employee Obligations" and "Overall State of the Psychological Contract") and affirmative action. In most cases the state of employees' psychological contract is negatively affected by perceived organisational injustice, and this in turn can lead to breach of the psychological contract and lower organisational commitment (Restubog, Bordia & Bordia 2008). However, employees' psychological contract ("Employer Obligations", "Employee Obligations" and "Overall State of the Psychological Contract") did not show a significant relationship with employment equity legislation and practices. Furthermore, no significant relationship was found between the emotions of the psychological contract and employment equity or affirmative action. A possible reason is that employees might deem employment equity to be legislation that does not have an impact on their employment relationship, but see affirmative action as the "dreaded" policy that could have an impact on whether their employer kept its promises to them.

The results revealed certain significant differences between the responses of designated and non-designated groups, gender and qualification levels with regard to the effect of employment equity legislation, and the perceptions of those groups regarding its effects on the psychological contract and the intention to leave. But it was found that there were differences when the designated groups' responses were examined, especially with regard to participants' knowledge of whether their organisation had an employment equity and affirmative action policy, where on average Africans indicated that they did not know that their organisation had an employment equity and/or affirmative action policy; and whites, Indians and coloureds indicated that they did have knowledge of this. This is interesting as Africans would be the employees benefiting most from EE and AA. These findings corroborate the research done by Wöcke and Sutherland (2008), who found that there is a middle group in South African organisations, consisting of white females, coloureds and Indians, who were "...not sufficiently White or of the wrong gender to benefit from apartheid and now find themselves not being Black enough". When the responses of the designated groups and their genders were examined, there were small significant differences among their answers.

The empirical results of this study also indicated that the employer obligations and overall state of the psychological contract showed a practically significant relationship with intention to leave; and employment equity legislation and its effect on the employment relationship indicated no significant relationship with any of the items

relating to intention to leave the organisation. It can therefore be concluded that there was not a significant relationship between the perceptions of employees about the effect of employment equity and their intention to leave the institution. These findings contradict those of the study performed by Yan and Zhu (2013) at various corporate enterprises, which found that HR practices (such as employment equity legislation and affirmative action) can significantly affect the relationship between psychological contract violation, interpersonal trust and organisational commitment. It appears that employment equity and affirmative action do not play an important role in the higher academic context; and that in terms of perceptions of inequity, individuals may differ in their reactions to unfair outcomes and situations (Kickul & Lester 2001).

To summarise, the main purpose of this study was to examine the relationship between the psychological contract, employment equity legislation and the intention to leave. The empirical research performed indicated that employment equity legislation does not have a significant effect.

6 Conclusion, implications, limitations and recommendations

6.1 Conclusions and implications for practice

As indicated above, the overall outcome of the study is that employment equity legislation practices do not have a significant effect on the psychological contract or on the intention to leave the organisation. The preceding discussion indicates that there was not a significant relationship between employees' psychological contract and employment equity legislation practices. Slight significant differences were identified between the three social groupings (white males, Africans and the grouping that included white females, coloureds and Indians), and gender and qualification levels of the participants as described in the study.

The most probable reason for this is that the application and promotion criteria in an academic context are so exclusive and well known among all employees – inside and outside the organisation – that employment equity and affirmative action do not have an impact on employees' employment relationship and their psychological contract. In the financial or business sector, for example, a white male would be disadvantaged if an organisation was aiming to improve its employment equity targets and wanted to employ an employee from a designated group. In the academic context, however, there are so few people in society who meet the exclusive academic requirements to apply, for example, for a position as Associate Professor, that white males would not be affected by employment equity legislation or the targets that result from it. On the other hand, the opposite situation applies to African women, who would be in an advantaged position in the financial or business sector because they are members of a designated group and would advance an organisation's employment equity standards, but would not be advantaged in the academic context if they did not adhere to the objective and exclusive requirements set out for positions.

The practical implications of the study are that organisations should learn from this research and grasp the fact that when selection and promotion criteria are fair, objective and known to all employees, employment equity legislation and practices do not have an effect on the employees' relationship with their employer, and thus on the psychological contract. This leads to improved morale and better production.

6.2 Methodological limitations and recommendations

This study had several limitations. The first limitation was the fact that the study was only performed in one institution, and comparison between different tertiary institutions was therefore not possible.

The second limitation was that the research was done by means of a survey at one institution, and although the response rate was reasonable, it was still low. Moreover, a large number of participants did not complete the questionnaire in full, so that there were many unanswered questions. This could be due to the sensitive and controversial nature of employment equity legislation, even though the participants were assured of their anonymity.

The third limitation was the fact that no distinction was drawn between academic positions and administrative positions at the tertiary institution where the research was conducted. It is assumed that academic employees' responses with regard to the effect of employment equity legislation practices on their employment relationship would probably be different from administrative employees' responses because of the different selection criteria and promotion opportunities in these types of positions. For instance, as discussed previously, academic employees have "clear-cut" and exclusive requirements for selection and promotion, and would probably not be strongly influenced by employment equity legislation and practices. On the other hand, the administrative personnel would probably be more directly influenced by these practices, as their selection and promotion criteria are not based solely on qualifications and research output, for example.

The above limitations should be kept in mind when future research in this field is considered. The following section will discuss recommendations for further research and implications for practice.

6.3 Recommendations for further research and implications for practice

It would be beneficial for future researchers to do comparative studies between different tertiary institutions with regard to the relationship between the psychological contract, employment equity legislation and intention to leave. Furthermore, future research could narrow its focus to the differences between smaller groupings of employees, such as white males and white females, or blacks and whites, with regard to the effect of employment equity legislation on the psychological contract and intention to leave.

Since the present study has been limited to participants predominantly employed in the academic environment, the findings cannot be generalised to other occupational contexts. Furthermore, given the exploratory nature of the research design, this study cannot yield information about causation. Associations between the variables have therefore been interpreted rather than established. These findings therefore need to be replicated with broader samples across various occupational groups and economic sectors before more comprehensive conclusions can be drawn about the relationship between the psychological contract, employment equity legislation and the intention to leave an organisation.

The findings of this study have implications for managers, labour relations and human resource management practitioners who are responsible for the development of employment equity and retention strategies within an organisation. The practical implications of the findings also add new insights that will be valuable in the negotiation

of the psychological contracts and the management of the employment relationship within an organisation.

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