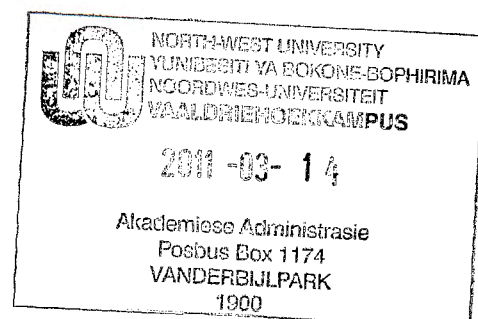


THE PSYCHOLOGICAL CONTRACT, JOB INSECURITY AND THE INTENTION TO
QUIT OF SECURITY EMPLOYEES IN THE VAAL TRIANGLE

S. de Beer

Dissertation is submitted in fulfilment of the requirements for the degree Magister Commerci
in Industrial Sociology in the Faculty of Humanities (School of Behavioural Sciences) at the
North-West University, Vaal Triangle Campus.

Study leader: Dr. E. Keyser
Vanderbijlpark
2010



The reader is reminded of the following:

- The references, as well as the editorial style as prescribed by the Publication Manual (4th edition) of the American Psychological Association (APA) were followed in this dissertation. This practice is in line with the policy of the programme in Industrial Sociology and Industrial Psychology at the North-West University.
- The financial assistance of the National Research Foundation (NRF) towards this research is hereby acknowledged. Opinions expressed and conclusions arrived at are those of the author and should not necessarily be attributed to the National Research Foundation.

This dissertation is submitted in the form of two research articles.

ACKNOWLEDGEMENTS

I wish to express my gratitude toward the following individuals who supported me throughout the completion of this dissertation. To all my family members, friends and people who were willing to give me the time to do the research needed: I thank you for your support, love and patience. I want to express my gratitude to the following persons in particular:

- My heavenly Father, without whom none of this would have been possible
- My mentor, Dr. E. Keyser
- All the participants from the considered security companies
- My father, Kobus de Beer
- My mother, Maggie de Beer
- My friend, Rikus Parsons
- B. Venter, my language supervisor

SUMMARY

Title: The psychological contract, individual characteristics, job insecurity and the intention to quit of security employees in the Vaal Triangle.

Key words: Psychological contract, individual characteristics, job insecurity, intention to quit.

Employees across the world experience change in the workplace due to a fast-fluctuating environment in which organisations operate. According to Mauno and Kinnunen (1999) a transformation has taken place in the industrialised world of work over the last few decades. Downsizing, right-sizing or restructuring have become familiar terms in difficult economic conditions and implies that rationalising of jobs are inevitable. Organisations attempt to reduce costs, which in turn places pressure on employees to modify their jobs, seek alternative employment (intention to quit) and relocate, all of which are likely to fuel job insecurity (Hartley, Jacobson, Klandermans & Van Vuuren, 1991; Iyo & Brotheridge, 2004).

The unemployment rate in South Africa is one of the highest in the world with 36% of its citizens being unemployed in 1999 (Kingdon & Knight, 2001). What's more is that, according to the Quarterly Labour Force Survey, 4.1 million people in South Africa were classified as unemployed in 2009. Frequent reorganisation and statements regarding flexibility are signals that one's job security is not secure. Even vague signals of downsizing or change may encourage employees to have intention to quit (Iyo & Brotheridge, 2004). When organisations start to downsize, some people may expect to become unemployed.

Sverke, Hellgren and Naswall (2002) state that organisational change is an antecedent to job security. Mauno and Kinnunen (1999) agrees that objective circumstances of an insecure job situation can be defined as the experience of job insecurity, while according to De Witte (1999) the growing emphasis on more flexible employment contracts also intensify feelings of job insecurity. Job insecurity has been found to predict stronger intention to quit within the organisation (Ashford, Lee & Bobko, 1989). This means that a flexible, multi-skilled, knowledgeable, interchangeable and adaptable workforce are exposed to new management techniques as well as altered labour relations/human resource policies and activities, which in turn influence employers' obligations, employees' obligations, the state of the psychological contract, job insecurity and employees' intention to quit (Ekkerd, 2005).

The primary objective of this research is to investigate the relationship between the psychological contract, individual characteristics, job insecurity and the intention to quit of security employees ($N=217$) in the Vaal Triangle. A cross-sectional survey design was used. Constructs were measured by means of the psychological contract (employer obligations, employee obligations and the state of the psychological contract), an "individual characteristics" questionnaire, a job insecurity questionnaire and an intention to quit questionnaire.

The research method for each of the two articles consists of a brief literature review and an empirical study. Factor analyses, as well as Cronbach alpha coefficients were computed to assess the reliability. Validity of the

different product moment correlation coefficients, and regression analysis was used to examine the relationship between the constructs employed in this research.

Significant differences are found between various individual characteristics and the scores of the psychological contract (employer obligations scale, employee obligations scale and the state of the psychological contract scale), the individual characteristics questionnaire, job insecurity scale and the employee's intention to quit scale. A practically significant correlation was found with a small effect between the state of the psychological contract, employer obligations and employee obligations. Results demonstrate a significant relationship between the psychological contract, type of contract, gender and tenure. No significant relationship was found between the psychological contract and age and qualification of the employees. Multiple regression analysis indicates that employee obligations predicted negative intention to quit. Job insecurity predicted positive intention to quit.

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

OPSOMMING

Titel: Die psigologiese kontrak, individuele karaktereenskappe, werksonsekerheid en intensie om te bedank van sekuriteitswagte in die Vaaldriehoek.

Sleutelwoorde: Psigologiese kontrak, individuele karaktereenskappe, werksonsekerheid, intensie om te bedank.

Volgens Mauno en Kinnunen (1999) is daar verandering in die industriële veld wat geskied het oor die afgelope paar dekades. Werknemers die wêreld oor ervaar konstante verandering weens hierdie wispelturige omstandighede binne die werkplek en verkramping, aanpassing en herstrukturering het wyer omvang gekry in terme van ekonomiese omstandighede. Hierdie impiseer dat rasionalisering van indiensnemings onvermydelik is. Organisasies poog om kostes te verminder, wat om die beurt werknemers aanpor om hulle indiensneming aan te pas, ander werk te soek (die bedoeling om te bedank) en werksheervestiging Laasgenoemde resultate is ook moontlike bydraers tot werksonsekerheid (Hartley, Jacobson, Klandermans & Van Vuuren, 1991; Iyo & Brotheridge, 2004).

Suid-Afrika se werkloosheidsyfer is van die hoogste ter wêreld en 36% van hierdie land se bevolking was werkloos in 1999 (Kingdon & Knight, 2001), terwyl die Kwartaalike Arbeidsmag Opname aantoon dat 4.1 miljoen mense in South Africa werkloos was in 2009. Gereelde herorganisasie en stellings rakende die essensie van buigbaarheid is moontlike aanduiers dat diegene se werksekerheid tasbaar is. Selfs die geringste tekens van rasionalisering of veranderinge kan werknemers aanspoor om alternatiewe werk te soek (Iyo & Brotheridge, 2004). Sodra maatskappye werksmag verkramp is die kans groot dat diegene uiteindelik werkloos gelaat word.

Sverke, Hellgren en Naswall (2002) is van mening dat veranderings in die organisasie antesedente is tot werksekerheid. Mauno en Kinnunen (1999) het dit eens dat objektiewe omstandighede binne onseker indiensneming ook uitgesonder kan word as ondervinding van werksonsekerheid, terwyl De Witte (1999) toon dat, aangesien meer klem op buigsame dienskontrakte geplaas word, die gevoel van werksonsekerheid ook versterk word. Werksonsekerheid voorspel 'n groter behoefte om te bedank binne die organisasie (Ashford, Lee & Bobko, 1989). Dit beteken dat buigsame, bekwame, kundige, vervangbare en aanpasbare werkers blootgestel word aan nuwe bestuurstegnieke, asook veranderde arbeidsverhoudinge/menslike hulpbronne beleid en aktiwiteite, wat om die beurt werkgeververpligtinge, werknemerverpligtinge, die stand van die psigologiese kontrak, werksonsekerheid en die werknemer se bedoeling om te bedank beïnvloed (Ekkard, 2005).

Die hoofdoelwit van hierdie studie is om die verhouding tussen die psigologiese kontrak, individuele karaktereenskappe, werksonsekerheid en bedoeling om te bedank van sekuriteitswerkers ($N=217$) in die Vaaldriehoek vas te stel. Tydens hierdie studie is daar gebruik gemaak van 'n korrelasie-opname en konstrakte is gemeet deur middel van psigologiese kontrakte, werkspersepsie-vraelyste en 'n biografiese vraelys.

Die navorsingsmetode vir beide artikels bestaan uit 'n literatuuroorsig en empiriese studie. Faktorontleding, asook Cronbach alpha koëffisiënte was ingewerk om betroubaarheid te bewerkstellig. Die geldigheid van verskeie produk-moment korrelasie koëffisiënte asook regressie analise was gebruik om die verhouding tussen die konstrakte in hierdie betrokke navorsing te bepaal.

Merkbare verskille is gevind tussen verskeie individuele eienskappe en die tellings van die psigologiese kontrak, (werkgewerverpligtingskaal, werkgewerverpligtingskaal en die “stand van die psigologiese kontrak”-skaal), individuele karaktereenskappe vraelys, werkonsekerheidskaal en die “bedoeling om te bedank”-skaal. 'n Praktiese beduidende korrelasie met 'n lae effek is gevind met 'n klein effek tussen die status van die psigologiese kontrak, werkgewer- en weknemerverwagtinge. Resultate demonstreer 'n beduidende verhouding tussen die psigologiese kontrak, geslag, aantal diensjare en tipe kontrak. Geen beduidende verhouding is gevind tussen die psigologiese kontrak en die ouderdom en akademiese agtergrond van die werknemers nie. 'n Meervoudige-regressie analise het getoon dat werkgewersverwagtinge die intensie om the bedank negatief voorspel. Werkonsekerheid voorspel die intensie om te bedank positief.

Gevolgtrekkings is gemaak, beperkings in die huidige navorsing is bespreek en aanbevelings vir toekomstige navorsings is uitgelig.

TABLE OF CONTENTS

	Page
Remarks	i
Acknowledgements	ii
Summary	iii
Opsomming	v
List of tables	ix
List of figures	x
 Chapter 1: Introduction and problem statement	
1.1 Problem statement	1
1.2 Research objectives	6
1.2.1 General objective	6
1.2.2 Specific objectives	6
1.3 Paradigm perspective of the research	7
1.3.1 Intellectual climate	7
1.3.2 Discipline	7
1.3.3 Meta-theoretical assumptions	8
1.3.3.1 Literature review	8
1.3.3.2 Empirical study	8
1.3.4 Market of intellectual resources	8
1.3.4.1 Theoretical beliefs	9
1.4 Research method	11
1.4.1 Phase 1: Literature review	11
1.4.2 Phase 2: Empirical study	11
1.4.2.1 Research design	11
1.4.2.2 Study population	12
1.4.2.3 Measuring instruments	12
1.4.2.4 Statistical analyses	14
1.5 Overview of Chapters	16
1.6 Chapter summary	16
References	17
 Chapter 2: Research Article 1:	 24

	Chapter 3: Research Article 2:	79
	Chapter 4: Conclusions, limitations and recommendations	110
4.1	Conclusions	110
4.2	Limitations of this study	115
4.3	Recommendations	115
4.3.1	Recommendations for organisations	115
4.3.2	Recommendations for future research	116
4.4	Contributions towards the labour relations field	117
	References	119

LIST OF TABLES

Table	Description	Page
Chapter 2: Research Article 1		
Table 1	Compilation of study population	42
Table 2	Factor loadings for simple principle component analysis for psychological contract	47
Table 3	Factor loading, communalities and percentage variance for principle component analysis on job insecurity	49
Table 4	Factor loading, communalities and percentage variance for principle component analysis on intention to quit	50
Table 5	Descriptive statistics, Cronbach alph coefficients and Inter-item correlations coefficients of the measuring instrument	50
Table 6	Correlation coefficients between employer obligations, employee obligations, state of psychological contract, job insecurity and intention to quit	52
Table 7	Difference in employer obligations scale, employee obligations scale, the state of psychological contract and individual characteristics	53
Table 8	ANOVAS – Differences in psychological contract levels, job insecurity levels, intention to quit levels and type of contract	54
Table 9	ANOVAS – Differences in psychological contract levels, job insecurity levels, intention to quit levels and gender	55
Table 10	ANOVAS – Differences in psychological contract levels, job insecurity levels, intention to quit levels and age groups	56
Table 11	ANOVAS – Differences in psychological contract levels, job insecurity levels, intention to quit levels and tenure	57
Chapter 3: Research Article 2		
Table 1	Compilation of study population	93
Table 2	Descriptive statistics, Alpha coefficients and Pearson correlation between scales	96
Table 3	Multipel regression analyses with intention to quit as Depended variable and Independent variable	97

LIST OF FIGURES

Figure	Description	Page
	Chapter 1: Introduction and problem statement	
Figure 1	The explanatory framework for applying the psychological contract to the employment relationship (Guest, 2004):	10
	Chapter 2: Research Article 1	
Figure 1	Scree plot of psychological contract	46
Figure 2	Scree plot of job insecurity	48
Figure 3	Scree plot of intention to quit	49

Barend Johannes Venter hereby declares that the Santie de Beer's dissertation (TITLE: THE PSYCHOLOGICAL CONTRACT, JOB INSECURITY AND THE INTENTION TO QUIT OF SECURITY EMPLOYEES IN THE VAAL TRIANGLE) has been edited and proofread, as well as sections translated in his capacity as language specialist.

Regards

Barend J. Venter

Text editor

Barend Johannes Venter verklaar hiermee dat Santie de Beer se verhandeling (TITEL: THE PSYCHOLOGICAL CONTRACT, JOB INSECURITY AND THE INTENTION TO QUIT OF SECURITY EMPLOYEES IN THE VAAL TRIANGLE) geredigeer en geproeflees, asook gedeeltes daarvan vertaal is in sy hoedanigheid as taal spesialis.

Die uwe

Barend J. Venter

Teksredakteur

CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

The focus of this dissertation is on the psychological contract, job insecurity and the intention to quit of security employees in the Vaal Triangle. Employees across the world experience change in the workplace due to a fast-fluctuating environment in which organisations operate. According to Mauno and Kinnunen (1999) a transformation has taken place in the industrialised world of work over the last few decades. Downsizing, right-sizing or restructuring have become familiar terms in difficult economic conditions and implies that rationalising of jobs is inevitable. Organisations attempt to reduce costs, which in turn places pressure on employees to modify their jobs, seek alternative employment (intention to quit) and relocate, all of which are likely to fuel job insecurity (Hartley, Jacobson, Klandermans & Van Vuuren, 1991; Iyo & Brotheridge, 2004).

The unemployment rate in South Africa is one of the highest in the world with 36% of its citizens being unemployed in 1999 (Kingdon & Knight, 2001). What's more is that according to the Quarterly Labour Force Survey found that 4.1 million people in South Africa were classified as unemployed in the year 2009. Frequent reorganisation and statements regarding flexibility are signals that one's job security is not secure. Even vague signals of downsizing or change may encourage employees to search for other jobs (Iyo & Brotheridge, 2004). When organisations start to downsize, some people may expect to become unemployed.

Sverke, Hellgren and Naswall (2002) stated that organisational change is an antecedent to job insecurity. Mauno *et al.*, (1999) agrees that the conditions of an insecure job situation can be defined as the experience of job insecurity, while according to De Witte (1999) the growing emphasis is more on flexible or even temporary employment contracts which also intensifies feelings of job insecurity. Job insecurity has been found to predict stronger intention to quit within the organisation (Ashford, Lee & Bobko, 1989). This means that a multi-skilled, educated, exchangeable and flexible workforce are exposed to new management techniques as well as altered labour relations/human resource policies and activities, which in turn influence employers' obligations, employees' obligations, the state of the psychological contract, job insecurity and employees' intention to quit (Ekkerd, 2005).

Employer- and employee obligations are expectations formed between employees and their immediate superiors about the unwritten (informal) understanding between these parties, known as the *psychological contract* (Berman & West, 2003). When studying obligations between employees and their employers, clear distinction is drawn between the psychological contract and the state of the psychological contract. The psychological contract is the belief of both parties (employer and employee) about mutual promises and obligations implied in the relationship. Whereas the state of the psychological contract goes beyond this to the degree to which the promises, beliefs and obligations in the psychological contract have been delivered, whether the deal is perceived to be fair and the degree of trust in which it will continue to be delivered in the future (Guest & Conway, 2002). Therefore, Guest and Conway (2002) stated that:

$$\textit{State of Psychological Contract} = \textit{Fairness} + \textit{Trust} + \textit{Delivery}$$

Research by Guest and Conway (2002) shows that a strong and positive relationship between the presence of labour relations/human resource practices and state of the psychological contract and improvements in the psychological contract (Guest & Conway, 2001) exists. Isaksson, Bernhard, Claes, De Witte, Guest, and Krausz (2003) argue that this unwritten understanding also explains the *state of the psychological contract* which is defined by perceived trust, fairness and delivery of the employment relationship. The psychological contract is not part of any formal assessment method and is known for balance between expectations (what one gets) and contributions (what one gives). Once this balance is interrupted, feelings of distrust, unfairness, failure to deliver and insecurity may occur (Isaksson, Josephson & Vingard, 2003).

According to Buitendach, Rothmann, and De Witte (2005), *job insecurity* has different definitions, a universal or multidimensional perceptual construct. Researchers such as Ferrie (2001) found the concept of job insecurity as the risk of losing one's job while others definitions consist of loss of any valued condition of employment. Job insecurity is consistently characterised as a biased occurrence, reflecting the individual's perception and interpretations of the employment situation (De Witte, 1999; Sverke *et al.*, 2002). According to Belto (1999) the United States found that 37% of workers were fearful of losing their jobs. These results were reflected by 13,000 Asian workers where 43.5% indicate that they felt insecure (Asia Pacific Management Forum, 1999).

Davy, Kinicki and Scheck (1997), found that job insecurity predicted employee's intention to quit both directly and indirectly in three countries (Belgium, Netherlands, Sweden). Job insecurity has been found to predict stronger intention to quit in the organisation (Ashford, Lee & Bobko, 1989). Hartley, Jacobson, Klandermans, and Van Vuuren (1991) stated that employees with intentions to quit experienced job insecurity and reacted negatively to it. Employees with more job insecurity reported higher intentions to quit (Probst & Lawler, 2006). Job insecurity, according to De Witte (1999), is an overall concern about the existence of the job in the future (being fired or involuntary turnover). Intention to quit is the strength of an individual's viewpoint that he/she does not want to stay with his/her employer (Boshoff, Van Wyk, Hoole, & Owen, 2002). According to Nickel and Quintini (2000), the problem is that most jobs do not end because of layoffs but because of voluntary quitting (intention to quit). Sverke, Hellgren and Naswall (2002) state that job insecurity make the employees less inclined to remain with an organisation. This statement is confirmed by Ashford *et al.*, (1989), Davy, Kinicki and Scheck (1997), Kuhnert and Vance (1992), and Rosenblatt and Ruvio (1996).

Employees with different temporary contracts perceived their employment security to be less than permanent employees, but the unpredictable nature of post-industrial working life has increased perceptions of poor employment security in permanent employment (Virtanen, Vahtera, Kivimäki, Pentti, & Ferrie, 2002). According to Guest (2004), no differences exist between temporary and permanent workers in their levels of perceived job insecurity. In contrast, the growth in temporary employment contracts in many countries such as the United States, Japan and Taiwan (Nielsen, Smyth, & Zhu, 2006) has increased job insecurity (Sparks, Faragher, & Cooper, 2001). The prominence of job insecurity is imbued in the different motives influencing the willingness to resign from one's position (Du Plooy, 2008). Isaksson (2002) found that employees who are not involved in their contract of choice are generally more inclined to have intentions to quit.

Rosenblatt, Talmud and Ruvio (1999) found that men had a harder time handling job insecurity in general, this was supported by De Witte (1999), Ferrie, Shipley, Marmot, Stansfeld, and Smith (1995), Mauno and Kinnunen (1999). These findings supported the gender role theory, where the "main breadwinner" is more central to the identity of men (Barnett, Gordon, Gareis & Morgan, 2004; Simon, 1992). The gender role theory suggests

that the risk of job loss or loss of an important job feature should result in a stronger biased experience of job insecurity for men. On the basis of Gaunt and Benjamin's (2007) conceptualisation, their study suggests that gender beliefs interact with gender in determining a person's tendency to understanding job insecurity. The general finding from previous studies showed that men experienced greater job insecurity and that this is only found among men who hold traditional gender beliefs (Gaunt & Benjamin, 2007). Brockner (1988) stated that organisations with decreasing intention to stay with the organisation, has been shown to follow on from perceptions of job insecurity.

Previous findings indicate that women experienced more intentions to quit since their traditional roles require them to take care of children and fulfil other household duties (Meitzen, 1986). This is why men's intention to quit should be explored again, since these traditional roles as well as probable gender roles involved in job insecurity have changed over the decades. Bridges (1989) and Tolbert and Moen (1998) note in their studies in Israel, Hungary and the Netherlands that males attribute higher importance to job security, as they showed a significantly higher score on job insecurity and intention to quit. This was confirmed in studies by Nickel *et al.*, (2000), in Britain, by Nielsen, Smyth, and Zhu (2006), Bender, Donohue and Heywood (2005), Loscocco and Bose (1998), Kinnunen, Mauno, Natti, and Happonen (1999) and Rosenblatt *et al.*, (1999) in the United States, Japan and Taiwan.

A rise in job insecurity for British men since the early 1980's was reported by Nickel *et al.*, (2000). Job insecurity is shown to be more distressing for men (De Witte, 1999; Ferrie *et al.*, 1995; Mauno *et al.*, 1999; Rosenblatt *et al.*, 1999). Men also react more negatively to job insecurity (Sverke, *et al.*, 2002) and this reaction combined with the uncertainty of job situations tend to increase resistance to change. The key explaining factor in order to understand different results pertaining to whether males or females experience more or less job insecurity is probably the relationship between gender and labour market provisions within a given country. In the South African context, the new socio-political dispensation, with aspects such as "employment equity" and "affirmative action", one could expect gender to be associated with job insecurity (Buitendach, Rothmann, & De Witte, 2005). Booth (1999) show that for older employee's intention to quit is more pronounced for men, while women leave their jobs for more commonly for other reasons.

Mohr (2000) found a strong positive relationship between age and job insecurity, showing that older employees experience higher job insecurity than their younger employees. The relationship between age and intention to quit is linear with older employees (Leontaridi & Ward, 2002). Manski (2001) found that expectations of job loss decrease with age, whereas De Witte (1999) found that among respondents between the ages of 30 to 50 years, fear of job loss (or job insecurity) is more upsetting than among their younger counterparts, as younger employees have less responsibilities and better prospects for the future.

Rousseau (1989) stated that employees with longer service years have higher expectations of their employers. According to Yousef (2000), Bosman, Buitendach and Rothmann (2005), increased tenure is expected to be associated with decreased job insecurity. According to a study by Boshoff, Van Wyk, Hoole and Owen (2002) tenure should not be considered a big predictor of intention to quit.

Manski (2001) found that job insecurity decreases with higher levels of qualification. According to Loscocco and Bose (1998), studies in the United States, Japan and Taiwan found that education (or *qualification*) has a positive effect on job insecurity, since higher qualification levels create higher job expectations. The treatment of job loss should be less problematic for the highly qualified, since more resources are available in order to find alternative employment (Schaufeli, Enzmann, & Girault, 1993). The level of qualification has been assumed to have a positive effect on the probability of changing jobs since a high qualification is often associated with better labour market alternatives (Royalty, 2004). However, most studies revealed a significant correlation between one's qualification and intention to quit (Booth, 1999; Campbell, Carruth, Dickerson, & Green, 2007).

The focus of this study will turn toward employees' psychological contract, job insecurity and their intention to quit.

On the basis of the above-mentioned research, the following research questions can be formulated:

- How the psychological contract, job insecurity and intention to quit are conceptualised in literature?

- What are the differences of individual characteristics (type of contract, gender, age, tenure and qualification) on the psychological contract, job insecurity and intention to quit of security employees in the Vaal Triangle?
- Do psychological contract and job insecurity predict intention to quit of security employees in the Vaal Triangle?

In order to answer the above research questions, the following research objectives are set:

1.2 RESEARCH OBJECTIVES

The research objectives are divided into general and specific objectives.

1.2.1 General objective

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

1.2.2 Specific objectives

This study consists of two research articles, each with its own specific objectives:

Article 1: The relationship between the psychological contract, job insecurity, intention to quit and individual characteristics of security employees in the Vaal Triangle.

The specific objective of research Article 1 will be:

- To determine the differences of individual characteristics (type of contract, gender, age, tenure and qualification) on the psychological contract, job insecurity and intention to quit of security employees in the Vaal Triangle.

Article 2: The relationship between psychological contract, job insecurity and intention to quit.

The specific objective of research Article 2 will be:

- To determine whether the psychological contract and job insecurity predict intention to quit of security employees in the Vaal Triangle.

1.3 PARADIGM PERSPECTIVE OF THE RESEARCH

The paradigm perspective includes the intellectual climate and the market of intellectual resources directed at all research (Mouton & Marais, 1992). Paradigm may also be seen as a cluster of assumptions about sociological knowledge (Watson, 2003).

1.3.1 Intellectual climate

According to Mouton and Marais (1996) an intellectual climate is the variety of meta-theoretical assumptions, values or convictions, which are accepted and held by people practising within a discipline at a certain stage. The meta-theoretical assumptions defines the specific research perspectives, so in order to determine the intellectual climate of the research, the disciplinary perspective and meta-theoretical assumptions of the research are subsequently discussed.

1.3.2 Discipline

Research can be categorised within the limits of Behavioural Sciences and more specifically Industrial Sociology/Labour Relations. Industrial Sociology/Labour Relations can be described as a sub-field of sociology that particularly focuses on human behaviour within an organisational work context (Drenth, Thierry & De Wolff, 1998).

Work sociology studies individuals in relation to their fellow human beings and more specifically their contribution to organisational behaviour through their studies of group behaviour in organisations. This behaviour particularly includes group dynamics, the design of work teams, organisational culture, formal organisation theories and structures, organisational technology, communication, power and conflict (Robbins, Odendaal & Roodt, 2001).

1.3.3 Meta-theoretical assumptions

The meta-theoretical assumptions are those assumptions which are concerned with other assumptions of other theories (Mouton and Marais, 1992/6). The paradigm for this research is divided in two parts: the literature review, which is done within the humanistic paradigm, and the empirical study, which is done within the phenomenological paradigm.

1.3.3.1 Literature review

The humanistic paradigm is a school of thought that views humans as free agents with the ability to make choices, to be intentional and aware during their actions (Corey, 2005). The humanistic paradigm assumes that people can be influenced by their relationships with others and that they are more than the sum of their parts (Meyer, Moore & Viljoen, 2005).

1.3.3.2 Empirical study

The phenomenological paradigm is concerned with the meaning a person attributes to his or her experiences of reality, their world and relationships and an individual's cognitive experience, which must be understood and circumscribed because it is only through this that the true essence of the person can be realised (Rothmann, Gerber, Lubbe, Sieberhagen & Rothmann, 1998). This paradigm is applicable to this study, as the research is to understand the subjective experience and perceptions of participants within their work.

1.3.3.3 Market of intellectual resources

The market of intellectual resources refers to the set of beliefs that directly involves the epistemological position of scientific statements. The two main types of epistemological beliefs are the theoretical beliefs and the methodological beliefs (Mouton & Marais, 1992).

1.3.3.4 Theoretical beliefs

Mouton *et al.*, (1992) describes theoretical beliefs as all beliefs that yield testable results regarding social phenomena. Theoretical beliefs include conceptual definitions and models and theories of this research.

A. Conceptual definitions

The following conceptual definitions are relevant to this research:

Type of work: *Temporary* work usually involves the occupational work that only employs people on a fixed term contract or when the task has been completed. There after employment is automatically over. *Permanent* work is when an employee signs a contract of employment with an organisation that stipulates that their contract is of a long-term nature.

Gender: Gender refers to whether one is born a male or female.

Age: Chronological age can be described as the multidimensional concept which refers to changes in natural, psychological, social as well as societal functioning across time (De Lange, Tatis, Jansen, Smulder, Houtman, & Kompier, 2006).

Tenure: Tenure explains the amount of years one has worked at their current organisation.

Qualification: This is whether an individual has the set skills to perform certain tasks. For example, the individual matriculated or have other diplomas, certificates or degrees that will give the impression that they will be able to complete a specific task quicker or better.

Job insecurity: Job insecurity is defined as the risk of the entire job while others broaden it to include loss of any valued condition of employment (Ferrie, 2001).

Intention to quit: Intention to quit is the strength of an individual's viewpoint that he/she does not want to stay with his employer (Boshoff, Van Wyk, Hoole, & Owen, 2002).

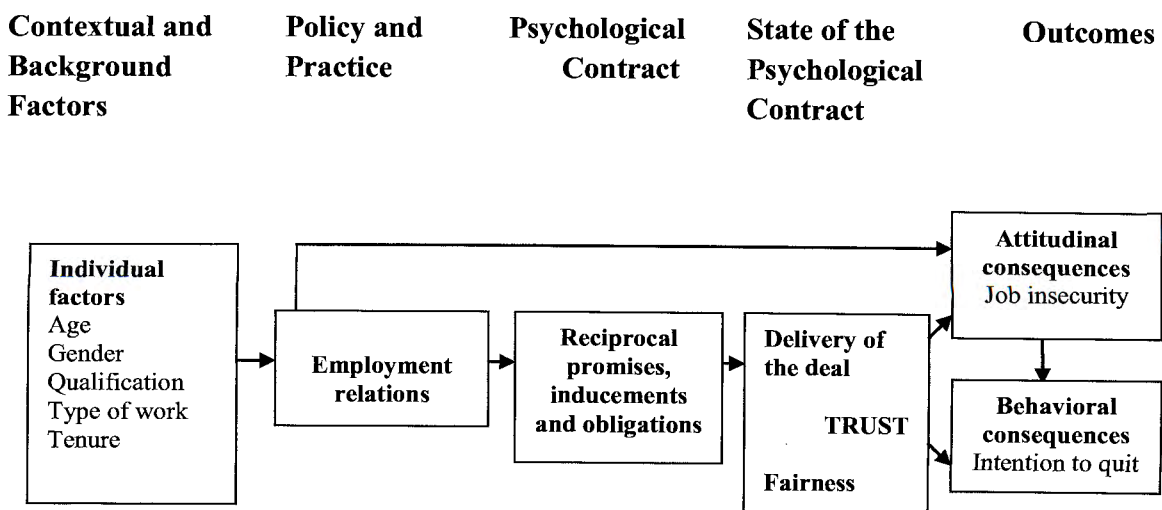
B. Models and theories

A model is aimed at providing a paradigm to ensure a clear understanding of the research problem (French & Bell, 1999). A theory is defined as a form of verbal statement, visual model, or series of hypotheses which depict the evolving nature of a phenomenon and describes how certain conditions lead to certain actions or interactions (Leedy & Ormrod, 2001). The descriptive structure for applying the psychological contract to the employment relationship will be discussed. Some contextual and/or background factors to keep in mind, is that individual characteristics include type of contract, gender, age, tenure and qualification. According to Guest and Conway (2002) human resource practices/employment relations should be considered.

The psychological contract is the perceptions or idea of both the employer and employee of the mutual promises and obligations implied in their relationship. Whereas the state of the psychological contract goes beyond this and the degree to which promises and obligations in the psychological contract have been *delivered*, whether the deal is perceived to be *fair* and the degree of *trust* in which it will continue to be delivered in the future (Isaksson *et al.*, 2003).

Figure 1

The explanatory framework for applying the psychological contract to the employment relationship adapted from Guest (2004):



1.4 RESEARCH METHOD

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

1.4.1 Phase 1: Literature review

In Phase 1 a complete review regarding the psychological contract, employer obligations, employee obligations, state of psychological contract, job insecurity, intention to quit and individual characteristics decisions is done. The sources that was consulted include:

- Journal articles;
- Textbooks; and
- The internet.

The literature review of Article 1 will focus on the conceptualisation of the psychological contract (employer obligations, employee obligations, state of psychological contract), job insecurity, intention to quit and differences within individual characteristics.

The literature review of Article 2 will focus on the relationship between psychological contract (employer obligations, employee obligations, state of the psychological contract), job insecurity and intention to quit. The literature review further focus on the psychological contract, job insecurity and its predition of intention to quit of security employees.

1.4.2 Phase 2: Empirical study

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

1.4.2.1 Research design

Research design is used as a strategic action that provides a link between research questions and the execution or implementation of the research (Durrheim, 2007). A research design is important so that the researcher have a plan that would guide the researcher about the

arrangement of conditions for collection and analysis of data in a way that is relevant to the research purpose.

In Article 1 and 2, a survey design is utilised to reach the research objectives. This specific design is a cross-sectional one and a sample is drawn from a population at a specific time and to describe the population at that time (Shaughnessy & Zechmeister, 1997).

This design can be used to calculate interrelationships among variables at one point in time without any planned intervention. Shaughnessy and Zechmeister (1997) explain that this design is ideally suited when the aim of the study is predictive and descriptive by nature as associated with correctional research.

1.4.2.2 Study population

A random sample population of 300 security employees working within five small companies in the Vaal Triangle was targeted for the purpose of this research. Distribution and collection of the instruments were done in cooperation with the management of these companies. The sample included workers from all levels, ranging from semi-skilled employees to managers. The lowest-level employees had a literacy level enabling them to complete the questionnaire. A response rate of 72% (217 responses; $N=217$) was obtained and the studied population included security employees with literacy levels deemed sufficient enough to allow for the accurate completion of the questionnaires.

A cross-sectional design was used and this design was used to collect information from the studied population at one time, which added in the description and predictable nature of the constructs. The questionnaires were self-reporting in nature, where researchers and employers provided the employees with the questionnaires with the proper instructions and explanations given from researchers.

1.4.2.3 Measuring instruments

The following measuring instruments were used in this study:

The *individual characteristics or biographical questionnaire* was implemented to gather information about the individual characteristics of the participants. Individual characteristics include information about type of contract, gender, age, tenure, and qualification.

To measure the *psychological contract* Isaksson *et al.*, (2003) *questionnaire* was used and included employer obligations, employee obligations and state of the psychological contract.

According to an adopted version of Isaksson *et al.*, (2003) *employer obligations* consists of 15 items, answering “yes” or “no” (e.g. “Has your organisation promised or committed itself to provide interesting work/ good pay for the work you do?”). Answers to the questionnaire is given on a 6-point scale with 0 = “no” to 5 = “yes” and “promise fully kept”. Employer obligations (what the employee feels the organisation is obligated to provide the employee) contains seven items, namely promotion, high pay, pay for performance, training, job security, career development and support with personal problems. According to More and Whitehead (2007), a Cronbach alpha coefficient of 0,93 was obtained, confirming the internal consistency of the questionnaire. Two other South African studies confirm these results (Keyser, 2010: $\alpha = 0,93$, Du Plooy, 2008: $\alpha = 0,95$).

Employee obligations consists of 10 items (e.g. “Have you promised or committed yourself to be loyal to the organisation, to be punctual, to protect the image of your company?”) answering “yes” or “no” to these questions (Isaksson, Bernhard, Claes, De Witte, Guest, & Krausz, 2003). Employee obligations (what the employee feel he/she is obligated to provide the organisation) contains eight items consisting of overtime, loyalty, volunteering to do non-required tasks, advance notice when having intention to quit and willingness to accept a transfer, refusal to support competitors, protection of proprietary information, and spend a minimum of two years with the organisation. In a study conducted by More *et al.*, (2007), a Cronbach alpha coefficient of 0,9 were obtained, indicating the internal consistency of this questionnaire. According to South African studies by Keyser (2010) and Du Plooy (2008) Cronbach alpha coefficients of 0,93 and 0,94 were obtained.

Eight items were answered on a scale from 1 to 7, ranging from “not at all” to “totally” in terms of the evaluation of fairness and trust of the *state of the psychological contract* in the employing company (Isakson *et al.*, 2003). According to Yazbek (2009), studies in South

Africa obtained a Cronbach alpha coefficient of 0,86, which is similar to Keyser's South African study (2010).

Using the *job insecurity* (JIS) measure, it has 11 items relating to perceived job insecurity. These eleven items summarise job insecurity displaying a Cronbach alpha coefficient of 0,92 (De Witte, 1999). In South Africa Heymans (2002) found an alpha coefficient of 0,81 and Elbert (2002) found an alpha coefficient of 0,84 for the JIS. The items of the JIS are arranged along a five-point scale representing one 1 as "strongly disagree" and five 5 as "strongly agree". Example of job insecurity would be "I am sure I can keep my job" and job insecurity items would be "I feel insecure about the future of my job".

Intention to quit (ITQ) was measured by using the questionnaire of Price (1997). The measurement uses a 4 item scale, of the following is included: "These days, I often feel like quitting". The items of the ITQ are arranged along a five-point scale ranging from "strongly agree" to "strongly disagree". Isaksson (2002) found a range of Cronbach's alphas ranging from 0,79 to 0,82.

1.4.2.4 Statistical analysis

The statistical analysis is carried out with the use of the SPSS programme (SPSS, 2003), making use of descriptive statistics, exploratory factor analyses, Cronbach alpha coefficient and inter-item correlation coefficients (Clark & Watson, 1995). A simple principal component analysis was conducted on the construct of the measuring instrument. The eigenvalues and scree plot were then studied in order to determine the number of factors involved with the constructs. Descriptive statistics (e.g. means, standard deviations, skewness and kurtosis) were used to analyse the data. The level of statistical significance was set at $p < 0,01$. Cronbach's alpha coefficient was used to determine the validity and reliability of the measuring instruments.

Pearson's *product moment correlation* coefficient was used to specify the relationship between variables (levels of statistical significance = $p < 0,05$; a cut-off point of 0,30 represents a medium effect and a cut-off of 0,50 represents a large effect). Steyn (2009) and Albright, Winston, and Zappe, (2009) criticises the sole use of statistical significance testing

and it is recommended that effect sizes be established to determine the importance of a statistically significant relationship.

A multi-regression analysis was done to determine the percentage variance in the dependent variables that is predicted by the independent variables. The significance of differences between individual characteristics, such as type of contract, gender, age, tenure and qualification, were established by means of Multivariate Analysis of Variance (MANOVA). MANOVA tests, means that differences among groups on a combination of dependent variables are likely to have occurred by chance (Tabachnick, Fidell, & Osterlind, 2001; Albright, Winston, & Zappe, 2009). Individual characteristics such as type of contract, gender, age, tenure and qualification differ between people, and these differences influence the psychological contract. If the correlation between the dependent variables is low or near zero, the researcher would make no gain by using a MANOVA.

Separate ANOVA's can be computed with each dependent variable serving as a single outcome measure. If the correlation between the dependent variables is at or near 1,00, one could assume that the two are essentially measuring the same thing and are redundant. Only a single ANOVA needs to be computed for one of those dependent variables. Use of analysis of variance assumes that the correlation between or among the independent variables of a factorial design are zero (Kerlinger & Lee, 2000; Albright, Winston, & Zappe, 2009)). When an effect was significant in MANOVA, one-way analysis of variance (ANOVA) was used to discover which dependent variables were affected. The relationships were further analysed to determine practical significance using ANOVA.

According to George and Mallery (2003) and Albright, Winston, and Zappe, (2009) ANOVA is a procedure used for comparing sample means to see if there is sufficient evidence to infer that the means of the corresponding population distributions are also different. ANOVA is employed to address research questions that focus on differences in the means of one dependent variable and one independent variable with two or more variables. For example an independent variable like gender has two levels, male and female. In terms of practical significance, a cut-off point ($p < 0.01$) demonstrates a statistically significant difference of 0,50, which was set for difference of medium effect and 0,80 for a difference of large effect (Cohen, 1988).

1.5 Overviews of chapters

In Chapter 1 an overview of the problem was stated, providing some background information for the constructs (psychological contract, individual characteristics “type of contract, gender, age, tenure and qualification”, job insecurity and intention to quit).

In Chapter 2 the objective was to determine the relationship between the psychological contract, job insecurity, intention to quit and individual characteristics (type of contract, gender, age, tenure and qualification) of security employees in the Vaal Triangle.

In Chapter 3 the objective was firstly to determine whether the psychological contract and job insecurity predicts intention to quit of security employees in the Vaal Triangle.

Finally, in Chapter 4, limitations and recommendation are being made, as it is the concluding chapter.

1.6 Summary of the Chapter 1

In Chapter 1 the problem statement and motivation for this study were discussed and the general and specific objectives were formulated. The research method (including the literature review, empirical study, research design, study population, measuring instrument, data analysis and research procedure) was discussed and lastly a chapter division was given.

REFERENCES

- Albright, S.C., Winston, W.L., & Zappe, C.J. (2009). *Data Analysis and decision Making: With Microsoft. Natorp ,Masson. USA.*
- Ashford, S., Lee, & Bobko, P. (1989). Content, causes, and consequences of job insecurity: Theory-based measurement and substantive test. *Academy of Management Journal*, 32(4), 803-829.
- Asia Pacific Management Forum (1999). Nervous about your job? So are we all! Retrieved from <http://www.apmforum.com/news/apmn199htm>.
- Barnett, R.C., Gordon, J.R., Gareis, C.G. & Morgan, C. (2004). Unintended consequences of job redesign. Psychological contract violation and turnover intentions among full-time and reduced-hours MDs and LPNs. *Journal of Brewsterm C., Tregaskis, O., Mayne, L., & Hegewisch, A. (1998). Flexible working in Europe. Management Research News. 21(2,3) Community, Work & family 7(2), 227-246*
- Belto, B. (1999). Fed chief: Tech advances raise job insecurity. *USA Today*, 17 February, B2.
- Bender, K.A., Donohue, S., & Heywood, J.S. (2005). Job satisfaction and gender segregation. *Oxford Economic Papers*, 57(3), 479-476.
- Berman, E.M., & West, J.P. (2003). Psychological contracts in local Government: A preliminary survey. *Review of Public personnel administration*, 23(4), 267-285.
- Booth, S. (1999). *Government vulnerability and economic misconduct: The international challenge*. Netherlands.
- Bosman, J., Buitendach, J.H., & Rothman, S. (2005). *Work locus of control and dispositional optimism as antecedents to job insecurity*. North-West University. Vaal Triangle Campus.
- Bridges, J. (1989). *Sex differences in occupational values*. Sex roles, 20(3,4)205-211.
- Brockner, J. (1988). The effects of work layoffs on survivors: Research, theory, and practice. In B.M. Staw, & L.L. Cumming (3ds.). *Research in Organizational Behavior*, 10,213-255. Greenwich, CT: JAI Press.
- Buitendach, J.H., Rothmann, S., & De Witte, H. (2005). The psychometric properties of the job insecurity questionnaire in South Africa. *SA Journal of Industrial Psychology*, 31(4), 7-16
- Campbell, D., Carruth, A., Dickerson, A., & Green, F. (2007). Job insecurity and wages. *The Economic Journal*, 544-566.

- Caplan, R., Cobb, S., French, J.R.P., Van Harrison, R. & Pinneau, S.R. (1975). Job demands and worker health: *Main effects and occupational differences*. Washington, DC: Department of Health, Education and Welfare.
- Clark, L.A., & Watson, D. (1995). Constructing validity base issue in objective scale development. *Psychological Assessment*, LA.
- Cohen, J. (1988). *Statistical power analysis for behavioural sciences* (2nd ed.). Hillsdale, NJ: Lawrence Erlbaum & Associates.
- Corey, G. (2005). *Theory and practice of counselling & psychotherapy*. (7th ed.). Belmont: Brooks/Cole.
- Davy, J.A., Kinicki, A.J., & Scheck, C.L. (1997). A test of job security's direct and mediated effects on withdrawal cognition. *Journal of Organizational Behavior*, (18), 323-349.
- De Lange, A., Tatis, T., Jansen, P., Smulder, P., Houtman, I., & Kompier, M. (2006). *Age as a factor in the relation between work and mental health: results from longitudinal TAS survey*. University of Amsterdam. Netherlands.
- De Witte, H. (1999). Job insecurity and psychological well-being: Review of the literature and exploration of some unresolved issues. *European Journal of Work and Organizational Psychology*, 8, 155-177.
- De Witte, H. (2000). Arbeidethos en jobonzekerheid: Meting en gevolgen voor welzijn, teverdenheid en inzet op het werk. In R. Bouwen, K. De Witte, H. De Witte, & T. Tailieu, (Red.). *Van group tot gemeenschap*. Liber Amicorum Prof. Dr. Lagrou, L., Garant.
- De Witte, H. (2005). *Job insecurity union involvement and union activist*. British Library Cataloging in publication data.
- Drenth, P.J.D., Thierry, H., & De Wolff, C.J. (1998). What is work and organisational psychology. In P.J.D. Drenth, H. Thierry, & C.J. De Wolff, (edt.). *Introduction to Work and Organisational Psychology*. United States: Psychology Press Ltd.
- Du Plooy, C. (2008). *Employees' work outcomes associated with the psychological contract within a service company*. North-West University. Vanderbijlpark.
- Durrheim, K. (2007). Producing expertise and achieving attribution in the context of computer support. *British Journal of Social Psychology*, 47(4), 727-762.
- Ekkerd, J. (2005). *The validation of the perceived wellness survey in the South African Police Service*. Mini-dissertation for Magister in Industrial Psychology. North-West University. Potchefstroom.

- Ferrie, J., Shipley, M., Marmot, M., Stansfeld, S., & Smith, G. (1995). Health effects of anticipation of job change and non-employment: Longitudinal data from the Whitehall II study. *British Medical Journal*, 311, 1264-1269.
- Ferrie, J.E. (2001). Is job insecurity harmful to health? *Journal of the Royal Society of Medicine*, 94, 71-76.
- French, W.L., & Bell, C.H. (1999). *Organizational development. Behavioural science intervention for organizational improvement* (6th ed.). University of Washington. Washington, DC:
- Gaunt, R., & Benjamin, O. (2007). Job insecurity, stress and gender. The moderating role of gender ideology. *Community, Work and family*. 10(3), 341-355
- George, D., & Mallery, P. (2003). *SPSS for windows: Step by step: A simple guide and reference*, 11,0 update. USA: Pearson Education.
- Guest, D.E. (2004). The psychology of the employment relationship: An analysis based on the psychological contract. *Applied Psychology-an International Review*, 53, 541-555.
- Guest, D.E., & Conway, N. (2001). *Employer perceptions of the psychological contract*. London, UK: CIPD.
- Guest, D.E., & Conway, N. (2002). *Public and private sector perspectives on the psychological contract*. London, UK: CIPD.
- Hartley, J., Jacobson, D., Klandermans, B., & Van Vuuren, T. (1991). *Job insecurity: Coping with jobs at risk*. London: Sage Publications.
- Heymans, D.R. (2002). Job insecurity, job satisfaction and organizational commitment. *Unpublished master's dissertation*, Vaal Triangle Campus of the Potchefstroom University, Vanderbijlpark.
- Huiskamp, R., & Schalk, R. (2002). Psychologische contracten in arbeidsrelaties: de stand van zaken in Nederland (Psychological contract in Labour Relations" a state of the art in the Netherlands).
- Isaksson, K. (2002). Model for estimation of time and cost based on risk evaluation applied on tunnel project. *Doctoral Thesis*. Stockholm, Sweden.
- Isaksson, K., Bernhard, C., Claes, R., De Witte, H., Guest, D., & Krausz, M. (2003). *Employment contract and psychological contracts in Europe*. Results from a Pilot study. *SALISA Report*, 1.
- Isaksson, K., Josephson, M., & Vingard, E. (2003). Content and state of the psychological contract of public sector employees in Sweden. In A. Bussing, J.M. Peiro, & W.

- Schaufeli, (Eds.), *Organizational Psychology and Health Care*, Muncshen: Mehring. 45-57.
- Iyo, J.K., & Brotheridge, C.M. (2004). Exploring the predictors and consequences of job insecurity's components. *Administrative Sciences Association of Canada, Quebec*, 22(1), 40-64.
- Kerlinger, F.N., & Lee, H.B. (2000). *Foundations of behavioural research* (4th edt.). Progressive Information Technologies. Crawfordsville.
- Keyser, E. (2010). *The changing employment relationship in the chemical industry: The role of employment and Psychological contract*. North West University of the Vaal Triangle. Vanderbijlpark.
- Kingdon, G., & Knight, J. (2001). The centre for the study of African economies working paper series. *Centre of Study of African Economies*, 156.
- Kinnunen, U., Maumo, S., Natti, J., & Happonen, M. (1999). Perceived job insecurity: A longitudinal study among Finish employees. *European Journal of Work and Organizational Psychology*, (8), 243-260.
- Kuhnert, K.W., & Vance, R.J. (1992). Job insecurity and moderators of the relation between job insecurity and employee adjustment. In J.C. Quick, L.R. Murphy, & J.J. Hurrell, Jr. (Eds), *Stress and Well-being at Work*, Washington: APA.
- Leedy, P.D., & Ormrod, J.E. (2001). *Practical research, planning and design* (7th edt.). Durham, New Hampshire: University of New Hampshire.
- Leontaridi, R.M., & Ward, M.E. (2002). *Work-related stress, quitting intentions and absenteeism*. Germany. University of Stirling.
- Loscocco, K.A. & Bose, C.E. (1998). Gender and job satisfaction in urban China: The early Post-Mao period. *Social Science Quarterly*, 79 (1), 91-109. In I. Nielsen, & R. Smyth, (2006). Job satisfaction and response to incentives among China's urban workforce. *Working Paper*. Business and Economics. Monash University.
- Manski, C.F. (2001). *Informing America's policy on illegal drugs: What we don't know keeps hurting us*. National Academy of science. Washington. USA.
- Maumo, S., & Kinnunen, U. (1999). Job insecurity and well-being: A longitudinal study among male and female employees in Finland. *Community, Work & Family*, (2), 147-169.
- Meitzen, M.E. (1986). Differences in male and female job-quitting behaviour. *Journal of Labour Ecomnomics*, Univiersity of Wisconsin. Milwaukee. 4(2).

- Meyer, W., Moore, C., & Viljoen, H. (2005). *Personology: From individual to ecosystem* (3rd ed.). Pretoria: Heinemann.
- Mohr, G.B. (2000). The changing significance of different stressors after the announcement of bankruptcy: A longitudinal investigation with special emphasis on job insecurity. *Journal of Organizational Behavior*, 21, 337-359.
- More, N., & Whitehead, J. (2007). Revachism in Mumbai. Political economy of rent gaps and urban restructuring in global city. *Economic and Political weekly*.
- Mouton, J., & Marais, H.C. (1992). *Basic concepts: Methodology for the Behavioural Sciences*. Pretoria: HSRC.
- Mouton, J., & Marais, H.C. (1996). *Basic concepts: Methodology for the Behavioural Sciences*. (2nd ed.), Pretoria: HSRC.
- Nickel, S., & Quintini, G. (2000). Nominal wage rigidity and the rate of inflation. *Working Paper*. Centre for Economic performance. London School of Economics. 489.
- Nielsen, C., Smyth, R., & Zhu, C. (2006). What determines the extent to which employers will comply with their social security obligations? Evidence from Chinese firm level data. *Social Policy and Administration*, 40, 196-214.
- Price, J. (1997). *The study of turnover*. Ames, IA: Iowa State University Press.
- Probst, T.M., & Lawler, J. (2006). Cultural values as Moderators of Employee reaction to job insecurity: The role of individualism and Collectivism. *Journal for Applied Psychology*, 55(2), 234-254.
- Quarterly Labour Force Survey (2009). *Statistics South Africa*. South Africa. Pretoria.
- Robbins, S.P., Odendaal, A., & Roodt, G. (2001). Organisational behaviour. *Global and Southern African perspectives*. Prentice Hall. Pinelands.
- Rosenblatt, Z., & Ruvio, A. (1996). A test of multidimensional model of job insecurity: The case of Israeli Teachers. *Journal of Organizational Behavior*, (17), 587-605.
- Rosenblatt, Z., Talmud, I., & Ruvio, A. (1999). A gender-based framework of the experience of job insecurity and its effects on work attitudes. *European Journal of Work and organisation*, (8), 197-217.
- Rothmann, J.C., Gerber, J.J., Lubbe, M.S., Sieberhagen, G.V.D.M., & Rothmann, S. (1998). Pharmacy student's experiences of the contents of pharmacy education: A Phenomenological study. *The International Journal of Pharmacy Practice*, 6, 30-37.
- Rousseau, D.M. (1989). Psychological and implied contracts in organization. *Employee Rights and Responsibilities Journal*, 2, 121-129.

- Royalty, C.T. (2004). Precocious teacher encounters professional social worker: Conversations toward understanding physical abuse through Chris. *British Library cataloguing in Publication data*. United States of America.
- Schaufeli, W.B., Enzmann, D., & Girault, N. (1993). Measurement of burnout: A review. *Professional Burnout*, 12, 199-215.
- Schwartz, S.H., & Bardi, A. (2001). Value hierarchies across cultures: Taking a similarities perspective. *Journal of Cross-Cultural Psychology*, 32, 268-290.
- Shaughnessy, J.J., & Zechmeister, E.B. (1997). *Research methods in Psychology* (4th ed.). McGraw Hill.
- Simon, R.W. (1992). Parental role strains, salience of parental identity and gender differences in npsychological distress. *Journal of Health and Social Behavior*, 33, 25-35.
- Sparks, K., Faragher, B., & Cooper, C.L. (2001). Well-being and occupational health in the 21st century workplace. *Journal of Occupational and Organizational Psychology*. Great Britain. 74, 489-509.
- Steyn, L.F. (2009). The role of the psychological contract among blue-collar workers in the underground coal mining industry. *Master of Business Administration*. University of Pretoria. Gordon Institute of Business science.
- Sverke, M., Hellgren, J., & Naswall, K. (2002). No security: A meta-analysis and review of job insecurity and its consequences. *Journal of Occupational Health Psychology*, 6, 242-264.
- Tabachnick, B.G., Fidell, L.S., & Osterlind, S.J. (2001). Using multivariate statistics. In R.J. Tallman, & N.S. Bruning, (2008). Relating employee's psychological contract to their personality. *Journal of Managerial Psychology*, 23(6), 688-712.
- Tolbert, P.S., & Moen, P. (1998). Men's and women's definitions of "good" jobs: Similarities and differences by age and across time. *Work and Occupations*, 25(2), 168-194.
- Virtanen, P., Vahtera, J., Kivimäki, M., Pentti, J., & Ferrie, J. (2002). *Employment security and health*. Finland. University of Tampere.
- Watson, T.J. (2003). *Sociology, work and industry* (4th ed.). London and New York: Routledge.
- Yazek, P. (2009). The relationship between emotional intelligence and the Psychological Contract: An exploratory case study. *Published Dissertation*. Potchefstroom.

Yousef, D.A. (2000). The interactive effects of role conflict and role ambiguity on job satisfaction and attitudes toward organizational change: A moderated multiple regression approach. *International Journal of Stress Management*, 48, 9-21.

CHAPTER 2

ARTICLE 1

THE RELATIONSHIP BETWEEN THE PSYCHOLOGICAL CONTRACT, JOB INSECURITY, INTENTION TO QUIT AND INDIVIDUAL CHARACTERISTICS OF SECURITY EMPLOYEES IN THE VAAL TRIANGLE

THE RELATIONSHIP BETWEEN THE PSYCHOLOGICAL CONTRACT AND INDIVIDUAL CHARACTERISTICS OF SECURITY EMPLOYEES IN THE VAAL TRIANGLE

ABSTRACT

The primary objective of this research was to investigate the relationship between the psychological contract and individual characteristics of security employees in the Vaal Triangle. A cross-sectional survey design was used on 300 Vaal Triangle-based security employees and a response rate of $N = 217$ (72%) was obtained. Pearson's product-moment correlation is applied to determine the relationship between the variables and a statistical significant correlation exists between employer obligations and employee obligations (with a small effect), while a practically significant correlation was found with a small effect between the state of the psychological contract, employer obligations and employee obligations. Results demonstrate a significant relationship between the psychological contract, type of contract, gender and tenure. No significant relationship was found between the psychological contract and age and qualification of the employees.

OPSOMMING

Die hoofdoelwit van hierdie studie was om die verhouding tussen die psigologiese kontrak en individuele karaktereenskappe van sekuriteitswerkers in die Vaaldriehoek vas te stel. 'n Dwarsdeursnee ontwerp is voorgelê aan 300 sekuriteitswerkers in die Vaaldriehoek en 'n produk-momentkorrelasiekoëffisiënt is toegepas om die verhouding tussen die veranderlikes vas te stel. 'n Statistiese beduidende korrelasie met 'n lae effek is gevind tussen werkgever- en werknemer verwagtinge. 'n Praktiese beduidende korrelasie met 'n lae effek is gevind met 'n klein effek tussen die status van die psigologiese kontrak, werkgever- en weknemerverwagtinge. Resultate demonstreer 'n beduidende verhouding tussen die psigologiese kontrak, geslag, aantal diensjare en tipe kontrak. Geen beduidende verhouding is gevind tussen die psigologiese kontrak en die ouderdom en akademiese agtergrond van die werknemers nie.

The era of change and globalisation calls for are flexible, multi-skilled, educated, exchangeable and adaptable workforce, where employees is open to the elements of new management techniques as well as altered policies and activities (Ekkerd, 2005). Different research in European countries suggests that job insecurity reflect the national level of unemployment and labour market conditions within a country. Temporary employees perceive themselves as insecure about their jobs (De Cuyper, & De Witte, 2005), while individual characteristics play a role in job insecurity and the position in the labour market (De Witte, 2005).

The impact of the changing employment situation is most evident in changes in the psychological contract (Maslach, Schaufeli & Leiter, 2001). The environment in which employees have to function is increasingly complex and organisations have to constantly adapt to these changes (Rothmann, Cilliers, Struwig, 2004). The psychological contract is used to express, analyse, and clarify the consequences of these changes (Freese & Schalk, 1996). The psychological contract represents the employees and employers' beliefs or perceptions regarding the terms of the employment relationship (Robinson & Rousseau, 1994). Employees and employers need not agree on these beliefs or perceptions, for the psychological contract to exist in relation to the employment relationship the psychological contract is viewed as a perception of mutual obligations (Isaksson, Bernhard, Claes, De Witte, Guest & Krausz, 2003).

Argyris used the term of the *psychological work contract* to describe the relationship between employers and employees back in the 1960's (Anderson & Schalk, 1998). The term was subsequently popularised by Levinson, Price, Munden, Mandl and Solley (1962) and Schein (1978; 1980). The term psychological contract became increasingly popular in the 1980's and 1990's (Hilltrop, 1995). During this decade, many large and small-scale organisational changes were present and led to the traditional employment relationship being put to the test (Freese & Schalk, 1996).

The definition and limitations of the psychological contract, as published by Rousseau (1989, 1990, & 1995) are determined by the employees' point of view of the trade of mutual promise-based obligations between the employer and the employee. Evolving as a construct through the 1970's and 1980's, the work of Rousseau (1989) manifested a shift in research from the employer's level to the level of the individual or employee. She investigated the

individual's beliefs and their point of view of the mutual obligations between the employer and employee regarding the terms of their trade agreement, which are viewed as a biased, individual perception of obligations of the employee towards the employer and versa visa (Maharaj, Ortlepp, & Stacey, 2008). The basis for the beliefs constituting the psychological contract is the promises perceived by the employee. This means that the psychological contract can be viewed as the individual's beliefs that are shaped by the employer and the relationship in terms of an exchange agreement between them (Cable, 2008).

Exchange relationships represented by both the employer and the employee's obligations (as perceived by the employee) could be either high or low (Shore & Barkdale, 1998). When considering a balanced relationship, the assumption of what the employers and employee's obligations are, are perceived similarly in the exchange, whereas in an unstable relationship, the employers and/or the employees are not equally obligated to each other (Shore *et al.*, 1998). If an employee perceives that he/she has been treated well by the organisation, the employee will feel compelled to treat the organisation well and try to avoid causing harm (Gouldner, 1960). Also, if employees feel that they are treated fairly, they may be more productive. According to Shore *et al.*, (1998) employees feel obligated to respond in order to create a stable exchange relationship with the employer.

When studying the obligations between the parties, a clear distinction is drawn between the psychological contract and the state of the psychological contract. The *psychological contract* is the perceptions of both parties (employer and employee), and the mutual obligations implied in that relationship (Guest & Conway, 2002). Whereas the *state of the psychological contract* goes beyond this to the degree to which the promises and obligations in the psychological contract have been delivered, whether the deal is perceived as being fair and also the degree of trust in which it will continue to be delivered in the future (Guest *et al.*, 2002). Once this balance or stability in the psychological contract is interrupted, feelings of distrust, unfairness and failure to deliver may occur (Isaksson, *et al.*, 2003). Employees who have experienced greater amounts of unfulfilled obligations are more likely to distrust the organisation and have lower expectations regarding the organisation's role in the employment relationship (Cavanaugh & Noe, 1999).

To improve the understanding of the factors affecting the employment relationship of security organisations in the Vaal Triangle and to contribute to future research in South Africa, the

link between the concepts of the type of employment contract, gender, age, tenure, qualification, and the psychological contract, job insecurity and intention to quit is important. This research will assist companies in the security industry to improve their understanding of the employment contract of their employees. They will then be better informed and able to adapt their human resource practices and reward programmes to improve the fulfillment of the employment contract. The improvements in the fulfillment of the employment contract of security employees will be shown to lead to increased productivity and effectiveness (Wocke & Sutherland, 2008; Zhao, Wayne, Glibkowski, & Bravo, 2007).

The psychological contract can also be useful to measure and describe the impact of these changes on the relationship employers has with their employees (Wocke & Sutherland, 2008; Zhao, Wayne, Glibkowski, & Bravo, 2007). The research aims to gain further knowledge in the field of psychological contract-theory by assessing characteristics/differences in the psychological contracts of employees of different types of employment contracts, genders, ages, tenures, and qualifications. Very little research has been done in security organisations of the labour force in South Africa (Lee & Mohamed, 2006).

Relationship between psychological contract and individual characteristics

Mutual obligations involve the belief in what one is obliged to provide an organisation (Lee & Faller, 2005). What early definitions of the psychological contract have in common is that this type of contract is something implicit and based on mutuality (Anderson *et al.*, 1998). In other words, a psychological contract exists only if both parties believe that an agreement exists, as well as that obligations in question and considerations towards both parties have been made (Rousseau, 1995). With this being said, parties can more or less match their expectations and obligations (Kotter, 1973).

Rousseau (1989) defined the psychological contract as the contract terms, *not* mutually established. Instead, Rousseau (1990) argues that psychological contracts are based on an individual's thoughts or beliefs of an existing mutual agreement. The holder of the psychological contract perceives the other party has obligations that they are able and willing to live up to (Svensson & Wolven, 2009). In exchange for this, the contract holder has obligations of his or her own to fulfill to the other parties' advantage (Svensson & Wolven., 2009). Robinson and Morrison (2000) argue that the psychological contract involves

promissory and mutual obligations that are not included in the formal contract of employment (employees examines what they get from their employer in relation to what they think they should get). Conceptual development of the psychological contract relates to the employer-employee relationship (Rousseau, 1995). The psychological contract also involves perceptions about a set of mutual obligations that link employers and employees in a way that the employee feel obligated to contribute to the organisation and in return expect employers to provide relevant compensation (Robinson *et al.*, 2000). A distinction is therefore made between employers' and employees' obligations (Isaksson, 2002).

The content of the employer's obligations is defined by whether a promise by the employer is perceived as being made or not (Isaksson, 2002). Promises of future behaviour by the employees are conditional upon some action by the employee (Botha, 2006). Levinson, Price, Munden, Mandi and Solley (1962) see this psychological contract as a trade relationship between an employer and employee in which each party has the prospect about mutual obligations. McDonald and Makin (2000) stated that although the employer is perceived as making these promises or mutual obligations, the individual and not the employer defines them.

The content of the employee's obligations is defined by whether an individual's agreement or assurance towards the organisation is perceived as being made or not (Isaksson, 2002). The definitions that enjoy current standing tend to emphasise the importance of the biased understanding and experience of the employee (McLean, Kidder & Gallagher, 1998). The individual perceives the various actions of the employer and infers their psychological contract with the employer on the basis of these actions (Botha, 2006). Employees enter into an employment relationship with a consideration that they and their employer have certain obligations towards each other, thus creating an atmosphere of mutuality. Pugh, Scarlicki and Passell (2003) suggested that this can include beliefs about role responsibilities, job insecurity and an employer's integrity. From an employee's perspective, his or her psychological contract involves an exchange of loyalty and productivity for job security and wage compensation provided by the employer (Cappelli, 1999).

Guest (2004) and Rousseau (1995) stated that the type of contract whether temporary or permanent may have an influence on the individual's formation of an implicit contract and could influence the psychological contract. Temporary employees perceive that they have a

less fulfilled psychological contract than that of permanent employees (probably due to fewer opportunities for promotion). Others may perceive their contract in a more favorable light since they may have lower expectations (Conway & Briner, 2002). The psychological contract has a potentially stronger influence on outcomes for temporary employees (Guest, 2004).

Temporary employees tend to be younger than permanent employees by almost eight years on average (Issakson, Johansson, Lindroth, & Magnas, 2006). There is no research tradition linking contract type to exchange balance however, Beard, Letti, Storrs, and Cookson (2002) suggest that the psychological contracts of temporary employees are likely to be asymmetrical with the employer being the most powerful party. Studies by Coyle-Shapiro and Conway (2005) and Van Dyne and Saavedra (1999) demonstrate that temporary employees are more responsive to their employer's contributions than permanent employees. No differences between the psychological contract of temporary and permanent employees were found (McDonald & Makin, 2000).

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 1: No significant difference exists between psychological contract of temporary- and permanent employees.

Gallos (1989) stated that women's career attitudes differ from those of men's, since gender had different distribution of perceived obligations. In a study by Cable (2008) on the psychological contract, the relationship between gender and employer- and employee obligations was found. According to Cable (2008), females generally feel that they owe or feel more obligated towards their employer than males do. Bruning (2008) agrees with Cable (2008), but argues that females experience higher levels of obligations from their employers because of gender inequality in the labour market. Keyser (2010a) states that statistically significant differences exist between the employee obligations and gender, where male employees measured higher than females. Females are also more likely to be employed on a temporary contract than males are (Isakson, Johansson, Lindroth, & Magnas, 2006).

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 2: Female employees experience significant higher levels of employer- and employee obligations than male employees.

Arthur and Kram (1989) expect different perceptions of obligations amongst different employees of different ages given that attitudinal change towards careers, change with time. Age has a possible influence on the point of view of obligations, while perceptions of obligations fulfillment may also lead to work-related attitudes and behaviour (Bal, De Lange, Jansen, & Van Der Velde, 2007). Cable (2008) mentioned that age has a significant relationship with both employer obligations and employee obligations. For example, older employees are less likely to have an agreement on both employer- and employee obligations (Issakson, *et al.*, 2006). As employees grow older, their period of employment is extended, which means that they might expect more from their employers due to loyal service. They also expect younger employees to do work that might be more physically intense.

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 3: Ages of employees have a significant relationship on both employer- and employee obligations.

Research shows that length of tenure at an organisation determine the employee's expectations, given the evidence that longer-tenure employees believe that they have put more into an organisation and therefore, should receive more in return (Meyer & Allen, 1984). According to Tekleab, Taylor and Lepak (2002), the longer tenure a employee has, the more one can learn about what may be expected from the employer, and what is generally expected from employees. In other words, tenure has an influence on employer obligations and employee obligations. Battu, Mchaster and White (2002) argue that longer tenure is an indication of a better match between the employer and employee expectations. Characteristics of the employment contract also change with tenure (Battu *et. al.*, 2002). It is further stated that tenure affects the employment contract and vice versa (Battu *et. al.*, 2002). Lee and Faller (2005) report that the relational aspect of the psychological contract increases significantly after six months of employment and continues to increase over the length of tenure.

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 4: Tenure of an employee has an influence on employer- and employee obligations.

Researchers expect that different levels of qualification influence one's perception of employer- and employee obligations. Higher levels of qualification will empower employees, where less-qualified or unskilled employees or blue-collar employees may feel like they have less opportunities (Lee & Mohamed, 2006) are more prone to layoffs (Buzzanell, 2004). According to Keyser (2010a), a statistically significant difference exists between the obligations of employees with different qualifications whereas employees with qualifications of Grade 10 or lower show lower statistical significance than those with a bachelor's degree. Employees with diplomas or post-matric qualifications experience employee obligations of a lower practical significance (with a large effect) compared to those with a bachelor's- and post-graduate degrees. If employees are more qualified, they may expect other opportunities and in turn expect that if their employer wants their expertise, they should be rewarded for their skills. According to Isaksson *et al.*, (2006), temporary employees' qualification levels seem to be slightly higher than that of permanent employees.

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 5: Different levels of qualification influence an employee's perception of employer- and employee obligations.

Relationship between the states of the psychological contract and individual characteristics

This employer-employee relationship is deemed to be dominant in the working environment as Argyris' argument prevails and underlies the concepts of mutual trust (Morrison, 1994), expectations (Csoka, 1995) and obligations between the employer and the employee. The state of the psychological contract consists of trust and fairness (called the "state of the psychological contract"). This is an indication of the employment relationship and whether it is perceived as reasonable and to what extent one can trust the employer (Isaksson, 2002). Therefore employment relations, fairness and trust are closely implicated with the state of the psychological contract (Guest, 2004).

The state of the psychological contract and the delivery of the deal (fulfillment of the psychological contract) should be addressed, including the relationship between fairness, trust, and delivery of the deal (Guest, 2004). The conditions under which there is positive fulfillment of the psychological contract and mutuality should be explored (Guest, 2004).

Guest (1998; 2002) argues that it's useful to consider the antecedents and consequences of the state of the psychological contract, defined in terms of the extent to which promises are kept, how fair they are perceived to be and trust in whether they are likely to be delivered in the future. This leads to a model which locates the employment contract and the state of the psychological contract in relation to attitudinal and behavioural outcomes (Guest, 2004).

Power, trust and fairness are at the centre of the scope to develop a positive psychological contract and linked to the employment relationship, from low trust to a high trust dynamic (Fox, 1974). The standing of fairness and trust is somewhat uncertain in the context of existing psychological contract research (Guest, 2004). Fairness as a dimension of justice, that is a given and a consequence of the psychological contract (Guest, 2004).

Being employed temporarily predicts improvements in the state of the psychological contract (Guest *et al.*, 2002). Guest *et al.* (1998) also found that temporary contracts ranked higher on the state of psychological contract than is the case with permanent employees. Isaksson (2005), on the other hand, reported slightly higher levels of satisfaction in terms of the state of the psychological contract for temporary employees than for permanent employees.

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 6: Temporary employees' states of psychological contract are higher than that of permanent employees.

As mentioned, Gallos (1989) demonstrates that women's career attitudes are different from men's. Now the question is whether a different distribution between genders and the state of the psychological contract exists. According to Blancero, DelCampo and Marron (2007), the perception of fairness in psychological contracts by Hispanic business professionals in the United States show that no difference was found between genders in relation to psychological contract fairness. In contrast, Steyn (2009) found that employer obligations are the strongest when correlated with the state of the psychological contract amongst females. Again the perception of gender inequalities of labour market in the past may have influenced the change in perception, since the Employment Equity Act, equaling out the imbalances that women may have felt in the past (Bruning, 2008).

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 7: Female employees experience higher states of psychological contract than male employees.

As stated by Arthur and Kram (1989), perceptions change with age, but do employees' beliefs of the state of their psychological contract also change as they age? According to Blancero *et.al.*, (2007) the perception of fairness in psychological contracts by Hispanic business professionals in the United States a significant difference exists between the age groups of respondents. Age has low true score correlations with the content of the psychological contract (Guest, 2004). Although, a number of revisions of the relationship of the psychological contract and age has been published (Anderson *et al.*, 1998; Cullinana & Dundon, 2006; Guest *et al.*, 2002; Roehling, 1997; Taylor & Tekleab, 2004, Hansson, DeKoekkoek, Neece & Patterson, 1997; Sterns & Miklos, 1995; Warr, 2001), up until recently only a few reviews have linked these two important factors (Bal *et al.*, 2007).

Meyer and Allen (1984) suggest that by one's tenure in the organisation, longer-tenured employees believe that they have done more for the organisation and therefore should get more in return (Meyer & Allen, 1984). This may be because the time spent working in an organisation is also a time spent building trust for that company. Employees with a longer tenure may feel more personally attached to their organisation than those who have not worked there as long. They may be less likely to perceive a violation to their contract, whereas newer employees may continue to weigh their options until they have built up enough trust in the employer (Motta, 2006). Shore *et al.*, (1998) and Tsui, Pearce, Porter and Tripoli (1997) found that the psychological contract is positively related to trust and perceptions of fairness, while it is negatively related to intention to quit.

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 8: Employees with longer tenure experience higher states of psychological contract (trust and fairness) in their employer.

Different levels of qualification could influence one's perception of the state of the psychological contract, since a more qualified employee may perceive more feelings of power, fairness or trust (Fox, 1974) if they are able to acquire a higher position in their organisation. Young employees who are less skilled, seeing the employment relationship as flexible, ever changing lack trust in employers (Smithson & Lewis, 1999).

Relationship between psychological contract, job insecurity and individual characteristics

Job insecurity has been defined in different ways by researchers (De Witte, 1999). Literature indicates that job insecurity could be seen out of a global or multidimensional perspective (Caplan, Cobb, French, & Harrison, 1975). Job insecurity, according to De Witte (1999), is an overall concern about the continuation of the job in the future, while others extend it to include loss of any valued condition of employment (Ferrie, 2001) as a multidimensional perspective.

Roskies, Louis-Guerin and Fournier (1993) found in their studies that more people felt insecure in high risk organisations. These organisations are prone to downsizing and restructuring. The terms of a psychological contract are not always upheld, if one party perceives that the other party is failing to meet their obligations (Robinson & Morrison, 2000) it can give rise to feelings of job insecurity (Unckless, 2000). According to Jordan, Ashkanasy and Hartel (2002), individuals' perceptions of job insecurity will affect the way individuals behave in an organisation. It would then be necessary to determine whether unmet obligations may lead to job insecurity or create feelings that may lead to job insecurity.

Job insecurity (multidimensional job insecurity) includes more than the degree of uncertainty, but the continuity of certain dimensions, such as opportunities for promotion (Ashford, Lee & Bobko, 1989; Borg & Elizur, 1992; Rosenblatt & Ruvio, 1996). According to De Witte (1999) the comprehensive perspective job insecurity is viewed as surrounding aspects such as the perceived threat to various job features, as well as the individual's ability to counteract these threats. Researchers limit the concept of job insecurity to the threat of total job loss which is indicative of a global perspective (Caplan, Cobb, French, & Harrison, 1975; De Witte, 1999). This definition is generally applied in the context of organisational crisis or transformational in which job insecurity is considered as a first phase of the process of job loss (Ferrie, 2001; Joelson & Wahlquist, 1987).

Job insecurity's perceived threat can be to the total job or desired features of the job. This threat typically indicates a lack of power to do anything about it (Beard & Edwards, 1995). Psychological contract theory is today one of the most used explication models for

understanding the relationship between job insecurity and negative reactions as diminished loyalty and performance (De Witte & Naswall, 2003; King, 2008; Roskies, Louis-Guerin, & Fournier, 1993). Perceived job insecurity is related to reduced trust in employers and unwilling to comply with employer demands (Smithson & Lewis, 1999). Ashord, Lee, and Bobko (1989) agree that job insecurity was associated with less trust in organisations, less organisational loyalty (Loseby, 1992) and less perceived organisational support (Rosenblatt & Ruvio, 1996). This feeling of distrust and powerlessness needs to be examined in relation to job insecurity.

Employees with different temporary contracts perceive their job insecurity to be higher than permanent employees, but the unpredictable nature of post-industrial working life has also increased perceptions of poor employment security in permanent jobs (Virtanen, Vahtera, Kivimäki, Pentti, & Ferrie, 2001). Contractual employment security was defined as high in permanent employees because it is extremely rare that an employer discontinues a permanent contract (Virtanen, Vahtera, Kivimäki, Pentti, & Ferrie, 2001). No difference between temporary and permanent employees in their levels of job insecurity was found (Guest, 2004). The growth in temporary employment contracts in many countries has increased job insecurity (Sparks, Faragher, & Cooper, 2001).

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 9: No differences exist between temporary and permanent employees' levels of perceived job insecurity.

Female employees have a higher risk of psychological distress than permanent employees due to differences in job insecurity (Virtanen, Vahtera, Kivimäki, Pentti, & Ferrie, 2001). Younger women who are employed temporarily find it difficult to return to work after childbirth, especially when they need a renewed contract (Smithson & Lewis, 1999). Women who are less qualified than their colleagues are insecure regardless of the type of contract, the lack of perceived employment rights and lack of control over terms and conditions (Smithson & Lewis, 1999).

Older employees perceived their job security as high (Virtanen, Vahtera, Kivimäki, Pentti & Ferrie, 2001) thus older employees experienced lower job insecurity. A factor according to Guest (2004) that is strongly associated with higher job security is younger employees.

According to Bosman, Buitendach and Rothmann (2005) increased tenure is likely to be associated with decreased job insecurity. Employees with more tenure believe that they have more job security (Adkins, Werbel & Farh, 2001).

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 10: Employees with longer tenure experience less job insecurity.

According to Keyser (2010a), as qualifications increase, job insecurity decreases. The least qualified women are insecure in their jobs it doesn't matter what the type of contract. Job insecurity is directly linked to a lack of perceived employment rights, lack of control over terms and conditions (Smithson & Lewis, 1999).

Relationship between the psychological contract, intention to quit and individual characteristics

Intention to quit is the strength of an individual's viewpoint that he/she does not want to stay with his/her employer (Van Wyk, Boshoff, & Owen, 1999). According to Nickel, Jones and Quintini (2000), the problem is that most jobs do not end because of layoffs but because of voluntary quitting (intention to quit). Sverke, Hellgren and Naswall (2002) state that job insecurity makes the employees less prone to remain with their organisation. This statement was confirmed by Ashford *et al.*, (1989), Davy, Kinicki and Scheck (1997), Kuhnert and Vance (1992), and Rosenblatt and Ruvio (1996).

In the study of Huiskamp and Schalk (2002) a significant relationship was found between psychological contract fulfillment and intention to quit. The number of obligations of both the employer and the employee lowered the intention to quit. Psychological contract fulfillment has been found to be associated negatively with the intention to quit (Guzzo, Noonan & Elron, 1994; Robinson, 1996; Robinson & Morrison, 2000; Robinson & Rousseau, 1994; Turnley & Feldman, 1995).

Researchers report greater intention to quit with those who have had change forced upon them (Wiesner, Vermeulen & Littler, 1999 for South Africa). Intention to quit is the strength of an individual's viewpoint that he/she does not want to stay with their employer (Boshoff,

1989). According to Nickel, Jones and Quintini (2000), the problem is that most jobs do not end because of layoffs, but because voluntary quitting (intention to quit). A lack of research exists regarding the relationship between psychological contract (employer obligations and employee obligations), job insecurity and intentions to leave in South African companies. Employees who had work relationships with their employer that was in a state of uncertainty lacked trust. Similarly, where the general quality of work life was eroded, it was found that a significantly high positive relationship exists with the intention to quit (Maharaj, Ortlepp, & Stacey, 2008). Thus the greater the extent to which these employees believed the relationship to be one of mistrust with no future benefits, the greater was their intention to quit the organisation (Maharaj, Ortlepp, & Stacey, 2008).

The positive relationship between the psychological contract and intention to quit implies that the stronger the employees' beliefs were that the future relationship with their organisation was not promising, the stronger their intention to quit to the organisation (Maharaj, Ortlepp, & Stacey, 2008). Employees' who had feelings of obligations to support the organisation and stay with in their current employ had a significant negative relationship with the intention to quit, meaning that they had lower intention of leaving the organisation (Maharaj, Ortlepp, & Stacey, 2008). Employees with high trust who experience organisational uncertainty seem to be able to navigate the uncertainty while maintaining their commitment to the company. Employees who did not trust their employer were identified not only as likely to have intention to quit, but also to exert a negative influence on others (Rivera, 2003). According to Keyser (2010a) the state of the psychological contract predicts negative intention to quit.

When the psychological contract is characterised by the employee's obligation to the employer as being short-term (temporary contract) and is therefore narrowly focused on the economic exchange, the relationship with the intention to quit was strong (Maharaj, Ortlepp, & Stacey, 2008). The rise in temporary contracts may reflect the employee's preferences while the changing employer interests are the dominant factor (Goldin & Applebaum, 1992). Farbbier (1993) found that those who have been permanently displaced are more likely to end up in temporary positions than permanent employment, if they are employed.

Previous findings indicate that women experienced higher intention to quit since their traditional roles required them to take care of the children and other household duties (Meitzen, 1986). This is why men's intention to quit should be explored again since these

traditional roles have changed over the decades. Young women may find it more difficult to find employment if not employed permanent when they want to return to work after childbirth, especially when they need a renewed contract (Smithson & Lewis, 1999).

Based on the above discussion, the following hypothesis is formulated for this study:

Hypothesis 11: Women experienced a higher intention to quit than male employees.

The relationship between age and intention to quit is linear with older employees being significantly less likely to report an intention to quit over the next 12 months than those younger than 25 years of age (Leontaridi, & Ward, 2002). According to a study by Boshoff, Van Wyk, Hoole and Owen (2002) age should not be considered as a big predictor of intention to quit. Age has been shown to be negatively correlated with the probability of tendencies to quit (Campbell, Carruth, Dickerson, & Green, 2007; Kidd, 1994). The main argument for this is that available time to mobilise costs associated with the intention to quit and the probability of finding a new job diminishes with age, making intention to quit less attractive. Booth (1999) found that older males were more pronounced to have the intention to quit, while women left their jobs for other reasons.

Intention to quit seems to be the greatest for male employees, especially among those more qualified and for those under the age of 25 than females (Leontaridi, & Ward, 2002). Qualification level was positively related to greater intentions to leave (Probst, 2005). Young women of all social classes invest in training and qualifications showing strong connection to the labour market (Smithson & Lewis, 1999).

As tenure increases and job insecurity lessens, moral of employees are influenced, and decreases the opportunity to develop a positive employment relationship (Greenspan, 2005). Employee turnover is determined by an individual's intention to quit. The result of this is that the employer is faced with a lack of employment continuity. The time employee and employer spend together is another measure of the employment relationship (Schuler & Jackson, 2000). Swinerton and Wial (1995) found a reduction in job tenure. Diebold, Neumark, and Polsky (1995) and Farber (1995) found that overall rates of job tenure have been remarkably constant over the same period. Gottschalk and Moffitt (1994), Marcotte (1995) and Rose (1995) found an increase in job changes for men in the 1980's compared with the 1970's. Schuler and Jackson (2000) found that both employer separations and

resignations have increased over this period. The changing nature of the employer relationship with employees may be indicated by changes in the tenure of men. Average tenure for men in the studies of Schuler and Jackson (2000) show an overall decline.

Women depending on their qualification are less likely to change jobs (Royalty, 2004) and thus have the intention to quit. Level of qualification has been assumed to have a positive effect on the probability of changing jobs since a high qualification is often associated with better labour market alternatives (Royalty, 2004), however most studies revealed a significant correlation (Booth, 1999; Campbell *et al.*, 2007).

AIM OF THE STUDY

The general objective of this article is to determine the relationship between the psychological contract, job insecurity, intention to quit and individual differences of security employees in the Vaal Triangle.

METHOD

Research design

The specific design that has been used is a cross-sectional survey design. This design is used whereby information is collected from a sample population ($N = 217$) at one time (Babbie & Mouton, 2001; Shaughnessy & Zechmeister, 1997) and is ideal to describe and predict functions associated with correlative research. The survey technique of data collecting gathers information from the target population primarily by means of questionnaires.

Participants

A random sample population of 300 security employees working within five small companies in the Vaal Triangle was targeted for the purpose of this research. Distribution and collection of the instruments were done in cooperation with the management of these companies. The sample included workers from all levels, ranging from semi-skilled employees to managers. The lowest-level employees had a literacy level enabling them to complete the questionnaire.

A response rate of 72% (217 responses; $N=217$) was obtained and the studied population included security employees with literacy levels deemed sufficient enough to allow for the accurate completion of the questionnaires.

The individual characteristics of the studied population are detailed in Table 1, which indicates that the most participants had permanent contracts (52,1%), 80,6% of the participants are male and 12,9% are female. The majority of participants (43,3%) fell in the age group between 21 to 30. The majority (84,8%) of the studied population has been employed by the organisation for periods of less than a year and 43,8% had a Grade 10 to 12 qualification level. Missing responses from the respondents of the five items varied between 6,0% and 13,4%.

Table 1

Compilation of Study Population (N=217)

Item	Category	Frequency	Percentage
Type of contract	Temporary employee	75	34,6
	Permanent employee	113	52,1
	Missing response	29	13,4
	Total	217	100.1
Gender	Female (1)	28	12,9
	Male (2)	175	80,6
	Missing responses	14	6,5
	Total	217	100
Age	20 years and younger (1)	9	4,1
	21 - 30 years (2)	94	43,3
	31 - 40 years (3)	70	32,3
	41 – 50 years (4)	32	14,7
	51 – and older (5)	6	2,8
	Missing responses	6	2,8
	Total	217	100
Tenure	Less than 1 year (1)	184	84,8
	1 - 10 years (2)	19	8,8
	11 – 20 years (3)	11	0,5
	Missing Responses	13	6,0
	Total	217	100.1
Qualification	Grade 9 and below (1)	74	34,1
	Grade 10 – 12 (2)	95	43,8
	Diploma (3)	24	11,1
	Degree and higher qualification (4)	2	0,9
	Missing response	22	10,1
	Total	217	100

Measuring instruments

The following measuring instruments will be used in this study:

The *individual characteristics* or *biographical questionnaire* was implemented to gather information about the individual characteristics of the participants. Individual characteristics include information about type of contract, gender, age, tenure, and qualification.

To measure the *psychological contract* Isaksson *et al.*, (2003) was used and included employer obligations, employee obligations and state of the psychological contract.

According to an adopted version of Isaksson *et al.*, (2003) *employer obligations* consists of 15 items, answering “yes” or “no” (e.g. “Has your organisation promised or committed itself to provide – interesting work, a good pay for the work you do?”). Answers to the questionnaire is given on a 6-point scale with 0 = “no” to 5 = “yes” and “promise fully kept”. Employer obligations (what the employee feels the organisation is obligated to provide the employee) contains seven items, namely promotion, high pay, pay for performance, training, job security, career development and support with personal problems. According to More and Whitehead (2007), a Cronbach alpha coefficient of 0,93 was obtained, confirming the internal consistency of the questionnaire. Two other South African studies confirm these results (Keyser, 2010a: $\alpha = 0,93$, Du Plooy, 2008: $\alpha = 0,95$).

Employee obligations consists of 10 items (e.g. “Have you promised or committed yourself to be loyal to the organisation, to be punctual, to protect the image of your company?”) answering “yes” or “no” to these questions (Isaksson, Bernhard, Claes, De Witte, Guest, & Krausz, 2003). Employee obligations (what the employee feel he/she is obligated to provide the organisation) contains eight items consisting of overtime, loyalty, volunteering to do non-required tasks, advance notice when having intention to quit, willingness to accept a transfer, refusal to support competitors, protection of proprietary information, and spend a minimum of two years with the organisation. In a study conducted by More *et al.*, (2007), a Cronbach alpha coefficient of 0,90 was obtained, indicating the internal consistency of this questionnaire. According to South African studies by Keyser (2010a) and Du Plooy (2008) a Cronbach alpha coefficients of 0,93 and 0,94 were obtained.

Eight items were answered on a scale from one to seven, ranging from “not at all” to “totally” in terms of the evaluation of fairness and trust of the *state of the psychological contract* in the employing company (Isakson *et al.*, 2003). According to Yazbek (2009), studies in South Africa obtained a Cronbach alpha coefficient of 0,86, the same as Keyser’s South African study (2010a).

Using the *job insecurity* (JIS) measure, it has 11 items relating to perceived job insecurity. These eleven items summarise job insecurity displaying a Cronbach alpha coefficient of 0,92 (De Witte, 1999). In South Africa Heymans (2002) found an alpha coefficient of 0,81 and Elbert (2002) found an alpha coefficient of 0,84 for the JIS. The items of the JIS are arranged along a five-point scale representing one 1 as “strongly disagree” and five 5 as “strongly agree”. Example of job insecurity would be “I am sure I can keep my job” and job insecurity items would be “I feel insecure about the future of my job”.

Intention to quit (ITQ) was measured by using the questionnaire of Price (1997). The measurement use a 4-item scale, the following item was included: “These days, I often feel like quitting”. The items of the ITQ are arranged along a five-point scale ranged from “strongly agree” to “strongly disagree”. Isaksson (2002) found a range of Cronbach’s alphas of 0,79 – 0,82.

Statistical analysis

The statistical analysis is carried out with the SPSS programme (SPSS, 2003), making use of descriptive statistics, exploratory factor analyses, Cronbach alpha coefficient and inter-item correlations coefficients (Clark & Watson, 1995). A simple principal component analysis was conducted on the construct of the measuring instrument. The eigenvalues and scree-plot were then studied in order to determine the number of factors involved with the constructs. Descriptive statistics (e.g. means, standard deviations, skewness and kurtosis) were used to analyse the data. The level of statistical significance was set at $p < 0,01$. Cronbach’s alpha coefficient was used to determine the validity and reliability of the measuring instruments.

Pearson’s *product moment correlation* coefficient will be used to specify the relationship between variables (levels of Statistical significance = $p < 0,05$; a cut-off point of 0,30 represents a medium effect and a cut-off of 0,50 represents a large effect). Steyn (2009) and

Albright, Winston, and Zappe, (2009) criticises the sole use of statistical significance testing and it is recommended that effect sizes be established to determine the importance of a statistically significant relationship.

A multi regression analysis was done to determine the percentage variance in the dependent variable that is predicted by the independent variables. The significance of differences between individual characteristics such as type of contract, gender, age, tenure and qualification was established by means of Multivariate Analysis of Variance (MANOVA). MANOVA tests, whether mean differences among groups on a combination of dependent variables, are likely to have occurred by chance (Tabachnick, Fidell, & Osterlind, 2001; Albright, Winston, & Zappe, 2009). Individual characteristics such as type of contract, gender, age, tenure, and qualification differ between people, and these differences influence the psychological contract. If the correlation between the dependent variables is low or near zero, the researcher would make no gain by using a MANOVA.

Separate ANOVA's can be computed with each dependent variable serving as a single outcome measure. If the correlation between the dependent variables is at or near 1,00, one could assume to know that the two are measuring essentially the same thing and are redundant. Only a single ANOVA need be computed for one of those dependent variables. Use of analysis of variance assumes that the correlations between or among the independent variables of a factorial design are zero (Kerlinger & Lee, 2000; Albright, Winston, & Zappe, 2009)). When an effect was significant in MANOVA one-way Analysis of Variance (ANOVA) was used to discover which dependent variables were affected. The relationships were further analysed to determine practical significance using ANOVA.

According to George and Mallery (2003) and Albright, Winston, and Zappe, (2009) ANOVA is a procedure used for comparing sample means to see if there is sufficient evidence to infer that the means of the corresponding population distributions is also different. ANOVA is employed to address research questions that focus on differences in the means of one dependent variable and one independent variable with two or more variables, for example an independent variable like gender has two levels, male and female. In terms of practical significance, a cut-off point ($p < 0.01$) demonstrates a statistically significant differences of 0,50, which was set for difference of medium effect and 0,80 for a difference of large effect (Cohen, 1988).

RESULTS

Construct validity of the measuring instrument

Table 2 indicates a simple principal component analysis that was carried out on 31 items of the psychological contract on security employees in the Vaal Triangle. The scree plot showed that three factors could be extracted (see Figure 1).

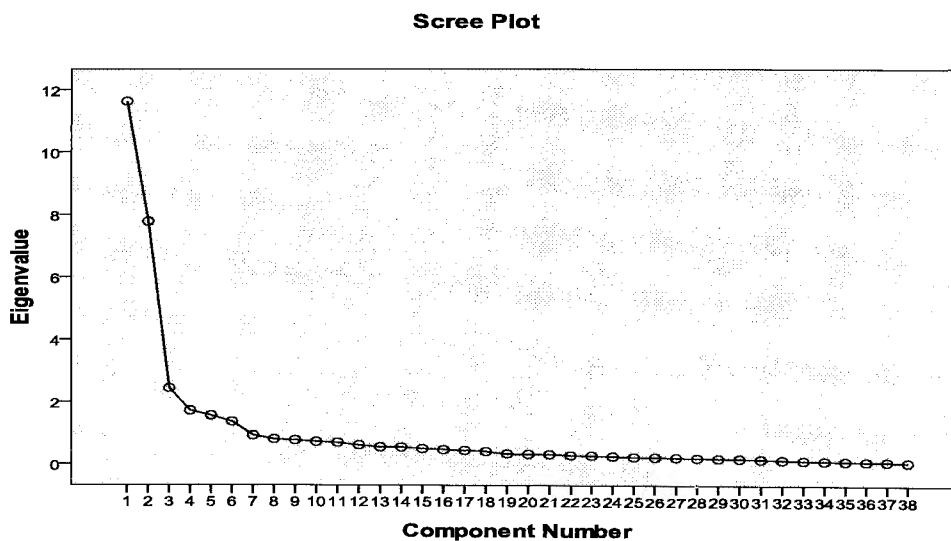


Figure 1: Scree plot of Psychological Contract

An analysis of the eigenvalues ($>1,00$) indicate that three factors could be extracted, which explain 57,46% of the total variance. Loading under 0,30 were replaced by zeros. Labels are suggested for each factor in a footnote (see Table 2).

Table 2

Factor loading for Simple Principle Component Analysis for Psychological contract

	Factor	Factor	Factor	h^2
Does your employer... ¹	1	2	3	
1. Provide you with interesting work?	0,66	0,00	0,00	0,44
2. Provide you with a reasonably secure job	0,76	0,00	0,00	0,70
3. Provide you with a good salary for the work you do?	0,77	0,00	0,00	0,67
4. Provide you with a job that is challenging?	0,75	0,00	0,00	0,65
5. Allow you to participate in decision-making?	0,66	0,00	0,00	0,60
6. Provide you with a career?	0,68	0,00	0,00	0,64
7. Provide a good work atmosphere?	0,70	0,00	0,00	0,74
8. Ensure fair treatment by managers?	0,72	0,00	0,00	0,71
9. Be flexible in matching demands of non-work roles with work?	0,70	0,00	0,00	0,64
10. Provide possibilities to work together in a pleasant way?	0,75	0,00	0,00	0,70
11. Provide you opportunities to advance and grow?	0,75	0,00	0,00	0,69
12. Provide you with a safe working environment?	0,77	0,00	0,00	0,71
13. Improve your future employment prospects?	0,71	0,00	0,00	0,67
14. Provide an environment free of violence and harassment?	0,61	0,00	0,00	0,51
15. Help you deal with problems you encounter outside work?	0,50	0,00	0,00	0,35
16. Go to work even if you don't feel particularly well?	0,00	0,43	0,00	0,45
17. Protect your company's image?	0,00	0,72	0,00	0,69
18. Show loyalty to the organisation?	0,00	0,63	0,00	0,69
19. Work overtime or extra hours when required?	0,00	0,70	0,00	0,67
20. Be polite to customers or the public even when they are being rude and unpleasant to you?	0,00	0,66	0,00	0,58
21. Be a good team player?	0,00	0,70	0,00	0,60
22. Turn up for work on time?	0,00	0,68	0,00	0,58
23. Assist others with their work?	0,00	0,70	0,00	0,64
24. Volunteer to do tasks outside your job?	0,00	0,46	0,00	0,33
25. Develop your skill to be able to perform well in this job?	0,00	0,64	0,00	0,64
26. Meet the performance-expectations for your job?	0,00	0,60	0,00	0,62
27. Accept an internal transfer, if necessary?	0,00	0,58	0,00	0,45
28. Provide the organisation with innovative suggestions for improvement?	0,00	0,50	0,00	0,45
29. Develop new skills and improve current skills?	0,00	0,56	0,00	0,56
30. Respect the rules and regulations of the company?	0,00	0,64	0,00	0,54
31. Work enthusiastically on jobs you would prefer not to be doing?	0,00	0,47	0,00	0,33
32. Overall, do you feel you are rewarded fairly for the amount of effort you put into you put into your job?	0,00	0,00	0,32	0,37
33. To what extent do you trust senior management to look after your best interest?	0,00	0,00	0,45	0,44
34. Do you feel that organisational changes are implemented fairly in your organisation?	0,00	0,00	0,51	0,61
35. In general, how much do you trust your organisation to keep its promises or commitments to you and other employees?	0,00	0,00	0,56	0,56
36. Do you feel you are fairly paid for the work you do?	0,00	0,00	0,52	0,58
37. To what extent do you trust your immediate line manager to look after your best interest?	0,00	0,00	0,56	0,55
38. Do you feel fairly treated by managers and supervisors?	0,00	0,00	0,47	0,50
Percentage variance				57,50

F¹= Employer obligations, F²= Employee obligations, F³= State of PC

Inspections of Table 2 indicate that all items are loaded correctly on all three factors (employer's obligations, employee's obligations and the state of the psychological contract). Table 2 reveals items loading on the first factor relate to *employer obligations*. Employer obligations content between the parties is described as a promise is made or not (Isaksson *et al.*, 2003a). The second factor represents *employee obligations*. Employee obligations refer to a promise or commitment by the employer is perceived as being made or not by the employer (Isaksson *et al.*, 2003a). The third factor represents the *state of the psychological contract*. By *state of the psychological contract* is meant the degree to which the promises and obligations in the psychological contract have been delivered, and if this deal is perceived as fair and if the employee can trust the employer in the future (Isaksson *et al.*, 2003a). The variables also seem to be well represented by this factor solution. The total communality (h^2) of the 38 variables is 57,50%. No item was removed from the questionnaire.

Next, a principle component analysis was performed on the 4 items of job insecurity. A scree plot and eigenvalues were inspected in order to evaluate the number of factors that could be extracted. The scree plot showed that one factor could be extracted (see Figure 2).

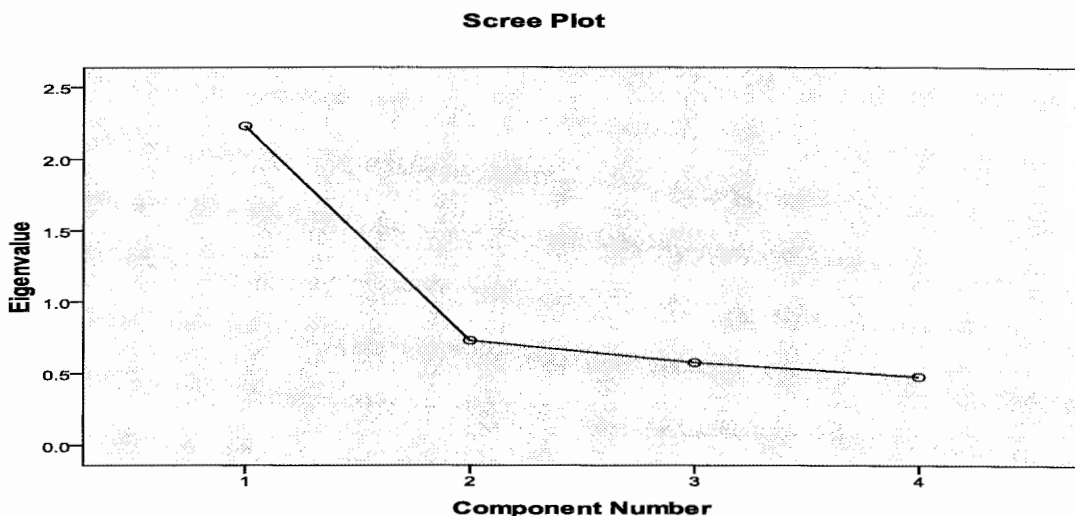


Figure 2: Scree plot of Job Insecurity

In Table 3 the factor loadings, communalities and percentage variance is given on the job insecurity questionnaire items. One factor was extracted, accounting for 55,68% of the total variance in the data.

Table 3

Factor Loadings, Communalities (h^2) and Percentage Variance for Principal Component Analysis on JIQ (Job insecurity) Items

Item	Description	F_1	h^2
1.	Chances are, that I will soon lose my job	0,80	0,65
2.	I am sure I can keep my job	0,71	0,50
3.	I feel secure about the future of my job	0,67	0,45
4.	I think I might lose my job in the near future	0,79	0,63
Percentage of variance			55,75

The factor loadings were between 0,67 and 0,80, which were sufficiently high to justify the use of the items as a single scale. Item 2 should be reverse scored. The variables also seem to be well represented by this factor solution. The total communality (h^2) of the 38 variables is 55,75%. No item was removed from the questionnaire.

Next, a principle component analysis was performed on the 4 items of job insecurity. One factor was extracted, accounting for 50,57% of the total variance in the data. The scree plot showed that one factor could be extracted (see Figure 3).

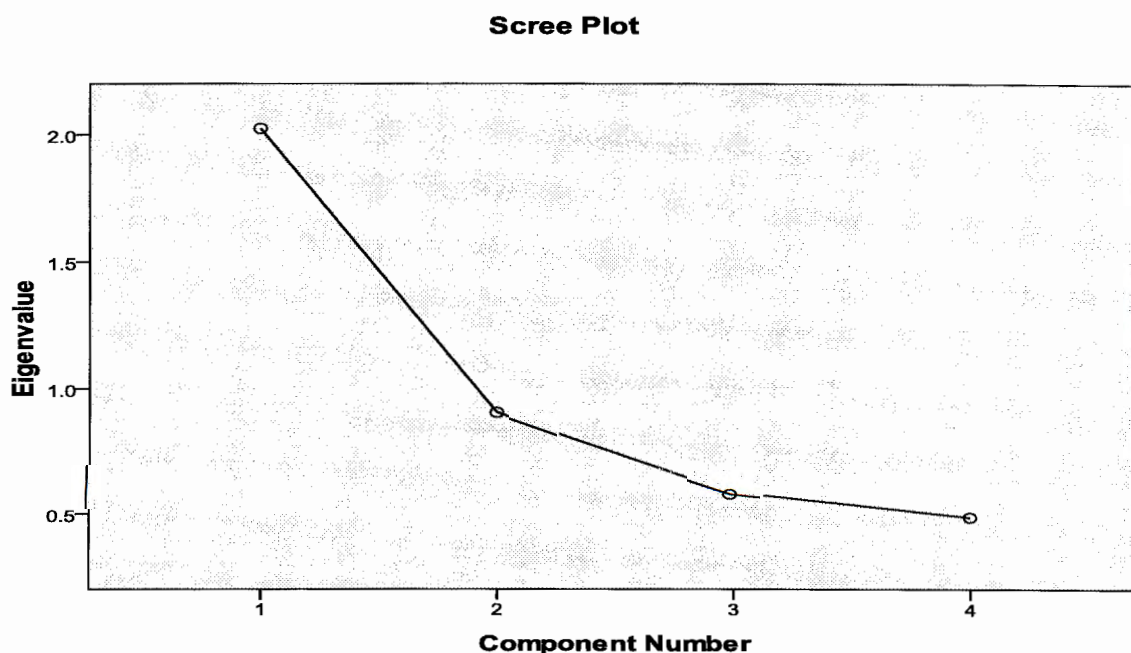


Figure 3: Scree plot of Intention to quit

As seen in Table 4 the factor loadings were between 0,52 and 0,79, which were sufficiently high to justify the use of the items as a single scale. Item 3 should be reverse scored. The variables also seem to be well represented by this factor solution. The total communality (h^2) of the 38 variables is 50,75%. No item was removed from the questionnaire.

Table 4

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

Item	Description	F_1	h^2
1.	Nowadays I often feel like quitting.	0,79	0,62
2.	Despite the obligations I have made to this organisation, I want to quit my job as soon as possible.	0,74	0,55
3.	At this moment I would like to stay with this organisation as long as possible.	0,52	0,27
4.	If I could, I would quit today.	0,77	0,59
Percentage of variance			50,75

Table 5 shows descriptive statistics, Cronbach alpha coefficients and inter-item correlation coefficients of 217 security employees working in the Vaal Triangle.

Table 5

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

Test and subscales	Mean	SD	Skewness	Kurtosis	α
Employer obligations	2,89	1,15	-0,84	0,51	0,95
Employee obligations	3,36	1,01	-0,83	0,60	0,94
State of the Psychological contract	3,09	0,80	-0,15	0,59	0,85
Job insecurity	3,22	0,62	0,16	-0,02	0,73
Intention to quit	2,60	0,08	-0,58	0,17	0,67

The information reflected in Table 5 indicates the mean scores which is the average, computed by summing the values of several observations and divided by the number of observations (Babbie & Mouton, 2001). With a score of 3,36 (out of a potential 5,00), employees regard employee obligation as "yes, promise half kept by the employer". Job security (3,22) employees neither agree nor disagree on job security with their employer in the employment relationship and state of psychological contract (3,09) is seen by employees

as “yes, promise half kept by the employer”. Employer obligations (2,89) are seen as “yes, promise only kept a little”. With a score of 2,60 (out of a potential 5,00), this somewhat disagrees with the intention to quit.

The standard deviation is the estimate of the average variability (spread) of a set of data measured in the same units of measurement as the original data (Field, 2005). The standard deviation (SD) was 1,15 for employer obligations, 1,01 for employee obligations, 0,80 for the state of the psychological contract. For job insecurity it was 3,53 and for intention to quit 0,81. This confirms that the standard deviation is small in relation to the mean (Field, 2005). The standard deviation is low in most dimensions, implying that the data is not scattered and consistency from the respondents was obtained.

Skewness and kurtosis is an indication of whether the data is distributed normally by looking at a histogram. Skewness is the symmetry around the centre of all scores and kurtosis is the “pointiness” of the distribution of data on the graph and when the data is normally distributed it should have a bell shaped curve. If the slope is grouped to the left the distribution is positive, whereas if the slope is grouped to the right the distribution is negative. In this case the skewness is positive (data grouped to the left) for employer and employee obligations as well as for the state of the psychological contract.

Cronbach alpha coefficient is an indication of the measures of the reliability of a scale. Acceptable Cronbach alpha coefficients were obtained on employer’s obligations (0,95), employee obligations (0,94) and state of the psychological contract (0,85). Employer obligations are strongly correlated to the state of the psychological contract and have the bigger impact on the state of the contract. The strong correlation of employer obligations with the state of the contract confirms the critical role of the employer in maintaining and improving the state of the psychological contract. Employers can do this by fulfilling the elements associated with employer obligations as perceived by employees.

Next, the product-moment correlation coefficients for security employees working in the Vaal Triangle were analysed. The correlations between employer obligations, employee obligation, the state of the psychological contract, job insecurity and intention to quit are reported in Table 6.

Table 6

Correlation coefficients between employer obligations, employee obligations, state of the psychological contract, job insecurity, and intention to quit

	1	2	3	4
1. Employer obligations	-	-	-	-
2. Employee obligations	0,15**	-	-	-
3. State of psychological contract	0,56**	0,19**	-	-
4. Job insecurity	-0,06	0,07	0,02	-
5. Intention to quit	-0,20**	-0,39**	-0,21**	0,05

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

Table 6 indicates that a statistically significant correlation exist between employer obligations and employee obligations with a small effect at a 0,01 level. A practical significant correlation with a large effect exists between the employer obligations and state of the psychological contract. Negative statistically significant relationships exist between employer obligations and intention to quit. Statistically significant relationships with a small effect exist between employee obligations and state of psychological contract. A medium effect negative practical significant relationship exists between employee obligations and intention to quit. Practical negative correlations of medium effect exist between state of psychological contract and intention to quit.

Next, MANOVA was used to determine differences between individual characteristics with regards to the psychological contract. Individual characteristics include type of contract, gender, age, tenure, and qualification. Results were first analysed for statistical significance using Wilk's Lambda statistics. ANOVA was used to determine specific differences whenever statistical differences were found. The results of the MANOVA analysis are given in Table 7

Table 7

MANOVA – *Difference in employer obligations scale, employee obligations scale, the state of the psychological contract and individual characteristics*

Variables	Value	F	DF	p	η^2
Type of contract	0,83	7,64	5	0,00*	0,17
Gender	0,92	3,48	5	0,01*	0,08
Age	0,87	1,43	20	0,10	0,96
Tenure	0,88	2,58	10	0,01*	0,06
Qualifications	0,91	1,22	15	0,25	0,03

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

Table 7 indicates that in analysis of Wilk's lambda, no differences regarding the dependent variables could be found between groups for age and qualifications. Therefore, **Hypothesis 5** is rejected that different levels of qualifications influence and employee's perception of employer- and employee obligations. This finding is different from the findings of Lee and Mohamed (2006) and Keyser (2010a). Statistically significance differences ($p < 0,05$) were found amongst type of contract, gender, and tenure. The relationship between psychological contract (employer obligations, employee obligations, state of psychological contract), Job insecurity and intention to quit and individual characteristics levels that show statistically significance differences was further analysed to determine practical significance using ANOVA, followed by Tukey HSD tests.

The ANOVA differences in the dependent factors levels of groups with type of contract are given in Table 8.

Table 8

ANOVAS – Differences in Psychological Contract Levels, Job Insecurity Levels, Intention to quit Levels and Type of Contract

Item	Temporary employees	Permanent employees	<i>p</i>	η^2
Employer obligations	2,82	2,99	0,29	0,01
Employee obligations	3,78	3,13	0,00*	0,10
States of Psychological Contract	3,12	3,06	0,62	0,00
Job insecurity	3,05	3,30	0,00*	0,04
Intention to quit	2,30	2,80	0,00*	0,09

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

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

Table 8 shows the difference between the psychological contract, job insecurity, intention to quit and type of contract. Temporary employees experience higher employee obligations than permanent employees. **Hypothesis 1** that states no significant differences exists between psychological contract of temporary- and permanent employees are partially accepted. No significant difference was found between type of contract and employer obligations and state of psychological contract, but significance differences were found between temporary employees who experience higher employee obligations than permanent employees. **Hypothesis 6** that states that temporary employees' state of psychological contract is higher than permanent employees is rejected. This finding is different from internationally studies by Guest and Conway (2002) that found that temporary contracts reported a better state of psychological contract than permanent employees, but the findings correlate with another South African study (Keyser 2010a). Studies by McDonald and Makin (2000) found no significant differences between the psychological contract of temporary and permanent employees. Permanent employees experience higher job insecurity and intention to quit than temporary employees. **Hypothesis 9** is accepted because small differences were found between temporary and permanent employees' levels of job security. These findings is the same as Guest (2004) that found that virtually no differences exist between temporary and permanent employees in their levels of job insecurity.

Table 9

ANOVAS – Differences in Psychological Contract Levels, Job Insecurity Levels, Intention to quit Levels and Gender

Item	Females	Males	<i>P</i>	η^2
Employer obligations	2,89	3,00	0,62	0,00
Employee obligations	3,31	3,63	0,11	0,01
States of Psychological Contract	3,05	3,41	0,02*	0,03
Job insecurity	3,25	2,97	0,02*	0,03
Intention to quit	2,67	2,19	0,00*	0,04

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

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

Table 9 shows the difference between the psychological contract, job insecurity, intention to quit and gender. There are no statistically significant different levels of employer obligations, employee obligations and gender. Male employees scored higher than female employees for state of psychological contract and therefore **Hypothesis 7** is rejected that female employees experience higher state of psychological contract than male employees.

These findings also disagree with the findings of Steyn (2009) that state of the psychological contract is the higher for female employees. **Hypothesis 2** which states that female employees experience significant higher levels of employer- and employee obligations than male employees is rejected. In this study there is no significant differences found between male and female employees. This study does not support the findings of Keyser (2010a) where female employees experience higher levels of employee obligations than male employees. It also rejects the findings of Cable (2008) and Bruning (2008) for this industry that female employees experience higher levels of obligations from their employers. Female employees score higher than male employees for job insecurity and intention to quit levels. **Hypothesis 11**, which states that women experienced a higher intention to quit than male employees, is accepted. These finding agree with findings of Meitzen (1986) and Smithson and Lewis (1999).

Table 10

ANOVAS – *Difference in Psychological Contract Levels, Job Insecurity Levels, Intention to quit Levels and age groups*

Item	19 years and younger	20 – 29 years	30 – 39 years	40 – 49 years	50 years and older	P	η^2
Employer obligations	3,14	3,07	2,96	2,20	2,80	0,01 *	0,07
Employee obligations	2,94	3,40	3,33	3,50	2,69	0,30	0,02
States of Psychological Contract	3,18	3,20	3,05	2,91	2,92	0,43	0,02
Job insecurity	2,97	3,22	3,25	3,20	3,16	0,79	0,01
Intention to quit	2,55	2,50	2,70	2,72	2,66	0,55	0,02

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

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

As seen in Table 10, a statistic significant difference was found for employer obligations and age groups. **Hypothesis 3** is partially accepted because only significant difference was found between employer obligations and age, but no significant differences were found between employee obligations and age. Therefore, this study partially agrees with Cable (2008) that age of employees have a significant relationship with both employer and employee obligations. In terms of employer obligations, employees aged 19 years and younger score higher than employees between the ages of 40 and 49 years. **Hypothesis 4** states that tenure of an employee has an influence on employer- and employee obligations. This is accepted. This study shows that no statistical differences were found between employee obligations, state of psychological contract, job insecurity, intention to quit and aged groups.

Table 11

ANOVAS – *Difference in Psychological Contract Levels, Job Insecurity Levels, Intention to quit Levels and Tenure*

Item	Less than 1 year	1 - 10 years	11 – and longer	P	η^2
Employer obligations	2,95	2,36	0,73	0,02*	0,04
Employee obligations	3,29	3,92	3,75	0,03*	0,03
States of Psychological Contract	3,13	2,85	1,57	0,06	0,03
Job insecurity	3,23	3,29	2,25	0,27	0,01
Intention to quit	2,63	2,48	1,25	0,19	0,02

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

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

Table 11 shows that statistically significant differences were found between employer obligations, employee obligations and tenure. **Hypothesis 8**, which states that employees with longer tenure experience higher state of psychological contract (trust and fairness) in their employer, is rejected. Findings by De Cuyper and De Witte (2005) show that the state of the psychological contract is to build trust or perceptions of fairness, where employees with longer tenure have built these perceptions of trust and fairness in contrast to their findings. This may indicate that employees with longer tenure feel that promises are half kept by the employer. Employees that have not been with the organisation for long may assume that the employer will in the future commit to their promises, not feeling any reason not to trust their employer or feel that they have been treated unfairly. Employees with less than one year of service score higher than employees with service of eleven years and more. **Hypothesis 10**, which states that employees with longer tenure experience less job insecurity, is rejected. Studies by Bosman, Buitendach and Rothmann (2005) found that an increase in tenure decreased job insecurity.

DISCUSSION

The aim of this article was to investigate the relationship between the psychological contract, job insecurity, intention to quit and individual characteristics of security employees in the Vaal Triangle.

The theoretical and practical implications of this study are as follows.

Large amounts of organisational change are shown to have a negative impact on attitudes. If employees felt they had some control over the changes, they are generally positive about them and feel that the changes are beneficial to them and the organisation. Restructuring and reorganisation have a negative effect harming employee relations and increasing employees' propensity to leave.

According to the American Management Association (AMA, 1994) the employers trend to downsize is a way to see whether employment security has changed in response to short-term economic conditions. In two surveys, one by Louis Harris and Associates (1991) and the other by Wyatt (1994) roughly 50 percent of employers laid off substantial numbers of employees in the past five years and 72 percent had layoffs in the past three years. Downsizing includes a reduction in employment without reduction in output. Organisations lay off workers in cyclical downturns or other situations where their business declined.

It is important for understanding organisational behaviour and changes in the employment relationship and that a clearer picture of the content of the psychological contract itself is necessary. This study looked into the relative importance that employees play on organisational obligations and the differences that exist between employees' perceptions of their employers (Bellou, 2007). This information can help in minimising unfilled contract that stems from incongruence and consequent negative attitudes and behaviour (Morrison & Robinson, 1997).

Over time the psychological contracts are related to each other and to subsequent employee actions and reactions. Procedural unfairness has been associated with increase negative emotions such as anxiety and frustration (Krehbiel & Cropanzano, 2000). Findings support the compatibility principle by Ajzen and Fishbein's (1977) showed that when beliefs and attitudes are assessed at similar levels of thought, they demonstrate the strongest relationship with one another.

Three factors describing the theoretical dimensions, namely employer obligations, employee obligations and state of the psychological contract, which measure the psychological contract, were extracted. This study supports national and international studies so that three factors can be extracted using the PSYCONES questionnaires to measure the psychological contract. One factor was extracted for job insecurity, which describes the theoretical dimensions of job

insecurity. Therefore, these findings support other national and international findings. One factor was extracted for intention to quit and supports other national and international findings. The measurement instrument used in this study proved to be valid and reliable.

The psychological contract aims to understand what employees are prepared to contribute and what they expect to receive in return from their employers. Employees have unspoken expectations about the nature of the employment arrangement (Newton & Nowak, 2010). With the decline in joint bargaining, attention is more clearly focused on relations between the employer and the employee. The price of failing to fulfill or manage expectations may cause serious damage to the relationship and to the organisation.

The unemployment rate may be decreasing, but there is little sign that employees are any more optimistic over either their job security or the ability to find a new job if they are made redundant (Quarterly Summer Survey Report, 2010). The proportion of employees looking to change jobs to reduce stress has increased over the last year from 28% to 34%.

Changes currently affecting security organisations are that more employees are employed temporarily, on flexible work contracts and traditional organisational structures become more fluid. Thus the employee is recognised as the key business driver. Employers have to know what employees expect from their employer. The psychological contract can influence employee performance since it offers criteria for monitoring employee attitudes and priorities. This new deal is said to rest on an offer of fair pay and treatment by the employer, as the employer can no longer afford job security. Perceptions of the work environment from employees affect their attitudes and behaviours.

This research focuses on the individual's characteristics (type of contract, gender, age, tenure and qualification) and how the employee's perceptions regarding his or her employer's obligations and fulfillment of those obligations affect the employee's organisational behaviour in terms of job insecurity and intention to quit.

From the empirical study, it can be established that security employees experience no significant difference between type of contract, employer obligations and state of psychological contract. This may indicate that permanent and temporary employees do not hold different expectations and perceptions with regards to employer obligations (Table 7).

From a more practical viewpoint, the Labour Relations Act 66 of 1995 and the Basic Conditions Act 75 of 1997 give the same rights to both temporary and permanent employees. Therefore, the perceptions of permanent security employees with respect to obligation fulfillment of the employer are similar to temporary employees. This article results agree with that of Coyle-Sapiro and Conway (2005), and Van Dyne and Saavedra (1999) who also found that temporary employees are more responsive to their employer's contributions than is the case with permanent employees. Security employees show lower levels of perceived fairness and trust in their employment relationship (Table 5). As mentioned by Gouldner (1960), if an employee believes that he/she has been treated well by the organisation, the employee will feel obligated to treat the organisation well and try to avoid causing harm. Also, if employees feel that they are treated fairly, they may be more productive. Employees who have experienced greater amounts of unfulfilled obligations are more likely to distrust the organisation and have lower expectations regarding the organisation's role in the employment relationship (Cavanaugh & Noe, 1999). As mentioned by Slabbert and Swanepoel (2000), if employees feel that the psychological contract is misjudged for any reason, such an employee may believe that his or her feelings of security has been damaged and the relationship of trust in the employer has been damaged.

The type of contract is something implicit and based on reciprocity (Anderson *et al.*, 1998). A psychological contract exists only if both parties believe that an agreement exists, as well as the obligations in question and considerations towards both parties have been made (Rousseau, 1995). With this being said, parties can more or less match their expectations and obligations (Kotter, 1973). Significant differences were found between employee obligations and the type of contract (Table 8). It is evident that security employees made promises to their security organisation, and perceive these promises as half kept (see Table 5).

With regards to state of the psychological contract, permanent and temporary employees also experience no significant difference. This may indicate that permanent and temporary employees feel that a promise is half kept by the employer. Furthermore, small differences were found between temporary and permanent employees' levels of job security, indicating that both temporary and permanent employees report neither agreement nor disagreement with their employer on levels of job security in their employment relationship. The Labour Relations Act give the same procedure for both temporary and permanent employees in the case of retrenchment, and therefore their level of job insecurity is the same in their

employment relationship. These findings are supported by Guest (2004), stating that no differences between temporary and permanent employees perceived job insecurity exist. Employees know that organisations can no longer provide permanent employment and therefore seem to care less for job security (Herriot, Manning & Kidd, 1997). When the psychological contract is characterised by employees' obligations to the employer being perceived as being short-term (temporary contract) and narrowly focused on the economic exchange, the relationship with the intention to quit was strong (Maharaj, Ortlepp, & Stacey, 2008).

Much of the consideration given to changes and the new psychological contract includes the shift of employment from permanent to temporary. The changing employer interests are the dominant factor in the rise of more temporary employees (Goldin & Applebaum, 1992). Farber (1993) stated that employees who have been permanently displaced are more likely to end up in temporary positions, if they are employed.

When considering gender, no statistically significant different levels of employer- and employee obligations and gender were found. This may indicate that the gender of employees does not hold different expectations with regards to employer- and employee obligations. Again, Constitution 108 of 1996 and the Employment Equity Act 55 of 1998 gave both males and females the same rights. The expectation that female employees experiencing significant higher levels of employer- and employee obligations than male employees was rejected, as well as that female employees experience higher states of psychological contract than male employees. These results correlated with Blancero, DelCampo and Marron (2007) that the perception of fairness had no significant difference for gender. Thus, male employees in security organisations in this study experienced higher states of psychological contract. Employees who have experienced greater amounts of unfulfilled obligations are more likely to distrust the organisation and have lower expectations regarding the organisation's role in the employment relationship (Cavanaugh & Noe, 1999). This may indicate that female employees in the security organisations in this study feel that promises are half kept by the employer. Another explanation may be that the security organisations do not employ many female employees which in turn may influence results in a way that if differences do exist, it may have been overlooked since the female sample size was rather small. However, female employees scored higher than male employees for job insecurity and intention to quit. According to Smithson and Lewis (1999), this may be because of a perceived lack of

employment rights, as well as a lack of control over terms and conditions. Again, the type of industry could have an impact in this more male dominant working environment because of security organisation female employees are more insecure and thus more intent to leave the organisation. Because they feel powerless (King, 2008), it creates expectations of job insecurity that have important implications for intention to quit the employer (Cavanaugh & Noe, 1999).

Medoff (1993) found that male employees between the ages of 35-54 years who were permanently displaced from their jobs almost doubled between 1970 and the early 1990's. Wellington (1993) found that women are now less likely to quit when getting married or having children than previously. Women's job tenure has increased for reasons that had nothing to do with employer behaviour.

Age groups were found to be statistically significant for employer obligations. This study partially agrees with Cable (2008) that age of employees had a significant relationship with employer- and employee obligations. This means that employees falling under the concerned age group see employer obligations as promises kept a little ($\alpha = 2,90$). In terms of employer obligations, employees 19 years and younger scored higher than employees aged between 40 and 49 years. It is important for organisations to retain and motivate their older workers, even beyond retirement age. Older employees are motivated by economic and socio-emotional inducements although they may feel obligated to contribute more to the organization than their younger counterparts. It is important for employers to take older employees needs and interests into account and be more flexible. Employers in age-diverse organisations are encouraged to be more flexible toward different needs of age groups and use more idiosyncratic deals. According to Isaksson (2006), older employees are less likely to have an agreement with both employer- and employee obligations. Older employees who are employed for longer periods of time expect more from the employer because of their loyalty through longer years of service than their younger counterparts.

No statistical differences were found between employee obligations, state of the psychological contract, job insecurity, intention to quit and age groups. The new psychological contract in the employment relationship shifted from paternalistic and secure employment relationships. Since security employees mostly do not stay with an organisation on the long run, it may also be an indication that age does not influence whether they feel that

they have been treated fairly or whether they could trust their employer. Nor do they have worries about feelings of job insecurity since they (security employees) never planned to be employed at that organisation for a long term and always have an intention to quit (Van Vuuren, 1990). The expectations of job loss decrease with age and qualification (Manski, 2001) and older employees experience decreased levels of job insecurity (De Witte, 1999). According to Virtanen, Vahtera, Kivimäki, Pentti and Ferrie (2001) those who perceived their job security as high were older. According to Guest (2004), a factor that is strongly associated with higher job security was younger employees. Ito and Brotheridge (2006) found contrary results indicating that older employees experienced more job insecurity, perhaps because they felt that they may be offered early retirement or be eased out in favor of younger employees. Age contributed to the intention to quit (Ito & Brotheridge, 2006).

The internal labor markets protect older men, and have seen their job stability decline (Marcotte, 1995). Rose (1995) study was in support of Marcotte (1995). The percentage of these men with weak employer attachment doubled since the 1970's to the 1980's to 24 percent. A national probability survey of individuals over the age of 50, reports that 15 percent of all those in that age groups were laid off from their job where they had at least ten years of seniority, and 47 percent of those who left employment took advantage of an early out financial incentive leave (Gustman, Mitchell, & Steinmeier, 1995).

The construct of tenure of an employee has an influence on employer- and employee obligations. The amount of service within an organisation will influence the expectations and contributions of both parties. If these expectations and contributions are not fulfilled the state of the psychological contract will be negatively influenced. This implies that the employee's perception of trust and fairness toward the employer or organisation will not be very high, which in turn may influence performance and commitment toward the security organisation. One would assume that employees with longer tenure experience higher states of the psychological contract in their employ, but if the perceptions of trust and fairness toward employees were neglected in the past, there would not be reason even after longer years of service to feel like one could trust the employer or even feel that one would be treated fairly. This in turn may have an influence on employees' perceptions of job insecurity and eventually intention to quit. Job insecurity is consistently associated with a lower level of trust in the employer (Ashford, Lee, & Bobko, 1989). According to Sutton and Griffin (2004) employees with shorter tenure show a tendency for perceiving that the organisation has failed

to fulfill its obligations towards them (Sutton & Griffin, 2004). The statement in Hypothesis 10 that employees with longer tenure experience less job insecurity is rejected. This may walk hand in hand with the findings of Ito and Brotheridge (2006), indicating that older employees expressed higher job insecurity, this may be because they feel that they may be offered early retirement or be eased out in favor of younger employees. Employees with less than one year of service score higher job insecurity than employees with service of eleven years and longer. An increase in tenure is linked to increased levels of job security (Yousef, 1998). The feeling of job insecurity was negatively related to organisational commitment (Ashford, Lee, & Bobko, 1989; Tett & Meyer, 1993). As tenure increases and job insecurity lessens, it can create problems in employees's morale and effort and also create less of an opportunity to develop a long-term employment relationship (Greenspan, 2005). Employee turnover is determined by an individual's intention to quit. The result of this is that the employer is faced with a lack of employment continuity.

The length of one's tenure is a measure of the employment relationship (Schuler & Jackson, 2000). Swinerton and Wial (1995) found a substantial overall reduction in job tenure. In Diebold, Neumark and Polsky (1995) and Farber (1995) a constant in years of tenure over the same period was found. Gottschalk and Moffitt (1994), Marcotte (1995) and Rose (1995) found an increase in men's intention to quit in the 1980's compared with the 1970's. Schuler and Jackson (2000) found an increase in intention to quit. The changing nature of employer relations with employees was indicative of men's changes in their tenure. The average tenure for men according to Schuler and Jackson (2000) studies, show an overall decline in years of service.

The notion that different levels of qualifications influence an employee's perception of employer- and employee's obligation is partially accepted. According to Keyser (2010a), as qualifications increase, job insecurity decreases. For security organizations, qualification levels are not that high, as qualification levels is seen as sufficient if the employee is able to read and write and undergo future training. Heightened intention to quit could be influenced by ones level of qualification which indicates ones ability to secure employment elsewhere. Non-stressful work nowadays seems to be in the employees interest (such as security guards in security organisations) and for involvement in decisions affecting them, which is natural for increasingly skilled employees (Bellou, 2007). Employees' recognition that organisations' has an inability to provide long-term employment in a constantly changing

setting, may be reflected in the employee's preference in transactional obligations (Bellou, 2007). Young, unskilled employees may perceive their employment contract to be as flexible with reduced choice and rights, not trusting their employers (Smithson & Lewis, 1999).

The least qualified men were found to have a decline in tenure (Schuler & Jackson, 2000). Tenure has decreased by a full year for those with less than a high school education compared with 20 years ago (Barber 1995). These results seem consistent with earlier arguments that entry-level jobs are less likely to attach to stable internal labour markets and that employees who lack qualification are experiencing increased job instability.

Limitations and future research

Future research should reduce some of the previous limitations and contribute to further developing a theoretical framework that accounts for South Africa studies. Research should be conducted in consideration with the consequences that stem from the characteristics that would be useful to take into account (Silla, Gracia, & Peoro, 2005). It is easier to describe the changes in employment noted above as a movement away from an old psychological contract. In this model, job security is explicitly redistributed away from permanent employees towards more temporary employees. The argument traces its contemporary academic roots to Thompson's (1977) notions of the need to buffer or protect the resources and capabilities in an organisation that are central to its competitiveness. This study provides a better understanding of psychological contract and its relationship with job insecurity, intention to quit and individual characteristics. However, limitations were identified.

The cross-sectional design makes it difficult to prove causal relationships between the constructs thus a recommendation is made to use a longitudinal research approach to examine how work perceptions relate to each other, including work attitudes and behaviours. This may also aid in the establishment of causal relationships with known long-term consequences of employees' employment. A longitudinal study approach will help future researchers who are interested in identifying multiple points at which to target organisational interventions. Thus, organisations that intend to improve their employee's evaluation of the psychological contract may need to consider aspects of job insecurity and intention to quit independently relevant to employees' evaluations of their psychological contracts and ensuing attitudes and behaviours. It would be worthwhile to replicate these findings with a sample comprised of

employees with greater variance in type of contract, gender, age, tenure and qualification, as well as in size. However, one advantage of this sample is that subordinates were from a variety of security organisations which is encouraging with respect to the ability of the findings. Additionally, future studies should longitudinally assess the effects of job insecurity and intention to quit of the psychological contract in South Africa.

In this way, the effective analysis and prevention of mistrust and the promotion of positive psychological contract for employees will be better guaranteed (Silla, Gracia, & Peoro, 2005). Another limitation pertains to the use of self-report data. Any time self-reported data are used, differences may bias the observed relationship among variables. Doing so would improve the understanding of how relationships between the psychological contract, job insecurity, intention to quit and individual characteristics unfold over time and may provide additional clarification.

However, the current research does raise important questions concerning the measurement and modeling of the focal constructs and has implications for how future researchers examine constructs such as the psychological contract, job insecurity, intention to quit and individual characteristics that have developed independently, yet share a common underlying theme in South Africa.

REFERENCES

- Adkins, C.L., & Werbel, J.D. (2001). A field study of job insecurity during a financial crisis. *Group & Organisation Management*, 26(4), 463-483.
- Ajzen, I., & Fishbein, M. (1977). Attitude-behavior relations: A theoretical analysis and review of empirical research. *Psychological Bulletin*, 84, 888-918.
- Albright, S.C., Winston, W.L., & Zappe, C.J. (2009). *Data Analysis and decision Making: With Microsoft*. Natorp, Masson. USA.
- American Management Association (AMA). (1990). *Annual Survey on Downsizing and Worker Assistance*. New York: American Management Association.
- Anderson, N., & Schalk, R. (1998). The psychological contract in retrospect and prospect. *Journal of Organizational Behavior*, (19), 637-647.
- Arthur, M.B., & Kram, K. (1989). Reciprocity at Work: The Separate yet Inseparable Possibilities for Individual and Organisational development. In M.B. Arthur, D.T. Hall, & B.S. Lawrence (edt.). *Handbook of Career Theory*, Cambridge University Press, New York.
- Ashford, S.J., Lee, C., & Bobko, P. (1989). Content causes and consequences of job insecurity: A theory based measure and substantive test. *Academy of Management Journal*, 32(4), 803-829.
- Babbie, E., & Mouton, J. (2001). *The practice of social research*. New York. Oxford.
- Bal, P.M., De Lange, A.H., Jansen, P.G.W., & Van der Velde, M.E.G. (2007). *A meta-analysis of aging, tenure, the psychological contract and work-related outcomes*. Netherlands. University Amsterdam.
- Barber, J.P. (1995). The role of avoidance and obsessiveness in matching patients to cognitive and interpersonal psychotherapy: Empirical findings from the treatment for depression. *Journal of Consulting and Clinical Psychology*, 64(5), 951-958.
- Battu, H., Mchaster, R., & White, M. (2002). Tenure and employment contracts: An empirical investigation. *Journal of Economic Studies*, 29(2), 131-149.
- Beard, J.D., Letti, N.E., Stbrs, J., & Cookson, J.B. (2002). More on the consultant contract. 325(7363), 325-545.
- Beard, K., & Edwards, J. (1995). "Employees at risk: Contingent work and the psychological experience of contingent workers". In C. Cooper, & D. Rousseau, (edt.). *Trends in Organisational behavior*, Chichester. John Wiley. (2)

- Bellou, V. (2007). Identifying employees perceptions on organizational obligations: A comparison between the Greek public and private sector. *International Journal of Public Sector*, 20(7), 608-621.
- Blancero, D.M., DelCampo, R.G., & Marron, G.F. (2007). Perception of fairness in psychological contracts by Hispanic business professionals: An empirical study in the United States. *International Journal of Management*, 24(2), 364-375.
- Booth, S. (1999). *Government vulnerability and economic misconduct: The international challenge*. Netherlands.
- Borg, I., & Elizur, D. (1992). Job insecurity: Correlates, moderators and measurement. *International Journal of Manpower*, 13, 413-425. In J. Bosman, (2005). Job insecurity and wellness of employees in a government organisation. *Degree in Philosophiae Doctor in Industrial Psychology*. Vanderbijlpark, South Africa.
- Boshoff, A.B., Van Wyk, R., Hoole, C., & Owen, J. H. (2002). The prediction of intention to quit by means of biographic variable, work commitment, role strain and psychological climate. *Management Dynamics*, 11(40),14-28.
- Boshoff, H. (1989). Testing plans against alternative futures. *Long range planning*. 22(5), 67-75.
- Bosman, J., Buitendach, J.H., & Rothman, S. (2005). *Work locus of control and dispositional optimism as antecedents to job insecurity*. North-West University. Vaal Triangle Campus.
- Botha, L.G. (2006). The psychological contract and job insecurity of temporary employees contracted to a health insurance company. *Thesis MA. Industrial Psychology* North-West University of Potchefstroom.
- Bruning, S.N. (2008). Relating employees psychological contract to their personality. *Journal of Managerial Psychology*, 26(6), 688-712.
- Buzznell, P.M. (2004). Blue-collar work, career and success: Occupational narrative of sisu. *Journal of applied communication research*,
- Cable, D.A.J. (2008). The Psychological contract: The development and validation of a managerial measure. *Doctoral thesis*. University of Waikato
- Campbell, D., Carruth, A., Dickerson, A., & Green, F. (2007). Job insecurity and wages. *The Economic Journal*, 544-566.
- Caplan, R.D., Cobb, S., French, J.R.P., & Harrison, R. (1975). Job demands and worker health: Main effects and occupational differences. *Department of Health Education and welfare*.

- Cappelli, P. (1999). *The new Deal at Work Managing the Market-Driven Workforce*. Boston, MA: Harvard Business School Press.
- Cavanaugh, M.A., & Noe, R.A. (1999). Antecedents and consequences of relational components of the new psychological contract. *Journal of Organizational Behavior*, 20, 323-340.
- Clark, L.A., & Watson, D. (1995). Constructing validity base issue in objective scale development. *Psychological Assessment*, LA.
- Clark, L.A., & Watson, D. (1995). Constructing validity base issue in objective scale development. *Psychological Assessment*, LA.
- Cohen, J. (1988). *Statistical power analysis for behavioural sciences* (2nd ed.). Hillsdale, NJ: Lawrence Erlbaum & Associates.
- Conway, N. & Briner, R.B. (2002). *Full-time versus part-time employees: Understanding the links between work status, the psychological contract, and attitudes*. London. University of London.
- Coyle-Shapiro, J.A.M., & Conway, M. (2005). Exchange relationships: examining psychological contracts and perceived organizational support. *Journal of applied Psychology*, 90, 774 -781.
- Csoka, L.S. (1995). A new employer-employee contract? *Employment Relations Today*, Summer, 21-31.
- Cullinana, N., & Dundon, T. (2006). The psychological contract: A critical review. *International Journal of Management Reviews*, 8, 113-129.
- Davy, J.A., Kinicki, A.J., & Scheck, C.L. (1997). A test of job security's direct and mediated effects on withdrawal cognitions. *Journal of Organizational Behavior*, 18, 323-349.
- De Cuyper, N., & De Witte, H. (2005). Job insecurity: Mediator of moderator of the relationship between type of contract and various outcomes? *SA Journal of Industrial Psychology*, 31(4), 79-86.
- De Witte, H. (1999). Job Insecurity and Psychological Well-being: Review of the Literature and Exploration of Some Unresolved Issues. *European Journal of Work & Organizational Psychology*, 8(2), 155-177.
- De Witte, H. (2000). Arbeidsethos en jobonzekerheid: Meting en gevolgen voor welzijn, teverdenheid en inzet op het werk. In R. Bouwen, K. De Witte, H. De Witte, & T. Tailieu, (Red.), *Van group tot gemeenschap*. Liber Amicorum Prof. Dr. Lagrou, L.,Garant.

- De Witte, H. (2005). *Job insecurity union involvement and union activists*. British Library Cataloging in publication data.
- De Witte, H., & Naswall, K. (2003). Objective vs. subjective job insecurity: Consequences of temporary work for job satisfaction and organizational commitment in four European Countries. *Economic and Industrial Democracy*, 24(2), 149-188.
- Diebold, F.X., Neumark, D., & Polsky, D. (1995). Changes in job stability in the United States. *Working Paper*, National Center on the Educational Quality of the Workforce (EQW), Philadelphia.
- Du Plooy, C. (2008). *Employees' work outcomes associated with the psychological contract within a service company*. North-West University. Vanderbijlpark.
- Ekkerd, J. (2005). The validation of the perceived wellness survey in the South African Police Service *Mini-dissertation for Magister in Industrial Psychology*. North-West University. Potchefstroom.
- Elbert, J. (2002). Job insecurity and psychological strengths of service workers in a parasitical. *Unpublished Master's dissertation*, Potchefstroom University for Christian Higher Education, Vaal Triangle Campus, Vanderbijlpark.
- Farbber, H.S. (1993). The incidence and costs of job loss, 1982-91. *Brookings Papers on Economic Activity: Microeconomics*, 73-199.
- Farber, H.S. (1995). Are lifetime jobs disappearing? Job duration in the United states, 1973-1993. *Working paper* no 341, Industrial Relations Section, Princeton University.
- Ferrie, J.E. (2001). Is job insecurity harmful to health? *Journal of the Royal society of Medicine*. Department of Epidemiology & Public health. University College. London.
- Field, A. (2005). *Discovering statistics using SPSS*. (2nd ed.). British Library Cataloging in publication data. London.
- Fox, A. (1974). *Beyond contract; Work, power and trust relations*. London: Faber and Faber.
- Freese, C., & Schalk, R. (1996). How to measure the psychological contract? A critical criteria-based review of measures. *South African Journal of Psychology*. 38(2), 269 - 286.
- Gallos, J.V. (1989). Exploring Women's development: Implications for Career Theory, Practice, and Research. In M.B. Arthur, D.T. Hall, & B.S. Lawrence (edt.). *Handbook of career Theory* Cambridge University Press, New York.
- George, D., & Mallery, P. (2003). *SPSS for windows: Step by step: A simple guide and reference*, 11,0 update. USA: Pearson Education.

- Goldin, L., & Applebaum, E. (1992). What was driving the 1982-1988 boom in temporary employment? Preferences of workers or decisions and power of employers. *Journal of Economy and Society*, 51.
- Gottschalk, P., & Moffitt, R. (1994). The growth of earnings instability in the US labor market. *Brookings Papers on Economic Activity*, 2, 217-271.
- Gouldner, A.W. (1960). The norm of reciprocity: A preliminary statement. *American Sociological Review*, 25, 161-178.
- Greenspan, P.S. (2005). Free will and the genome project. In J.L. Nelson & H.L. Nelson (1999). *Meaning and medicine for readers in the Philosophy of health care*. New York. Routledg.
- Guest, D. (2004). Flexible employment contracts, the psychological contract and employee outcomes: an analysis and review of the evidence. *International Journal of Management Reviews*. 5/6(1), 1-19.
- Guest, D.E. (1998). Is the psychological contract worth taking seriously? *Journal of Organizational Behaviour*, 19, 649-664.
- Guest, D.E. (2004). The psychology of the employment relationship: An analysis based on the psychological contract. *Applied Psychology*, 53, 541-555.
- Guest, D.E., & Conway, N. (2002). *Public and private sector perspectives on the psychological contract*. London, UK:CIPD.
- Gulseni, A.C. (2005). Effects of health problems caused by the working environment: Conditions on the Job dissatisfaction of IT professionals. Retrieved Oct 23 2007 from <http://www.caglargulseni.com>.
- Gustman, A., Mitchell, O., & Steinmeier, T. (1995). Retirement measures in the Health and Retirement Study. *Journal of Human Resources*, 557-583.
- Guzzo, R.A., Noonan, K.A. & Elron, E. (1994). Expatriate managers and the psychological contract. *Journal of Applied Psychology*, 79, 617-626.
- Hansson, R.O., DeKoekkoek, P.D., Neece, W.M., & Patterson, D.W. (1997). Successful aging at work: Annual review, 1992-1996: The older worker and transitions to retirement. *Journal of Vocational Behavior*, 51, 202-233.
- Herriot, P., Manning, W.E., & Kidd, J.M. (1997). The content of the psychological contract. *British Journal of Management*, 8(2), 151-162.
- Heymans, D.R. (2002). Job insecurity, job satisfaction and organizational commitment. *Unpublished master's dissertation*, Vaal Triangle Campus of the PotchefstroomUniversity, Vanderbijlpark.

- Hilltrop, J.M. (1995). Managing the Psychological contract. *Employee Relations*, 18(1), 36-49.
- Irvine, L., & Llewellyn, S. (1995). Real life constructs: The exploration of organizational processes in case studies. *Management Accounting Research*, 6(3), 223-235.
- Isaksson, K. (2002). Psychological contract across employment situations. *National institution for working life*, Sweden.
- Isaksson, K. (2005). Psychological contract across employment situations: *Psycons*. Available from www.uv.es/~psycon(accessed 26/6/09).
- Isaksson, K., Bernhard, C., Claes, R., De Witte, H., Guest, D., & Krausz, M. (2003). Employment contract and psychological contracts in Europe. Results from a Pilotstudy. *SALISA Report*, 1.
- Isaksson, K., Johansson, G., Lindroth, S., & Magnas, S. (2006). Woman's career pattern in Sweden, *Community & Work*, 9(4), 479-500.
- Iyo, J.K., & Brotheridge, C.M. (2004). Exploring the predictors and consequences of job insecurity's components. *Administrative Sciences Association of Canada, Quebec*, 22(1), 40-64.
- Joelson, L., & Wahlquist, L. (1987). The psychological meaning of job insecurity and job loss: The results of a longitudinal study. *Social Science and Medicine*, (25) 179-182.
- Jordan, P.J., Ashkanasy, N.M., & Hartel, C.E.J. (2002). Emotional intelligence as a moderator of emotional and behavioural reactions to job insecurity. *Academy of Management review*, 27(3), 361-372.
- Kerlinger, F.N., & Lee, H.B. (2000). *Foundations of behavioural research* (4th ed.). Progressive Information Technologies. Crawfordsville.
- Keyser, E. (2010a). *The changing employment relationship in the chemical industry: The role of employment and Psychological contract*. North West University of the Vaal Triangle. Vanderbijlpark.
- Keyser, E. (2010b). The psychological contract of employees in the chemical industry in South Africa. *Fouth International Business Conference*. 13-14 October 2010. Victoria Falls Zambia.
- Kidd, J.M. (1994). New parents at work: Jobs, families and the psychological contract. *British Journal of Guidance & Counselling*, Routhledge.
- King, L.M. (2008). Job insecurity at the intersection of Labor Market and welfare state structures. *Proposed dissertation research*. Department of sociology. University of North Carolina. Chapel Hill.

- Kotter, J.P. (1973). The psychological contract: Managing the joining-up process. *California Management Review*, 15(3), 91-99.
- Krehbiel, P.J., & Cropanzano, R. (2000). Procedural justice, outcome favourability and emotion. *Social Justice Research*, 13, 339-360.
- Kuhnert, K.W. & Vance, R.J. (1992). Job insecurity and moderators of the relation between job insecurity and employee adjustment. In J.C. Quick, L.R. Murphy, & J.J. Hurrell, Jr. (Eds), *Stress and Well-being at Work*, Washington: APA.
- Lee, G.J., & Faller, N. (2005). Transactional and relational aspects of the psychological contracts of temporary workers. *South African Journal of Psychology*, 35(4), 831-847.
- Lee, G.J., & Mohamed, Y. (2006). Perceptions of workplace issues among blue-collar workers in South Africa's Gauteng Province. *South African Journal of Psychology*, 36(1), 45-62.
- Leontaridi, R.M. & Ward, M.E. (2002). *Work-related stress, quitting intentions and absenteeism*. Germany. University of Stirling.
- Levinson, H., Price, C.R., Munden, K.J., Mandl, H.J., & Solley, C.M. (1962). *Men Management and Mental Health*. Cambridge: Harvard University Press.
- Loseby, P.H. (1992). *Employment security*. Westport, CT: Quorum Books.
- Louis Harris and Associates (1991). *Laborforce 2000 Survey*. New York: Louis Harris.
- Maharaj, K., Ortlepp, K., & Stacey, A. (2008). Psychological contracts and employment equity practices: A comparative study. *Management Dynamics*, 17(1).
- Manski, C.F. (2001). *Informing America's policy on illegal drugs: What we don't know keeps hurting us*. National Academy of science. Washington. USA.
- Marcotte, D. (1995). Evidence of decline in the stability of employment in the US. *Working Paper*, Northern Illinois University, Center for Governmental Studies.
- Maslach, C., Schaufeli, W.B., & Leiter, M.P. (2001). Job burnout. *Annual Review of Psychology*, (52), 397-422.
- McDonald, D.J., & Makin, P.J. (2000). The psychological contract, organizational commitment and job satisfaction of temporary staff. *Leadership & Organization Development Journal*, 21(2), 84-91.
- McLean P.J., Kidder, D.L., & Gallagher, D.G. (1998). Fitting square pegs into round holes: mapping the domain of contingent work arrangements onto the psychological contract. *Journal of Organizational Behavior*, 19, 697-730.
- Medoff, J. (1993). Middle-aged and out of work: growing unemployment due to job loss among middle-aged American. *Working Paper*, National Study Center, Washington, DC.

- Meitzen, M.E. (1986). Differences in male and female job-quitting behaviour. *Journal of Labour Economics*. University of Wisconsin. Milwaukee. 4(2).
- Meyer, J.P., & Allen, N.J. (1984). Testing the Side-bet Theory of Organisational Commitment: Some Methodological Considerations. *Journal of Applied Psychology*, 69, 362-378.
- More, N., & Whitehead, J. (2007). Revachism in Mumbai. Political economy of rent gaps and urban restructuring in global city. *Economic and Political weekly*.
- Morrison, D.E. (1994). Psychological contract and change. *Human Resource Management*, 339(3), 353-372.
- Morrison, E.W., & Ribinson, S.L. (1997). When employees feel betrayed: a model of how psychological contract violation develops. *Academy of Management Review*, 22, 226-256.
- Motta, A. (2006). Age, tenure, and attribution: Key concepts of the psychological contract. *Partial fulfilment of Degree in Master of Science*. Department of Psychology. San Jose State University.
- Newton, S.K., & Nowak, L.I. (2010). The relationship between fulfillment of the IT professional psychological contract and their organizational citizenship and innovative work behaviour. *Global Social and Organisational implications of emerging information Resource management: concepts and application*, 368-389.
- Nickel, S., Jones, T., & Quintini, G. (2000). A picture of job insecurity facing British men. *Centre for Economic Performance working paper*. Londres.
- Price, J. (1997). *The study of turnover*. Ames, IA: Iowa State University Press.
- Probst, T.M. (2005). Countering the effects of job insecurity through participative decision making: Lessons from demand-control model. *Journal of Occupational Health Psychology*, 10(4), 320-329.
- Pugh, S.D., Scarlicki, D.P., & Passell, B.S. (2003). After the fall: Layoff victims trust and cynicism in re-employment. *Journal of Occupational and Organizational Psychology*, 76, 201-213.
- Rivera, E. (2003). Organizational uncertainty, psychological contract and outcomes. *Doctor of Management program*. May 14.
- Robinson, S.L. (1996). Trust and breach of the psychological contract. *Administrative science quarterly*, 41, 574-599.
- Robinson, S.L., & Morrison, E.W. (2000). The development of psychological contract breach and violation: A longitudinal study. *Journal of Organizational Behavior*, 21, 525-546.

- Robinson, S.L., & Rousseau, D.M. (1994). Violating the psychological contract: not the exception but the norm. *Journal of Organizational Behavior*, 15, 245-259.
- Roehling, M.V. (1997). The origins and early development of the psychological contract. *Journal of Management*, 3(2), 204-217.
- Rose, S. (1995). *The Decline of Employment Stability in the 1980's*. Washington, DC: National Commission on Employment Policy.
- Rosenblatt, Z., & Ruvio, A. (1996). A test of multi-dimensional model of job insecurity. The case of Israeli teachers. *Journal of Organisational Behaviour*, 17(1), 589-605.
- Roskies, E., Louis-Guerin, C., & Fournier, C. (1993). Coping with job insecurity: How does personality make a difference? *Journal of Organizational Behavior*, 14, 617-630. In H. De Witte, (1999). Job Insecurity and Psychological Well-being: Review of the literature and exploration of some unresolved issues. *European Journal of work and organizational psychology*, 8(2), 155-177.
- Rothmann, S., Cilliers, F., & Struwig, W.H. (2004). Transference and counter transference in systems psychodynamic group process consultation: The consultants experience.
- Rousseau, D.M. (1989). Psychological and implied contracts in organization. *Employee Rights and Responsibilities Journal*, 2, 121-129.
- Rousseau, D.M. (1990). New hire perceptions of their own and their employers obligation: A Study of psychological contracts. *Journal of Organizational Behavior*, 11, 389-400.
- Rousseau, D.M. (1995). *Psychological contracts in organizations. Understanding written and unwritten agreements*. Thousand Oaks, CQ: Sage.
- Rousseau, D.M. (2000). Psychological contract inventory. *Technical report*. Heinz School of Public Policy and Graduate School of Industrial Administration. Pittsburgh, Pennsylvania. Version 3: August 2000.
- Royalty, C.T. (2004). *Precocious teacher encounters professional social worker: Conversations toward understanding physical abuse through Chris*. British library cataloguing in Publication data. United States of America.
- Schein, E.H. (1978). *Career dynamics: Matching individual and organizational needs*. Reading: Addison-Wesley.
- Schein, E.H. (1980). *Organisational psychology*. (3rd ed.). Prentice-Hall, Englewood Cliffs, NJ.
- Schmidt, S.R. (1999). Long-run trends in workers beliefs about their own job security: Evidence from the general social survey. *Journal of Labour Economics*, 17(4), 127-141.

- Schuler, R.S., & Jackson, S.E. (2000). *Strategic Human resource Management*. Blackwell Publishers. Malden, Massachusetts, USA.
- Shaughnessy, J.J., & Zechmeister, E.B. (1997). *Research methods in Psychology* (4th ed.). McGraw Hill.
- Shore, L.M., & Barkdale, K. (1998). Examining degree of balance and level of obligation in the employment relationship: A social exchange approach. *Journal of Organizational Behavior*, 19, 731-744.
- Silla, I., Gracia, F.J., & Peiro, J.M. (2005). Job insecurity of Health-related outcomes among different types of temporary workers. *Economic and Industrial Democracy*, 26(1), 89-117.
- Slabbert, J.A., & Swanepoel, B.J. (2000). *Introduction to employment relations management*. Butterworths: Durban.
- Smithson, J., & Lewis, S. (1999). Is job insecurity changing the psychological contract? Manchester Metropolitan University, Manchester, UK. *Personnel Review*, 29(6), 680-702
- Sparks, K., Faragher, B., & Cooper, C.L. (2001). Well-being and occupational health in the 21st century workplace. *Journal of Occupational and Organizational Psychology*, Great Britain. 74, 489-509.
- Sterns, H.L., & Miklos, S.M. (1995). The aging worker in a changing environment: Organizational and individual issues. *Journal of Vocational Behaviour*, 47, 248-268.
- Steyn, H. (2002). Projective management application: A of theory of constraints beyondcritical chain scheduling. *International Journal of Project Management*.
- Steyn, L.F. (2009). The role of the psychological contract among blue-collar workers in the underground coal mining industry. *Master of Business Administration*. University of Pretoria. Gordon Institute of Business science.
- Sutton, G., & Griffin, M.A. (2004). Integrating expectations, experiences and psychological contract violations: A longitudinal study of new professionals. *Journal of Occupational and Organizational Psychology*, 77, 493-514.
- Svensson, S., & Wolven, L. (2009). Temporary agency workers and their psychological contracts. *Employee Relations*, 32(2), 184-199.
- Sverke, M., Hellgren, J., & Naswell, K. (2002). No security: A meta-analysis and review of job insecurity and its consequences. *Educational Publishing*.
- Swinnerton, K.A., & Wial, H. (1995). Is job stability declining in the US economy? *Industrial and Labor Relations Review*, 48, 293-304.

- Tabachnick, B.G., Fidell, L.S., & Osterlind, S.J. (2001). Using multivariate statistics. In R.J. Tallman, & N.S. Bruning, (2008). Relating employee's psychological contract to their personality. *Journal of Managerial Psychology*, 23(6), 688-712.
- Taylor, M.S., & Tekleab, A.G. (2004). Taking stock of psychological contract research: assessing progress, addressing troublesome issues, and setting research priorities. In J.A.M. Coyle-Shapiro, L.M. Shore, M.S. Taylor, & L.E. Tetrick (Eds.). *The Employment Relationship. Examining psychological and contextual perspectives*, Oxford University Press. 253-283.
- Tekleab, A.G., Taylor, M.S., & Lepak, D.P. (2002). Firm's use of high investment Human Resources systems to manage employees for competitive advantage: Differential use and implications for performance. *Annual conference for Academy of management*.
- Tett, R.P., & Meyer, J.P. (1993). Job satisfaction, organizational commitment, turnover intention, and turnover: Path analyses based on meta-analytic findings, *Personnel Psychology*, 46, 259-293.
- Thompson, J.D. (1977). *Organizations in Action*. New York: McGraw-Hill.
- Tsui, A.S., Pearce, J.L., Porter, L.W., & Tripoli, A.M. (1997). Alternative approaches to the employee organization relationship: Does investment in employees pay off. *Academy of Management Journal*, 40(5), 1089-1121.
- Turnley, W.H., & Feldman, D.C. (1995). Underemployment among recent business college graduates. *Journal of Organisational Behavior*, 16(1), 691-706.
- Unckless, A.L. (2000). Survivor reactions to organisational downsizing: An application of threat rigidity. Paper presented at the SIOP Conference, New Orleans, Louisiana.
- Van Dyne, L., & Saavedra, R. (1999). Social exchange and emotional investment in workgroups. *Motivation and Emotions*, 23(2), 105-123.
- Van Vuuren, T. (1990). Job insecurity: introduction. *European Journal of work and Organisational Psychology*, 8(2), 145-153.
- Van Wyk, R., Boshoff, A.B., & Owen, J.H. (1999). Construct validity of psychometric instruments development in the United States when applied to professional people in South Africa. *South African Journal of Economics and Managerial Sciences*, (1)1-72.
- Virtanen, P., Vahtera, J., Kivimäki, M., Pentti, J., & Ferrie, J. (2001). Employment security and health. *Community Health*, 56, 569-574.
- Warr, P. (2001). Age and work behaviour: Physical attributes, cognitive abilities, knowledge, personality traits, and motives. *International Review of Industrial and Organizational Psychology*, 16, 1-36.

- Wellington, A.J. (1993). Changes in the male/female wage gap. *Journal of Human Resources*, 28,383-411.
- Wiesner, R., Vermealen, L.P., & Littler, C.R. (1999). Survivor syndrome: Effects on middle managers in South Africa, *South African Journal of Economic and Management Sciences*, 2(3), 390-406.
- Wocke, A., & Sutherland, M. (2008). The impact of employment equity regulations on psychological contract in South Africa. *International Journal of Human Resource Management*, 19(4), 528-542.
- Wyatt, C.W. & Company (1994). *Columbia studies in contemporary American history*. New York: Columbia University.
- Yazek, P. (2009). The relationship between emotional intelligence and the Psychological Contract: An exploratory case study. *Published Dissertation*. Potchefstroom.
- Yousef, D.A. (2000). The interactive effects of role conflict and role ambiguity on job satisfaction and attitudes toward organizational change: A moderated multiple regression approach. *International Journal of Stress Management*, 48, 9-21.
- Zhao, H., Wayne, S.J., Glibkowski, B.C., & Bravo, J. (2007). The impact of psychological contract breach on work-related outcomes: A meta Analysis. *Personnel Psychology*, 60, 647-680.

CHAPTER 3

ARTICLE 2

**THE PSYCHOLOGICAL CONTRACT, JOB INSECURITY AND INTENTION TO
QUIT OF SECURITY EMPLOYEES IN THE VAAL TRIANGLE**

THE PSYCHOLOGICAL CONTRACT AND JOB INSECURITY PREDICTS INTENTION TO QUIT OF SECURITY EMPLOYEES IN THE VAAL TRIANGLE

ABSTRACT

The primary objective of this research was to investigate whether the psychological contract and job insecurity predicts intention to quit of security employees in the Vaal Triangle. A cross-sectional survey design was used on 300 Vaal Triangle-based security employees and a response rate of $N = 217$ (72%) was obtained. Pearson's product-moment correlation is applied to determine the relationship between psychological contract, job insecurity and intention to quit. A practically significant positive correlation with a large effect exists between the employer obligations and state of the psychological contract. A relationship of medium effect with a negative practical significance exists between employee obligations and intention to quit. Practically negative correlations of medium effect exist between the state of psychological contract and intention to quit. Multiple regression analysis indicates that employee obligations predicted negative intention to quit. Job insecurity predicted positive intention to quit.

OPSOMMING

Die hoofdoelwit van hierdie studie was om vas te stel of die psigologiese kontrakte en werksonsekerheid voorspellend is van die intensie om te bedank van sekuriteitswagte in die Vaaldriehoek. 'n Dwarsdeursnee ontwerp is voorgelê aan 300 sekuriteitswerkers in die Vaaldriehoek en 'n produk-momentkorrelasiekoëffisiënt is toegepas om die verhouding tussen die psigologiese kontrak, werksonsekerheid en intensie om te bedank vas te stel. 'n Praktiese beduidende positiewe korrelasie met 'n hoe effek is gevind tussen werksgewerverwagtinge en die status van die psigologiese kontrak. 'n Korrelasie met middelmatige negatiewe beduidende effek is gevind tussen werksnemer verwagtinge en die intensie om te bedank. 'n Beduidende praktiese negatiewe korrelasie met medium effek is gevind tussen die status van die psigologiese kontrak en die intensie om te bedank. 'n Multi-regressie analise het getoon dat werkgewersverwagtinge die intensie om te bedank negatief voorspel. Werksonsekerheid voorspel die intensie om te bedank positief.

Labour relations are more formalised and controlled through labour legislation internationally than ever before (Salamon, 1998; Venter, 2003). The stability in the employment relationship has decreased over the past decades, even though employee rights are being increased and more regularly applied (Botha, 2006; Bendix, 2001; Hellgren, 2003; Rousseau, 1995; Schalk & Rousseau, 2001; Shore, Coulle-Shapiro & Taylor, 2004). Job security is an important social advance. These social advances, are practiced by using the measures in the Labour Relations Act 66 of 1995 in South Africa so as to prevent unfair dismissal and discouraging retrenchment. Some countries have relaxed job security regulations, moving away from government approval for retrenchments and making temporary employment contracts more possible (Barker, 2003). According to the Quarterly Labour Force Survey of Quarter 2 (2009), 4,1 million people were unemployed. The rise of unemployment may be seen as the most serious threat facing South African society and its governance (Kingdon & Knight, 2003).

Employees face dramatic income loss when unemployment extends over months and benefits are scarce. These risks point to an increase in the unpredictability that directly contributes to feelings of insecurity (King, 2008). Breakthroughs in information technology, a rise in global competition and escalating interdependence between employers and employees causing secure employment conditions to become more uncertain and insecure (Burke & Cooper, 2000; Sverke, Hellgren, & Naswall, 2002) are reasons for the changes in contemporary employment relationships (Schalk & Rousseau, 2001).

Employees need job security in their work as opposed to having job insecurity, if they are employed by a security company implicating that they are qualified (thus being employable), being involved in their work and having the support of their supervisors as well as the organisation as a whole and finding their work satisfying rather than feeling insecure. The idea that job insecurity arises from the threat of job loss suggests that perceptions of job insecurity lie at the threshold between employment and unemployment (De Witte, 2005). Job insecurity, conceptualised as the threat of job loss, necessarily forces workers to consider their chances in the external labour market (King, 2008).

Job insecurity is a problem for the employer and the individual employee's experiencing job insecurity because it is associated with negative outcomes. If job insecurity can be reduced, negative outcomes (intention to quit) can also be reduced. As mentioned by Ashford, Lee and

Bobko (1989), job insecurity leads to attitudinal reactions such as intention to quit. It has long been realised that the decision of intention to quit is probably influenced by a variety of factors (Steers & Mowday, 1981).

The potential predictors of the intention to quit decision include the employee's views of the psychological contract of the employing organisation (Boshoff, Van Wyk, Hoole & Owen, 2002). Employees who perceived they have other job alternatives had intentions of quitting, these employees believed they would be better off in other organisations and were willing to take the opportunities offered to them (Addae & Paroteeah, 2006).

Psychological contracts can be viewed as an antecedent of subjective job insecurity. As with any employment contract, the terms of a psychological contract are not always upheld and one party may perceive that the other party did not meet their obligations (Robinson & Morrison, 2000). The psychological contract was traditionally seen as an exchange of loyalty for security (Hendry & Jenkins, 1997), but the psychological contract that gave security, stability and predictability to the relationship between employees and employers has dramatically changed over the past two decades (Hilltop, 1996). The psychological contracts content is now defined as "trust, fairness and delivery of a deal" (Guest & Conway, 1997).

The psychological contract lies at the heart of the employment relationship (Schein, 1980). The psychological contract is an individual belief about the mutual obligations that exist in an employment relationship (Rousseau, 1989). This change will impact on the employee of the transforming organisation and may lead to changing needs and obligations that comprise the psychological contract (Herriot & Pemmberton, 1996).

Nationally and internationally there has been a rapid increase of the phenomenon of job insecurity (De Witte 1999; Elbert 2002; Hellgren, Sverke & Issaksson, 1999; Heymans 2002; Labuschagne, Bosman & Buitendach, 2005; Nolan, Wichert & Burchell 2000; Sverke & Hellgren 2002; Sverke, Hellgren, Naswall, Chirumbolo, De Witte & Goslinga 2004). The concern of South African organisations and employers is the increase in perceptions of job insecurity among employees at all levels of the organisational structure (Elbert, 2002; Labuschagne *et al.*, 2005). South Africa's job insecurity has become a particular problem within the current business, economic and political environment (Sauer, 2003; Snoer, 2005).

Job insecurity exists in South African organisations, and has shifted the impact to the individual, the organisation and the social environment, as well as creating interventions to minimise such impact. According to Van Wyk and Pienaar (2008), participants mostly agreed that the perceived South African political, economical and social situation may cause employees to feel job insecurity on a continuous basis. These feelings range from very little to unbearable.

To improve the understanding of the psychological contract and job insecurity and whether these constructs predict the intention to quit of security employees in the Vaal Triangle and contribute to future research in South Africa, the relationship between job insecurity and intention to quit is also considered. The research will assist employers in the security industry to improve their understanding of the employment contract with security employees. This research aims to gain further knowledge in the field of the psychological contract by assessing the psychological contract and job insecurity, and to determine whether they have a predictive nature for intention to quit. Not much research has been done on these fields, specifically on the psychological contract, job insecurity and the intention to quit of South African employees in the security industry. This research examines the psychological contract of 217 employees in the security industry in the Vaal Triangle.

The psychological contract, job insecurity and intention to quit

The concept of the *psychological contract* was used since the early 1960's by Argyris to describe the relationship between employers and employees (Anderson & Schalk, 1998). The term was subsequently popularised by Levinson, Price, Munden, Mandl and Solley (1962) and Schein (1978; 1980). In the 1980's and 1990's, the concept of the psychological contract gained increasing popularity (Hilltop, 1996). During these decades, many large and small-scale organisational changes were present and led to the traditional employment relationship being put to the test (Freese & Schalk, 1996).

The definition and limitations of the psychological contract, as published by Rousseau (1989; 1990; 1995) is determined by the employee's beliefs about the exchange of mutual promise-based obligations between him or her and the employer. Denise Rousseau (1989) manifested a shift in research from the employer's level to the level of the individual in the 1970's and 1980's. She investigated the individual's beliefs and perceptions about their trade agreement,

which is viewed as a biased and individual perception of obligations of the employee towards the employer and vice versa (Maharaj, Ortrlepp, & Stacey, 2008). Rousseau (1989) argues that the basis for the beliefs in the contract is the promises perceived by the employee. The psychological contract can be viewed as the individual's beliefs that are shaped by the employer and the relationship in terms of an exchange agreement between them (Cable, 2008).

The exchange relationships represented by both the employee obligations and the employer's obligations (as perceived by the employee) could be high or low (Shore & Barkdale, 1998). When considering a balanced relationship, the assumption of what the employee and employer's obligations are, are perceived similarly in the trade, whereas in an unstable relationship, the employees and/or the employers are not equally obligated towards each other (Shore *et al.*, 1998). If an employee is treated well by the employer, the employee will feel compelled to treat the employer well and try to avoid causing harm (Gouldner, 1960). Also, if security employees feel that they are treated fairly, they may experience less job insecurity.

Employer- and employee obligations are expectations formed between employees and their immediate superiors about the unwritten (informal) understanding between these parties, known as the *psychological contract* (Berman & West, 2003). When studying the psychological contract between these parties, clear distinction is drawn between the employee- and employer obligations and the state of the psychological contract. The psychological contract is the perceptions of both parties (employer and employee) of the mutual promises and obligations implied in that relationship. The state of the psychological contract, however, goes beyond this to the degree to which the promises and obligations in the psychological contract have been delivered, and whether the deal is perceived to be fair and the degree of trust in which it will continue to be delivered in the future (Guest & Conway, 2002).

Previous research by Guest and Conway (2002) shows a strong and positive relationship between the presence of labour relations/human resource practices and the state of and improvements in the psychological contract (Guest & Conway, 2001). Isaksson, Bernhard, Claes, De Witte, Guest, and Krausz (2003) argue that this unwritten understanding also explains the *state of the psychological contract* and is defined by perceived trust, fairness and

delivery of the employment relationship. The psychological contract is clearly characterised by a reasonable balance between expectations (what one gets) and contributions (what one gives). Once this balance is interrupted, feelings of distrust, unfairness, failure to deliver and job insecurity may occur (Isaksson, *et al.*, 2003).

Job insecurity has different definitions, some as global and others as multidimensional perceptual construct specific to the job (Caplan, Cobb, French, & Harrison, 1975; Buitendach & Rothmann, 2005). The job insecurity model of Greenhalgh and Rosenblatt (1984) viewed this occurrence as “perceived powerlessness to maintain desired continuity in a threatened job situation” (438). The assumption that job insecurity is limited to events of total job loss is not the case, but also the loss of any specific work aspect.

De Witte (2005) states that the definition of job insecurity must include the assumption that job insecurity consists of the cognitive probability of losing a job and the affective experience of the concern thereof, thus being a stressor. Psychological contract was more likely to affect job security than vice versa (Guest, 2004).

De Witte (2000) explains that the cognitive dimension is the perceived likelihood of job loss, as experienced by an employee, whereas affective dimensions revolve around the fear of job loss (Caplan, *et al.*, 1975). The concept of job insecurity is sometimes limited by researchers, and treated as the threat of total job loss while others extend it to include loss of any valued condition of employment (Ferrie, 2001). Job insecurity is consistently characterised as a biased experience, reflecting the individual’s perception and interpretations of the situation (De Witte, 1999; Sverke *et al.*, 2002).

Sverke *et al.*, (2002) states that organisational change is an antecedent to job security. Mauno and Kinnunen (1999) agree that objective circumstances of an insecure job situation can be defined as the experience of job insecurity. According to De Witte (1999), the growing emphasis on more flexible employment contracts also intensify feelings of job insecurity. Flexible, multi-skilled, educational, exchangeable and adaptable workforce are exposed to new management techniques, as well as altered labour relations/human resource policies and activities, which in turn influence employer obligations and employee obligations (Ekkerd, 2005).

Intention to quit is the strength of an individual employee's viewpoint to stay with the employer (Boshoff, van Wyk, Hoolen & Owen, 2002). Intention to quit of employees means the same as turnover of employees and is defined by Carrell (2008) as the movement of employees out of the organisation. With layoff plants, intention to quit was significantly higher than in the shield plant (Bishop, Goldsby, & Neck, 2001).

The decision by the employee to quit is made more imminent by the availability of alternative work (Maertz & Campion, 2004). According to Nickel, Jones and Quintini (2000) the problem is that most jobs do not end because of layoffs, but because of voluntary quitting (intention to quit). Intention to quit is the possibility of leaving an organisation in the near future (Mowday, Koberg & MacArthur, 1984). Intention to quit is considered a cognizant and purposeful desire to leave the organisation in the near future (Mobley, Hanel, baker & Meglino, 1978).

Carmeli and Weisberg (2006) studied the withdrawal cognition process, and found thoughts of quitting, the intention to search for another job and the intention to quit. Prior research provides consistent support for intent to leave as the strongest predictor of actual turnover (Tett & Meyer, 1993).

Sutherland *et al.*, (2004) stated that the effects of turnover could be either beneficial or costly to the organisation. When a poor performer voluntarily leaves the organisation, it's understood as beneficial, but when a good employee leaves, it's costly to the organisation (Cappelli, 2000 in Forgiarini, 2009).

Supervisors' comments can influence salary increment and promotion opportunities, which were ranked as the top two reasons for thinking about leaving (Litt, 2001). In studies that examine both intention to quit and turnover, intention to quit has been a good predictor of actual turnover (Hayes, Frank & Barnes-Homes, 2006; Irvine & Llewellyn, 1995; Lake, 1998) Both intention to quit and the converse intent to stay are terms used in literature.

Intention to quit is the probability of leaving an organisation in the near future (Mowday *et al.*, 1984). Intention to quit is considered a conscious and deliberate decision to leave the employer in the near future (Mobley *et al.*, 1978).

The relationship between psychological contract and job insecurity

The psychological contract modifies the basic employment relationship (Claes, De Witte, Schalk, Geust, Issakson, Krausz & Peiro, 2002; Guest, Mackenzie, Davy & Patch, 2003; Van Der Steene, De Witte, Forier, Sels & Van Hoogtegem, 2001). Increased job insecurity can be the result of unemployment (Burke, 1998, & Robinson, 1997). The psychological contract was traditionally seen as an exchange of loyalty for job security (Hendry & Jenkins, 1997), but as Hilltop (1996) notes the psychological contract has changed over the last two decades. The perceptions of job insecurity start with an evaluation of one's future situation, which triggers emotions based on the meaning connected with potential job loss, or loss of job features (De Witte, *et. al.*, 2003). Caplan, Cobb, French and Harrison (1975) view job insecurity as general awareness of the uncertainty about future security. This is one of the first formal definitions.

Job insecurity's perceived threat can extend to the total job or desired features of the job. This threat typically indicates a lack of power to do anything about it (Beard & Edwards, 1995). Psychological contract theory is today one of the most used explication models for understanding the relationship between job insecurity and negative reactions such as diminished loyalty and performance (De Witte & Naswall, 2003; King, 2008; Roskies & Louis-Guerin, 1990). Reduced trust in employers and reluctant compliance with employer demands are associated with job insecurity (Smithson & Lewis, 2008).

Job insecurity was associated with decreased trust (state of the psychological contract) in organisations (Ashford, Lee, & Bobko, 1989), decreased organisational loyalty (Loseby, 1992) and a decrease in perceived organisational support (Rosenblatt & Ruvio, 1996). This feeling of distrust and powerlessness needs to be examined in relation to job insecurity. Job insecurity affected resistance to change and intention to quit (Ashford *et al.*, 1989; Davy, Kinicki & Scheck, 1997; Kuhnert & Vance, 1992; Rosenblatt & Ruvio, 1996).

The environment of economic and technological change recognised job insecurity as a condition affecting the general workforce (Roskies & Louis-Guerin, 1990). Marks (1994) suggests addressing job insecurity and said that organisations must recognise uncertainty and concerns among its employees, as well as communicate all plans, actions and strategies. Job insecurity is assumed to be generated by other factors such as real or anticipated

organisational changes (Virtanen, Vahtera, Kivimaki, & Petti, 2002). The traditional study of job insecurity assumes that security of employment may be seen as a component of the more global notion of security of work (Virtanen, Vahtera, Kivimaki, & Petti, 2002).

The idea that job insecurity arises from the threat of job loss suggests that perceptions of job insecurity lies at the threshold between employment and unemployment (De Witte, 2005). In one of the first studies of this type, Schmidt (1999) found that aggregate job insecurity perceptions of workers in the United States of America closely followed the national unemployment rate. Job insecurity seems to stem from the perception of change, whether from employment into unemployment or from one job to another (King, 2008). Job insecurity, is a function of unpredictability and uncontrollability (Ashford, Lee & Bobko, 1989; De Witte, 2005; De Witte & Naswall, 2003). Whether changes come from the organisation, the labour market, or the larger national context, the inability to foresee and manage change causes employees to evaluate their employment situations as insecure (King, 2008).

The relationship between psychological contract, job insecurity and intention to quit

The psychological contract, in its traditional and generic form, is the employee's beliefs that he/she owes the employer hard work, loyalty and long-term tenure, while in return the employer owes him/her job security (Rousseau, 1990). Increased feeling of job insecurity and uncertainty concerning the nature and existence of the actual job with important psychosocial implications are associated with the flexible working life (Chirumbolo & Hellgren, 2003). Expectations of job insecurity have important implications for intention to remain with the employer and participation in development activities (Cavanaugh & Noe, 1999). Expectations of job insecurity had a significant negative relationship with intentions to remain with the employer (Cavanaugh & Noe, 1999). This means that the more job insecurity an employee experiences, the less prone he or she will be to stay with the organisation.

A study of the psychological contract found that the psychological contract influences a sense of job security, employment relations and the intention of employees to leave the organisation (Guest, 1998). Sverke, Hellgren and Naswall (2002) state that job insecurity makes the employees less inclined to remain with an organisation. This statement is confirmed by Ashford *et al.*, (1989), Davy, Kinicki and Scheck (1997), Kuhnert and Vance (1992), and

Rosenblatt and Ruvio (1996). Job insecurity affected resistance to change and the intention to quit (Ashford *et al.*, 1989; Davy, Kinicki & Scheck, 1997; Kuhnert & Vance, 1992). Job insecurity arises when workers are unsure how to plan for or control employment outcomes, creating a sense of powerlessness that contributes to negative consequences (King, 2003). According to Ashford, Lee and Bobko (1989) intention to quit is positively related to increased job insecurity.

Roskies and Louis-Guerin (1990) found in their studies that individuals felt insecure in high-risk organisations. These organisations are prone to downsizing and restructuring. The terms of a psychological contract are not always upheld, and if one party perceives that the other party is failing to meet their obligations (Robinson & Morrison, 2000), it can give rise to feelings of job insecurity (Unckless, 2000). According to Jordan, Ashkanasy and Hartel (2002), the individual's perceptions of job insecurity will affect the way individuals behave in an organisation. It would then be necessary to determine whether unmet obligations may lead to job insecurity or create feelings that may lead to job insecurity.

Individuals who tend to voluntarily leave an organisation during periods of great insecurity tend to be the more valuable employees, having serious organisational consequences (Greenhalgh & Jick, 1979). This relationship is supported by stress research, because a decline in job security represents increased uncertainty regarding the continuation of one's job as it currently exists. It has been defined as a major stressor (Landsbergis, 1988; Smith & Lazarus, 1993; Weigel, Werlieb & Feldstein, 1989). Job security beliefs can be seen as inducing various coping strategies. Behavioural withdrawal is one way of coping (Lazarus & Folkman, 1984). Withdrawing from the situation by quitting one's job is another manner of coping with a stressor such as job insecurity (Latack, 1986). In this way, an individual avoids the stress caused by job insecurity by leaving the situation. Employees therefore, may begin to think about quitting an organisation as job insecurity increases (Anold & Feldman, 1982; Ashford *et al.*, 1989; Jacobson, 1991). Because employees have unspoken expectations about job security (Rousseau, 1989; Shore & Tetrick, 1994), a perceived threat to job security represents a possible violation of the psychological contract. Even when an employee is not directly affected by the threat of job security, serious damage can be done to the psychological contract (Shore & Tetrick, 1994).

Ashford, Lee, and Bobko (1989) mention that job insecurity lead to attitudinal reactions, including intentions to quit. They observe that employees genuinely concerned about their continued employment might rationally seek other opportunities (Williams, 2003). Rosenblatt and Ruvio (1996) tested a multidimensional model of job insecurity that indicates strong effects of job insecurity on intention to quit. Du Plooy (2008) found that the psychological contract predicts job insecurity and intention to quit. Sverke, Hellgren and Naswall (2002) state that job insecurity make employees less inclined to remain with an organisation, this statement was confirmed by Ashford *et al.*, (1989), Davy, Kinicki and Scheck (1997), Kuhnert and Vance (1992), and Rosenblatt and Ruvio (1996).

According to Probst (2005), greater job insecurity was associated with higher levels of intention to quit. Davy, Kinicki and Scheck (1991) found that job security predicts intention to quit both directly and indirectly). Two studies found mediating effects of job security on intention to quit (Davy *et al.*, 1997).

Davy *et al.*, (1991) found that job insecurity predicted intention to quit both directly and indirectly in three countries (Belgium, Netherlands, Sweden). Job insecurity has been found to predict stronger intention to quit in the organisation (Ashford, Lee & Bobko, 1989). Hartley, Jacobson, Klandermans, and Van Vuuren (1991) stated that employees with the intention to quit experience job insecurity and react more negatively to it. Employees with more job insecurity also reported higher intention to quit (Probst & Lawler, 2006). Job insecurity, according to De Witte (1999), is an overall concern about the existence of the job in the future (being fired or involuntary turnover). Intention to quit is the strength of an individual's viewpoint that he or she does not want to stay with his or her employer (Boshoff, Van Wyk, Hoole, & Owen., 2002). According to Nickel, Jones and Quintini (2000), the problem is that most jobs do not end because of layoffs but because voluntary quitting (intention to quit). Sverke, Hellgren and Naswall (2002) state that job insecurity makes the employees less inclined to remain with an organisation. This statement is confirmed by Ashford *et al.* (1989), Davy, Kinicki and Scheck (1997), Kuhnert and Vance (1992), and Rosenblatt and Ruvio (1996).

According to Chirumbolo and Hellgren (2003), job insecurity affects employees' attitudes in the short-term and consequently mediates the effects of job insecurity on more long-term consequences such as intention to quit. In four countries (Belgium, Italy, Netherlands and

Sweden) job insecurity predicted intention to quit. In four different European countries results show that the mediated effects of job insecurity hold an effect across with diverse cultures, whereas previous studies used North American data (Davy *et al.*, 1991; 1997; Probst, 2002). Evidence for a moderator effect of job insecurity, at least for intention to quit, was found as an immediate consequence. The relationship has been documented between job insecurity and propensity to leave. The findings involving propensity to leave and resistance to change are consistent across studies (Greenhalgh & Rosenblatt, 1984).

The positive correlation between job insecurity and probability to quit is not unexpected. It would be expected that employees worried about continuity of employment to seek more-secure career opportunities. Consistent with job insecurity and the psychological contract literatures, a prediction that job insecurity would be positively related to quitting from the organisation, job search behaviour and actual turnover were made by Ashford *et al.*, (1989) and supported by Greenhalgh and Rosenblatt (1984). As Bedeian and Armenakis (1998) and Cavanaugh and Noe (1999) note, in times of organisational change, individuals with alternative employment opportunities are likely to leave the organisation.

No research has so far been done specifically on the psychological contract, job insecurity and intention to quit of South African employees employed in the security industry. This research examines the psychological contract of 217 employees in the security industry in the Vaal Triangle.

AIM OF THE STUDY

The general objective of this article is to determine whether the psychological contract and job insecurity predicts intention to quit of security employees in the Vaal Triangle.

Based on the above-mentioned research problem, the following hypotheses are proposed:

- H1: A significant relationship exists between psychological contract, job insecurity and intention to quit.
- H2: The psychological contract and job insecurity predicts intention to quit.

METHOD

Research design

A survey was utilised to obtain the research objectives in this study. The specific design that has been used is a cross-sectional survey design. This design is used whereby information is collected from a sample population ($N = 217$) at one time (Shaughnessy & Zechmeister, 1997) and ideal to describe and predict functions associated with correlative research. The survey technique of data collecting gathers information from the target population primarily by means of questionnaires.

Study population

A random sample population of 300 security employees working within five small companies in the Vaal Triangle was targeted for the purpose of this research. Distribution and collection of the instruments were done in cooperation with the management of these companies. The sample included workers from all levels, ranging from semi-skilled employees to managers. The lowest-level employees had a literacy level enabling them to complete the questionnaire.

A response rate of 72% (217 responses; $N=217$) was obtained and the studied population included security employees with literacy levels deemed sufficient enough to allow for the accurate completion of the questionnaires.

The individual characteristics of the studied population are detailed in Table 1, which indicates that most participants had permanent contracts (52,1%) and 80,6% of the participants are male and 12,9% are female. The majority of participants (43,3%) fall in the age group between 21 to 30. The majority (84,8%) of the studied population has been employed by the organisation for periods of less than a year and 43,8% had a Grade 10 to 12 educational level. Missing responses from the respondents of the five items vary between 6,0% and 13,4%.

Table 1

Compilation of Study Population (N=217)

Item	Category	Frequency	Percentage
Type of contract	Temporary employee	75	34,6
	Permanent employee	113	52,1
	Missing response	29	13,4
	Total	217	100
Gender	Female (1)	28	12,9
	Male (2)	175	80,6
	Missing responses	14	6,5
	Total	217	100
Age	20 years and younger (1)	9	4,1
	21 - 30 years (2)	94	43,3
	31 - 40 years (3)	70	32,3
	41 - 50 years (4)	32	14,7
	51 - and older (5)	6	2,8
	Missing responses	6	2,8
	Total	217	100
Tenure	Less than 1 year (1)	184	84,8
	1 - 10 years (2)	19	8,8
	11 - 20 years (3)	11	0,5
	Missing Responses	13	6,0
	Total	217	100
Qualification	Grade 9 and below (1)	74	34,1
	Grade 10 - 12 (2)	95	43,8
	Diploma (3)	24	11,1
	Degree and higher qualification (4)	2	0,9
	Missing response	22	10,1
	Total	217	100

Measuring instruments

The following measuring instruments are used in this study:

The *individual characteristics or biographical questionnaire* was implemented to gather information about the individual characteristics of the participants. Individual characteristics include information about type of contract, gender, age, tenure, and qualification.

To measure the *psychological contract* Isaksson *et al.*, (2003) was used and included employer obligations, employee obligations and state of the psychological contract.

The Psychological Contract Questionnaire of the PSYCONES (Isaksson *et al.*, 2003) project was used to measure the psychological contract that consists of employer obligations, employee obligations and the state of the psychological contract. This questionnaire consists of 31 items.

Employer obligations consist of 15 items, answering “yes” or “no” (e.g. “Has your organisation promised or committed itself to provide – interesting work, a good pay for the work you do?”). Answers to the questionnaire is given on a six-point scale with 0 = “no” to 5 = “yes” and “promise fully kept”. Employer obligations (what the employee feels the organisation is obligated to provide the employee) contains seven items, namely promotion, high pay, pay for performance, training, job security, career development and support with personal problems (Isaksson *et al.*, 2003). According to More and Whitehead (2007), a Cronbach alpha coefficient of 0,93 was obtained, confirming the internal consistency of the questionnaire. Two other South African studies confirm these results (Keyser, 2010: $\alpha = 0,93$, Du Plooy, 2008: $\alpha = 0,95$).

Employee obligations consists of 10 items (e.g. “Have you promised or committed yourself to be loyal to the organisation, to be punctual, to protect the image of your company?”) answering “yes” or “no” to these questions (Isaksson, Josephson, & Vingard, 2003). Employee obligations (what the employee feels he is obligated to provide the organisation) contains eight items consisting of overtime, loyalty, volunteering to do non-required tasks, advance notice when quitting, and willingness to accept a transfer, refusal to support competitors, protection of proprietary information, and spend a minimum of two years with the organisation. In a study conducted by More *et al.*, (2007), a Cronbach alpha coefficient of 0,90 was obtained, indicating the internal consistency of this questionnaire. According to South African studies by Keyser (2010) and Du Plooy (2000) a Cronbach alpha coefficients of 0,93 and 0,94 were obtained.

Eight items were answered on a scale from 1 to 7, ranging from “not at all” to “totally” in terms of the evaluation of fairness and trust of the *state of the psychological contract* in the employing company (Isakson *et al.*, 2003). According to Yazbek (2009) studies in South Africa obtained a Cronbach alpha coefficient of 0,86, the same as Keyser’s South African study (2010). A simple principal component analysis was carried out on 31 items of the

psychological contract on security employees in the Vaal Triangle. The scree plot showed that three factors could be extracted

Using the *job insecurity* (JIS) measure, it has 11 items relating to perceived job insecurity. These eleven items summarise job insecurity displaying a Cronbach alpha coefficient of 0,92 (De Witte, 1999). In South Africa Heymans (2002) found an alpha coefficient of 0,81 and Elbert (2002) found an alpha coefficient of 0,84 for the JIS. The items of the JIS are arranged along a five-point scale representing one 1 as “strongly disagree” and five 5 as “strongly agree”. Example of job insecurity would be “I am sure I can keep my job” and job insecurity items would be “I feel insecure about the future of my job”.

The *intention to quit questionnaire* was introduced by Price (1997) using 5 items. A five-item bank of questions developed by Bozeman and Perrewé (2001) and based on the work of Mowday, Koberg, and MacArthur (1984), was used to assess participants’ intention to quit. Containing both positively and negatively worded items, the measure asked individuals how likely it was that they would look for a new job and whether they were thinking about leaving their existing job. The measurement used a 4-item scale and the following items were included “These days, I often feel like quitting”. The items of the ITQ are arranged along a 5-point scale ranged from “strongly agree” to “strongly disagree”. Bozeman and Perrewé (2001) reported coefficient alphas of 0,94 and 0,90 for two different samples in their study. A principle component analysis was performed on the four items of job insecurity. One factor was extracted, accounting for 50,57% of the total variance in the data. The scree plot showed that one factor could be extracted.

Statistical analysis

The statistical analysis is carried out with the SPSS programme (SPSS, 2010), making use of descriptive statistics, exploratory factor analyses, Cronbach’s alpha coefficient and inter-item correlation coefficients, was used to carry out statistical analysis (Clark & Watson, 1995). Descriptive statistics (e.g. means, standard deviations, skewness and kurtosis) were used to analyse the data. The level of statistical significance was set at $p < 0,01$. Cronbach alpha coefficient was used to determine the validity and reliability of the measuring instruments. Pearson’s *Product Moment Correlation* coefficient is used to specify the relationship between variables (levels of statistical significance = $p < 0,05$; a cut-off point of 0,30 represents a

medium effect and a cut-off of 0,50 represents a large effect). Steyn (2002) criticises the sole use of statistical significance testing and it is recommended that effect sizes be established to determine the importance of a statistically significant relationship. Regression analyses were carried out to determine the interaction effects between variables.

RESULTS

Table 2 shows descriptive statistics, Cronbach alpha coefficients and Pearson correlation coefficients of 217 security employees working in the Vaal Triangle.

Table 2

Descriptive Statistics, Alpha coefficients and Pearson correlations between the scales

Test and subscales	Mean	SD	α	1	2	3	4
Employer obligations	2,89	1,15	0,95	-	-	-	-
Employee obligations	3,36	1,01	0,94	0,15**	-	-	-
State of the Psychological contract	3,09	5,59	0,85	0,56**	0,19**	-	-
Job insecurity	3,22	0,62	0,73	-0,06	0,07	0,02	-
Intention to quit	2,60	0,08	0,67	-0,20**	-0,39**	-0,21**	0,05

The information reflected in Table 2 indicates that the scores of the employer obligations, employee obligations, state of psychological contract, job insecurity and intention to quit are distributed normally. The mean score indicates that employees are more positive about the fulfillment of their promises and obligations than about the fulfillment of promises and obligations by the employer. Schalk and Rousseau (2001) also found that employees are more positive about the fulfillment of their promises than fulfillment by their employer. The Cronbach alpha for intention to quit is slightly lower than 0,70 (i.e. 0,67). The Cronbach alpha coefficients of all the other measurements are considered to be acceptable compared to the guidelines of $\alpha > 0,70$ (Nunnally & Bernstein, 1994).

Table 2 also indicates that a statistically significant correlation exists between employer obligations and employee obligations with a small effect at a 0,01 level. **Hypothesis 1** that states that a significant relationship exists between psychological contract, job insecurity and intention to quit, is partially accepted. A practical significant correlation with a large effect exists between the employer obligations and state of the psychological contract. Negative statistically significant relationships exist between employer obligations and intention to quit.

Statistically significant relationships with a small effect exist between employee obligations and state of psychological contract. A medium effect negative practical significant relationship exists between employee obligations and intention to quit. Practical negative correlations of medium effect exist between state of psychological contract and intention to quit.

Multiple regression analyses were conducted to test whether psychological contract (employer obligations, employee obligations, state of psychological contract), job insecurity predicted (mediation) and intention to quit. Baron (1986) explain that three tests can be used to test mediation. Firstly, the mediator should be predicted by the independent variable, secondly the dependent variable should be predicted by the mediator and the independent variable and thirdly the dependent variable should be regressed on the independent variable, controlling for the mediator.

Table 3 shows the results of multiple regression analyses, with intention to quit as the dependent variable and psychological contract (employer obligations, employee obligations and state of psychological contract) and job insecurity as independent variables.

Table 3

Multiple Regression Analyses with Intention to Quit as Dependent Variable and Independent Variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	p	F	R	R ²	ΔR ²
		B	SE	Beta						
1	(Constant)	4,04	0,24		16,59	0,00	14,96	0,42	0,17	0,16*
	Employer Obligations	-0,06	0,05	-0,09	-1,21	0,23				
	Employee Obligations	-0,27	0,05	-0,36	-5,60	0,00*				
	States of PC	-0,09	0,08	-0,09	-1,19	0,23				
2	(Constant)	2,96	0,38		7,75	0,00	15,07	0,47	0,22	0,21*
	Employer Obligations	-0,04	0,05	-0,06	-0,79	0,43				
	Employee Obligations	-0,25	0,05	-0,31	-4,86	0,00*				
	States of PC	-0,12	0,08	-0,12	-1,55	0,12				
	Job insecurity	0,30	0,08	0,23	3,59	0,00*				

p < 0,01

As seen in Table 3, Model 1, the first step of the regression analysis produced a statistically significant model ($F_{(3,213)} = 14,96; p < 0,00$), accounting for approximately 17% of the variance. More specifically, it seems that employee obligations ($\beta = -0,36; t = -5,60; p < 0,02$), predicts negative intention to quit. The adjusted R^2 (0,17) shows shrinkage from the unadjusted value (0,16), indicating that the model might not generalise well.

Model 2 accounts for 22% of the variance in intention to quit and is significantly fit for the data ($F_{(4,212)} = 15,07; p < 0,00$). It seems that the individual predictor employee obligations ($\beta = -0,25; t = 4,86; p < 0,00$) predicts a negative intention to quit. Job insecurity ($\beta = -0,30; t = 3,59; p < 0,00$), predict positive intention to quit. Regarding the variables in the model, VIF values are below 10, or alternatively tolerance values are well above 0,2, indicating no multicollinearity in the data. The model looks fairly reliable. Therefore, **hypothesis 2** that state psychological contract, job insecurity predicts intention to quit, is partially accepted.

DISCUSSION

The aim of this study was to investigate the relationship between the psychological contract, job insecurity and intention to quit of security employees in the Vaal Triangle, using cross-sectional survey design. Further objective included determining whether psychological contract (employer obligations, employee obligations, state of psychological contract), job insecurity predicts intention to quit. The sample consisted of 217 security employees in five small companies in the Vaal Triangle.

With regards to the first specific objective in this article, it was found by looking at Pearson's correlation that a statistically significant correlation with a small effect was found between employer obligations and employee obligations. A practically significant positive correlation with a large effect exists between the employer obligations and state of the psychological contract, meaning that employee trust levels increase if the employer delivers promises and obligations. Negative statistically significant relationships exist between employer obligations and intention to quit. A weak negative relationship therefore exists between employer obligations and intention to quit. If the employer does not deliver the obligations and promises, then the employees have an intention to quit their jobs. Statistically significant relationships with a small effect exist between employee obligations and state of psychological contract. A relationship of medium effect with a negative practical significance

exists between employee obligations and intention to quit. This shows those higher levels of employee obligations will be associated with lower levels of intention to quit. Practically negative correlations of medium effect exist between the state of psychological contract and intention to quit, meaning that if employees do not trust their employer, their intention to quit is higher. This indicates that higher levels of state of psychological contract (trust and fairness) will be associated with lower levels of intention to quit. The state of the psychological contract with its components of “fairness” and “trust” can be seen as an indicator of intention to quit.

The second specific objective of this study was to determine whether psychological contract (employer obligations, employee obligations, state of psychological contract) and job insecurity predicts intention to quit. This was tested by using multiple regression analysis that indicates that employee obligations predict negative intention to quit. More specifically, it seems that the individual predictor employee obligations predict a negative intention to quit. Literature supports these findings by stating that employer obligations, employee obligations, the state of the psychological contract and violation of the psychological contract predict negative intention to quit (Keyser, 2010a).

Job insecurity also predicts positive intention to quit. Job insecurity makes the employees less inclined to remain with the employer. The positive correlation between job insecurity and intention to quit is not unexpected. Consistent with the job insecurity and psychological contracts literature is a prediction that job insecurity would be positively related to thoughts of leaving the organisation, job search behaviour and actual turnover made (Ashford *et al.*, 1989; Greenhalgh & Rosenblatt, 1984.)

The results of this study emphasise the importance of an employer maintaining a good psychological contract with its employees. Trust between parties to keep their promises is also important in this exchange relationship. If employees do not fulfill their promises the employees have a higher intention to quit their job, job insecurity can also influence employee's intention to quit.

RECOMMENDATIONS

In this study, only the employee's perception of the psychological contract was taken into consideration. Future studies need to focus more on the employer's perception of the

psychological contract. It is recommended that more powerful sampling methods be utilised to enable generalisation of the findings to other similar groups. Also, a larger sample must be used. Adequate methods, such as structural equation modeling and equivalence analysis are recommended in the future. Longitudinal research is recommended to establish the psychological contract over a period of time.

REFERENCES

- Addae, H.M., & Paroteeah, K.P. (2006). Organizational information, organizational commitment and intention to quit: A Study of Trinidad and Tobago. *International Journal of Cross Cultural Management*, 6(3), 343-359.
- Anderson, N., & Schalk, R. (1998). The psychological contract in retrospect and prospect. *Journal of Organizational Behavior*, (19) 637-647.
- Arnold, H.J., & Feldman, D.C. (1982). A multivariate analysis of the determinants of job turnover. *Journal of Applied Psychology*, 67, 350-360.
- Ashford, S.J., Lee, C., & Bobko, P. (1989). Content causes and consequences of job insecurity: A theory based measure and substantive test. *Academy of Management Journal*, 32(4), 803-829.
- Barker, A.T. (2003). The performance effect of outcome-based insensitive pay plans on sales organizations: A contextual analysis. *Journal of Personal Selling and Sales Management*, 23(4), 431-358.
- Baron, J.N. (1986). Men and women at work: Sex segregation and statistical discrimination. *American Journal of Sociology*, 9(4), 759-799.
- Beard, K. & Edwards, J. (1995). "Employees at risk: Contingent work and the psychological experience of contingent workers". In C. Cooper, & D. Rousseau, (eds.). *Trends in Organisational Behavior*, (2), Chichester. John Wiley.
- Bedeian, A.G., & Armenakis, A.A. (1998). The cesspool syndrome: How check floats to the top of declining organizations. *Academy of Management Executive*, 12(1), 58-67.
- Bendix, R. (2001). *Work and authority in industry*. Transaction Publishers.
- Berman, E.M., & West, J.P. (2003). Psychological contracts in local Government: A preliminary survey. *Review of Public personnel administration*, 23(4), 267-285.
- Bishop, J.W., Goldsby, M.G., & Neck, M.G. (2001). Who goes? Who cares? Who stays? Who wants to? The role of contingent workers and corporate layoff practices. *Journal of Managerial Psychology*, 17(4), 278-315.
- Boshoff, A.B., Van Wyk, R., Hoole, C., & Owen, J.H. (2002). The prediction of intention to quit by means of biographic variables, work commitment, role strain and psychological climate. *Management Dynamics*, 11(4), 14-28.
- Botha, L.G. (2006). *The psychological contract and job insecurity of temporary employees contracted to a health insurance company*. North-West University of Potchefstroom. Potchefstroom.

- Bozeman, D.P., & Perrewe, P.L. (2001). The effect of item content overlap on organizational commitment Questionnaire – turnover cognitions relationship.
- Buitendach, J.H., & Rothmann, S. (2005). Job insecurity, job satisfaction and organisational commitment of employees in selected organisations in South Africa. *European Journal of Scientific research*, 13(4), 444-461.
- Burke, R.J. (1998). Correlations of job insecurity among recent business school graduates. *Employee Relations*, 20(2), 92-100.
- Burke, R.J., & Cooper, C.L. (2000). *The organisation in crisis: Downsizing, restructuring and privatisation*. Wiley-Blackwell.
- Cable, D.A.J. (2008). The Psychological contract: The development and validation of a managerial measure. *Doctoral thesis*. University of Waikato
- Caplan, R.D., Cobb, S., French, J.R.P., & Harrison, R. (1975). Job demands and worker health: Main effects and occupational differences. *Department of Health Education and welfare*, 342.
- Cappelli, P. (2000). *New deal at work*. Managing the market-driven workforce. Harvard Business School. Boston. Massachusetts.
- Carmeli, A. (2006). The relationship among emotional intelligence, task performance and organizational citizenship behaviours. *Human performance*, 19(4), 403.
- Cavanaugh, M.A., & Noe, R.A. (1999). Antecedents and consequences of relational components of the new psychological contract. *Journal of Organizational Behavior*, 20, 323-340.
- Chirumbolo, A., & Hellgren, J. (2003). Individual and Organizational consequences of job insecurity: A European Study. *Economic and Industrial Democracy*, 24(2), 217-240.
- Claes, R., De Witte, H., Schalk, R., Guest, D., Issakson, K., Krausz, M. & Peiro, J.M. (2002). Het psychologisch contract van vaste en tijdelijke werknemers (The psychological contract of permanent and temporary workers). *Gedrag en Organisatie*, 15(6), 436-455.
- Davy, J.A., Kinicki, A.J., & Scheck, C.L. (1991). Developing and testing a model of survivor responses to layoffs. *Journal of Vocational Behavior*, 38, 302-317.
- Davy, J.A., Kinicki, A.J., & Scheck, C.L. (1997). A test of job security's direct and mediated effects on withdrawal cognitions. *Journal of Organizational Behavior*, 18, 323-349.
- De Witte, H. (1999). Job Insecurity and Psychological Well-being: Review of the Literature and Exploration of Some Unresolved Issues. *European Journal of Work & Organizational Psychology*, 8(2), 155-177.

- De Witte, H. (2000). Arbeidethos en jobonzekerheid: Meting en gevolgen voor welzijn, teverdenheid en inzet op het werk. In R.K. Bouwen, H. De Witte, & T. Tailieu, (Red.), *Van group tot gemeenschap*. Liber Amicorum Prof. Dr. Lagrou, L., Garant. De Witte, H. (2005). *Job insecurity union involvement and union activis*. British Library Cataloging in publication data.
- De Witte, H. (2005). *Job insecurity union involvement and union activist*. British Library Cataloging in publication data.
- De Witte, H., & Naswall, K. (2003). Objective vs. subjective job insecurity: Consequences of temporary work for job satisfaction and organizational commitment in four European Counties. *Economic and Industrial Democracy*, 24(2), 149-188.
- Du Plooy, C. (2008). *Employees' work outcomes associated with the psychological contract within a service company*. North-West University. Vanderbijlpark.
- Ekkerd, J. (2005). The validation of the perceived wellness survey in the South African Police Service *Mini-dissertation for Magister in Industrial Psychology*. North-West University. Potchefstroom.
- Elbert, J. (2002). Job insecurity and psychological strengths of service workers in a parasitical. *Unpublished Master's dissertation*, Potchefstroom University for Christian Higher Education, Vaal Triangle Campus, Vanderbijlpark.
- Forgiarini, I. (2009). Management practices that support retention in South African inbound call centres. University of Pretoria. Gordon Institute of Business Science.
- Freese, C., & Schalk, R. (1996). Implications of differences in psychological contracts for human resource management. *European Journal of Work and Organizational Psychology*, 5, 501-509.
- Gouldner, A.W. (1960). The norm of reciprocity: A preliminary statement. *American Sociological Review*, 25, 161-178.
- Greenhalgh, L., & Jick, T. (1979). The relationship between job insecurity and turnover, and its differential effects on employee quality level. *Presented at the National Academy of Management Meetings, Atlanta*.
- Greenhalgh, L., & Rosenblatt, Z. (1984). Job insecurity: Toward conceptual clarity. *Academy of Management Review*, 9(3), 438-448.
- Guest, D.E., & Conway, N. (1997). Issues in People management. *Motivation and the Psychological contract*, IPD, London, 21.
- Guest, D.E. (1998). Is the psychological contract worth taking seriously? *Journal of Organizational Behavior*. 19, 649-664.

- Guest, D.E. (2004). The psychology of the employment relationship: An analysis based on the psychological contract. *Applied Psychology*, 53, 541-555.
- Guest, D.E., & Conway, N. (2001). *Employer perceptions of the psychological contract*. London, UK:CIPD.
- Guest, D.E., & Conway, N. (2002). *Public and private sector perspectives on the psychological contract*. London, UK:CIPD.
- Guest, D., Makenzie, D.K., & Patch, A. (2003). The psychological contracts, attitudes and behavior of workers on temporary and permanent contracts. *Management centre Working Paper*. London: King's College.
- Hartley, J., Jacobson, D., Kaldermans, B., & Van Vuuren, T. (1991). Employees reaction to job insecurity.
- Hayes, S.C., Frank, B.W., & Barnes-Homes, D. (2006). Psychological flexibility, ACT and OB. *Journal of Organizational Behavioural Management*, 26, 25-54.
- Hellgren, J. (2003). Can union support reduce the negative effect of job insecurity on well-being. *Economic and Industrial development*. 31: 195-214.
- Hellgren, J., Sverke, M., & Issakson, K. (1999). A two-dimensional approach to job insecurity: Consequences for employee attitudes and well-being. *European Journal of Work and Organizational Psychology*, 8, 179-195.
- Hendry, C., & Jenkins, R. (1997). Psychological contract and new deals. *Human Resource Management Journal*, 7(1), 38-44.
- Herriot, P., & Pemberton, C. (1996). The career attitudes and intention of managers in the finance sector. *British Journal of Management*, 7(2), 181-190.
- Heymans, D.R. (2002). Job insecurity, job satisfaction and organizational commitment. *Unpublished master's dissertation*, Vaal Triangle Campus of the Potchefstroom University, Vanderbijlpark.
- Hilltop, J.M. (1996). Managing the Psychological contract. *Employee relations*, 18(1), 36-49.
- Isaksson, K., Bernhard, C., Claes, R., De Witte, H., Guest, D., & Krausz, M. (2003). Employment contract and psychological contracts in Europe. Results from a Pilot study. *SALISA Report*, 1.
- Isaksson, K., Josephson, M., & Vingard, E. (2003). Content and state of the psychological contract of public sector employees in Sweden. In A. Bussing, J.M. Peiro, & W. Schaufeli, (Eds.). *Organizational Psychology and Health Care* (pp. 45-57). Munchen: Mehring.

- Jacobson, D. (1991). Toward a theoretical distinction between the stress components of the job insecurity and job loss experiences. In S.B. Bacharach (ed.). *Research in the Sociology of Organizations*, JAI Press, Greenwich, CT, (9), 1-19.
- Jordan, P.J., Ashkanasy, N.M., & Hartel, C.E.J. (2002). Emotional intelligence as a moderator of emotional and behavioural reactions to job insecurity. *Academy of Management review*, 27(3), 361-372.
- Keyser, E. (2010a). *The changing employment relationship in the chemical industry: The role of employment and Psychological contract*. North West University of the Vaal Triangle. Vanderbijlpark.
- King, L.M. (2008). Job insecurity at the intersection of Labor Market and welfare state structures. *Proposed dissertation research*. Department of sociology. University of North Carolina. Chapel Hill.
- Kingdon, G., & Knight, J. (2003). Unemployment in South Africa: The nature of the beast. *World Development*, 32(2), 391-408.
- Kuhnert, K.W., & Vance, R.J. (1992). Job insecurity and moderators of relation between job insecurity and employee adjustment. *Stress and well-being at work*. Washington:APA
- Labuschagne, M., Bosman, J., & Buitendach, J.H. (2005). Job insecurity, job satisfaction and work locus of control of employees in a government organisation. *Unpublished doctoral dissertation*, Potchefstroom Campus of the North-West University, Potchefstroom.
- Lake, D.A. (1998). *The international spread of ethnic conflict: Fear, diffusion and escalation*. Princeton, United Kingdom.
- Landsbergis, P. (1988). Occupational stress among health care workers: A test of the job demands – control model. *Journal of Occupational Behavior*, 9, 217-239.
- Latack, J. (1986). Coping with job stress: Measures and future directions for scale development. *Journal of Applied Psychology*, 71, 377-385.
- Levinson, H., Price, C.R., Munden, K.J., Mandl, H.J., & Solley, C.M. (1962). *Men Management and Mental Health*. Cambridge: Harvard University Press.
- Litt, T (2001). Efficient word recognizer for a logic analyzer. Patent Application publication. United States
- Loseby, P.H. (1992). *Employment security*. Westport, CT: Quorum Books.
- Maertz, C.P., & Campion, M.A. (2004). Profiles in quitting: Integrating process and content turnover theory. *Academy of Management Journal*, 47(4), 566-582.
- Maharaj, K., Ortlepp, K., & Stacey, A. (2008). Psychological contracts and employment equity practices: A comparative study. *Management Dynamics*. 17(1).

- Marks, M.L. (1994). *From Turmoil to Triumph*, Lexington books, New York, NY.
- Maumo, S., & Kinnunen, U. (1999). Job insecurity and well-being: A longitudinal study among male and female employees in Finland. *Community, Work & Family*, (2), 147-169.
- Mobley, W.H., Hanel, H.H., Baker, R.L., & Meglino, B.M. (1978). *An analysis of recruiting training attrition in US Marine Corps*. University of Business Administration. South Carolina. Columbia.
- More, N., & Whitehead, J. (2007). Revachism in Mumbai. Political economy of rent gaps and urban restructuring in global city. *Economic and Political weekly*.
- Mowday, R.T., Koberg, C.S., & MacArthur, A.W. (1984). The psychology of the withdrawal process: A cross-validation test of Mobley's intermediate linkages model of turnover in two samples. *Academy of Management review*, 27(1).
- Nickel, S., Jones, T., & Quintini, G. (2000). A picture of job insecurity facing British men. *Centre for Economic Performance working paper*. London.
- Nolan, J., Wichert, I., & Burchell, B. (2000). Job insecurity, psychological well-being and family life, In E. Heery, & J. Salmon, (eds.). *The insecure workforce*. London: Routledge.
- Nunnally, J.C., & Bemstein, I.H. (1994). *Psychometric theory*. New York: MecGraw-Hill.
- Price, A.W. (1997). *Plato: ethics and politics*. Routledge History of Philosophy. British Library Cataloguing in Publication Data.
- Probst, T.M. (2002). The impact of job insecurity on employee work attitudes, job adaptation and organizational withdrawal behavior. In J.M. Brettand F. Drasgow (eds.). *The Psychology of Work: Theoretically Based Empirical Research*. Mahwa, NJ: Lawrence Erlbaum. 141-168.
- Probst, T.M. (2005). Countering the effects of job insecurity through participative decision making: Lessons from demand-control model. *Journal of occupational health Pyschology*, 10(4), 320-329.
- Probst, T.M., & Lawler, J. (2006). Cultural values as Moderators of Employee reaction to job insecurity: The role of individualism and Collectivism. *Journal for Applied Psychology*, 55(2), 234-254.
- Robinson, P. (1997). Insecurity and the flexible workforce: measuring the ill-defined, (12th edt.). *Annual Employment Research Unit Conference*, Cardiff.
- Robinson, S.L., & Morrison, E.W. (2000). The development of psychological contract breach and violation: A longitudinal study. *Journal of Organizational Behavior*, 21, 525-546.

- Rosenblatt, Z., & Ruvio, A. (1996). A test of multi-dimensional model of job insecurity. The case of Israeli teachers. *Journal of Organisational Behaviour*.
- Roskies, E., & Louis-Guerin, C. (1990). Job insecurity in managers: Antecedents and consequences. *Journal of Organizational Behavior*, 11, 345-359.
- Rousseau, D. (1995). Two ways to change and keep the psychological contract theory meets practice. *Executive summary for the International consortium*. Thousand Oaks, CQ:Sage.
- Rousseau, D.M. (1989). Psychological and implied contracts in organization. *Employee Rights and Responsibilities Journal*, 2, 121-129.
- Rousseau, D.M. (1990). New hire perceptions of their own and their employers obligation: A Study of psychological contracts. *Journal of Organizational Behavior*, 11, 389-400.
- Salamon, H. (1998). *The Hyena People: Ethiopian Jews in Christian Ethiopia*. London, England.
- Sauer, D.K., & Sauer, J.A. (2003). *David Mamet: A research and production sourcebook*. United states of America. Praeger Publishers.
- Schalk, R., & Rousseau, D. (2001). Psychological contract in employment: Theory, methods & application. *Handbook of Industrial Work and Organisations*, 7, 133-142.
- Schein, E.H. (1978). *Career dynamics: Matching individual and organizational needs*. Reading: Addison-Wesley.
- Schein, E.H. (1980). *Organisational psychology*. (3rd ed.). Prentice-Hall, Englewood Cliffs, NJ.
- Shaughnessy, J.J., & Zechmeister, E.B. (1997). *Research methods in Psychology* (4th ed.). McGraw Hill.
- Shore, L., Coulle-Shapiro, J., & Taylor, S. (2004). *Changes in the employment relationship across time*. Oxford University Press.
- Shore, L.M., & Barkdale, K. (1998). Examining degree of balance and level of obligations in the employment relationship: Asocial exchange approach. *Journal of Organisational Behavior*. 19, 713-744.
- Shore, L.M., & Tetrick, L.E. (1994). The psychological contract as an explanatory framework in the employment relationship. In: C. Cooper, & D. Rousseau, (Eds.). *Trends in Organizational Behavior*, (1), 91-109. Wiley, Chichester.
- Smith, C., & Lazatus, R. (1993). Appraisal components, core relational themes, and the emotions, *Cognition and Emotion*, 7, 233-281.
- Smithson, J., & Lewis, S. (2008). Is job insecurity changing the psychological contract? Manchester Metropolitan University, Manchester, UK.

- Snoer, J. (2005). Job insecurity and general health of employees in a government organization in the Free State. *Unpublished Master's dissertation*, North-West University, Vaal Triangle Campus, Vanderbijlpark.
- Steel, D. (1984). *Palomino*. New York: Dell Pub.
- Steers, R.M., & Mowday, R.T. (1981). Employee turnover and post-decision accommodation processes. *Research in Organizational Behavior*, 3, 235-281.
- Sutherland, S. (2004). Creating a culture of data use for continuous improvement: A case study of an Edison Project school. *American Journal of Evaluation*, 25(3), 277-293.
- Sverke, M., Hellgren, J., & Naswell, K. (2002). No security: A meta-analysis and review of job insecurity and its consequences. *Educational Publishing*.
- Sverke, M., Hellgren, J., Naswall, K., Chirumbolo, A., De Witte, H., & Goslinga, S. (2004). *Job insecurity and Union Membership: European Unions in the Wake of Flexible Productions*. Brussels: P.I.E.-Peter Lang.
- Tett, R. P., & Meyer, J. P. (1993). Job satisfaction, organisational commitment, turnover intention, and turnover: Path analyses based on meta-analytic findings. *Personnel Psychology*, 46, 259-293.
- Unckless, A.L. (2000). Survivor reactions to organisational downsizing: An application of threat rigidity. Paper presented at the SIOP Conference, New Orleans, Louisiana.
- Van der Steene, T., De Witte, H., Forrier, A., Sels, L., & Van Hootegem, G. (2001). Cahier 7: Op zoek naar effecten van contractuele flexibiliteit bij werknemers. (Booklet 7: Effects of contractual flexibility among employees). Een onderzoek in opdracht van Vlaams minister bevoegd voor wetenschap en technologie in het kader van het Viona-onderzoekprogramma, Leuven. Van Dierendonck, D., Schaufeli, W.B., & Buunk, B.P. (1998). The evaluation of an individual burnout intervention program; the role of inequity and social support. *Journal of Applied Psychology*, 83(3), 392-407.
- Van Wyk, M., & Pienaar, J. (2008). Towards a research agenda for job insecurity in South Africa. *Southern African Business Review*. 12(2), 49-85.
- Van Zyl, Y. (2005). Job insecurity, burnout, work engagement, general health and job satisfaction in selected organizations in the Vaal Triangle. *Unpublished Master's dissertation*, North-West University, Vaal Triangle Campus, Vanderbijlpark.
- Venter, R. (2003). *Labour Relations in South Africa*, Revised edition. Oxford University Press. New York.

- Virtanen, P., Vahtera, J., Kivimäki, M., & Petti, J. (2002). *Employment security*. University of Tampere. Finland.
- Weigel, C., Werlieb, D., & Feldstein, M. (1989). Perceptions of control, competence, and contingency as influences on the stress-behavior symptom relation in school-age children. *Journal of Personality and Social Psychology*, 56, 456-464.
- Williams, S.V. (2003). An empirical investigation of turnover intentions of internal auditors. *Dissertation submitted for Doctor of Philosophy in business*. Virginia Commonwealth University. Chapel Hill Washington DC
- Yazek, P. (2009). The relationship between emotional intelligence and the Psychological Contract: An exploratory case study. *Published Dissertation*. Potchefstroom.

CHAPTER 4

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

In this chapter, the conclusion and limitations regarding the literature and the empirical study are discussed. Recommendations for the organisations and future research are also made.

4.1 CONCLUSIONS

Maumo and Kinnunen (1999) found that a transformation has taken place in the industrialised world of work over the last few decades. Downsizing, right-sizing and restructuring have become familiar terms in difficult economic conditions and inevitably implies the rationalising of jobs. Organisations attempt to reduce costs, which means pressure on employees who remain at work, accept alternative employment conditions (intention to quit) and relocate, all of which are likely to fuel job insecurity (Hartley, Jacobson, Klandermans & Van Vuuren, 1991; Iyo & Brotheridge, 2004). One's job security may be at risk taking into account frequent reorganisation and public statements regarding the need to adapt to changes, even ambiguous signals of downsizing or change may encourage employees to search for other jobs (Iyo & Brotheridge, 2004). When organisations start to downsize, some people may expect to become unemployed. The unemployment rate in South Africa is one of the highest in the world with 36% of the country's population being unemployed in 1999 (Kingdon & Knight, 2001). In 2009 according to the Quarterly Labour Force Survey, 4.1 million people in South Africa were classified as being unemployed.

In this research the focus was on the psychological contract, job insecurity and intention to quit.

Chapter 1 included the problem statement and the research objectives (general and specific). The first specific objective of this study was to conceptualise the psychological contract, job insecurity and intention to quit. The study also consisted of two articles.

Existing literature, according to Berman and West (2003), explains the psychological contract as the employer obligations, employee obligations and the state of the psychological contract. Employer- and employee obligations are expectations formed between employees and their immediate superiors about the unwritten (informal) understanding between these parties

(Berman & West, 2003). The state of the psychological contract draws clear differences between the employer- and employee obligations and the degree to which the promises and obligations in the psychological contract have been delivered, whether the deal is believed to be fair and the degree of trust in which it will continue to be delivered in the future (Guest & Conway, 2002).

Job insecurity has different definitions, some of whom treat it as a global perception and others as a multidimensional perception specific to the job (Caplan, Cobb, French, Van Harrison, & Pinneau, 1975; Buitendach, Rothmann & De Witte, 2005). Job insecurity is not only the fear of total job loss, but also loss of any valued condition of employment (Ferrie, 2001). Job insecurity is consistently characterised as a biased experience, reflecting the individual's perception and interpretations of the employment situation (De Witte, 1999; Sverke, Hellgren & Naswall, 2002). On the other hand, Sverke *et al.*, (2002), states that job insecurity makes employees less inclined to remain with their organisation. This statement is confirmed by Ashford, Lee and Bobko (1989), Davy, Kinicki and Scheck (1997), Kuhnert and Vance (1992), and Rosenblatt and Ruvio (1996).

Intention to quit is the strength of an individual's viewpoint that he or she does not want to stay with the current employer (Boshoff, Van Wyk, Hoole, & Owen., 2002). According to Nickel and Quintini (2000) the problem is that most jobs do not end because of layoffs but because of voluntary quitting (intention to quit), where the psychological contract and job insecurity may have had an influence.

In **Chapter 2** the second specific objective of this study was the relationship between the psychological contract, job insecurity, intention to quit and individual characteristics (type of contract, gender, age, tenure and qualification) of security employees in the Vaal Triangle

In this study, it was found that security employees experienced differences between the type of contract, employer obligations and state of psychological contract. This may indicate that permanent and temporary employees do not hold different expectations and perceptions with regards to employer obligations. From a more practical viewpoint, the Labour Relations Act 66 of 1995 and the Basic Conditions Act 75 of 1997 give the same rights to both temporary and permanent employees. These findings are supported by Guest (2004), who says that no difference between temporary and permanent employee's perceptions of job insecurity exists.

Organisations can no longer provide long-term employment thus employees seem to care less for job security (Herriot, Manning & Kidd, 1997). When the psychological contract is characterised as short-term (temporary contract) by employees' obligations and if it narrowly focuses on economic exchange, the relationship with the intention to quit was strong (Maharaj, Ortrlepp, & Stacey, 2008).

Previous findings indicate that women experienced more intentions to quit since their traditional roles require them to take care of children and fulfil other household duties (Meitzen, 1986). This is why men's intention to quit should be explored again since these traditional roles or gender roles involved in job insecurity have changed over the decades.

When considering gender, no differences between this and employer- and employee obligations were found. This may indicate that the gender of employees does not hold different expectations with regards to employer- and employee obligations. Again, Constitution 108 of 1996 and Employment Equity Act 55 of 1998 gave both males and females equal rights. Male employees in security organisations in this study experienced higher states of psychological contract. Unfulfilled employees are more likely to distrust the organisation and have lower expectations regarding the employer's role in the employment relationship for females (Cavanaugh & Noe, 1999). Another explanation may be that the security organisations do not employ many female employees which in turn may influence results in a way that if differences do exist, it may have been overlooked since the female sample size were rather small. However, female employees scored higher than male employees in terms of job insecurity and intention to quit. According to Smithson and Lewis (1999), this believe that a lack of employment rights and a lack of control over terms and conditions. Medoff (1993) found that the proportion of male employees between the ages of 35-54 years who were permanently displaced from their jobs almost doubled between 1970 and the early 1990's. Women have less intention to quit than previously when they get married or have children (Wellington, 1993).

Age groups were found to be statistically significant for employer obligations. This study partially agrees with Cable (2008) who states that the age of employees has a relationship with employer- and employee obligations. No differences were found between employee obligations, state of the psychological contract, job insecurity, intention to quit and aged groups. The new psychological contract in the employment relationship shifted away from

paternalistic and secure employment relationships. Since security employees mostly do not stay with their employer for a long periods of time, it may also be an indication that age does not influence the feeling that they have been treated fairly or whether they could trust their employer, and have no worries about feelings of insecurity, since the security employees never planned to be employed at that organisation for long periods of time. They always have intentions to quit (Van Vuuren, 1990).

The construct of tenure of an employee has an influence on employer- and employee obligations. The amount of service within an organisation will influence the expectations and contributions of both parties. If these expectations and contributions are not fulfilled, the state of the psychological contract will be negatively influenced. This implies that the employee's perception of trust and fairness toward the employer or organisation will not be very high, which in turn may influence performance and commitment toward the security organisation. One would assume that employees with longer tenure experience higher states of psychological contract in their employer, but if the perceptions of trust and fairness toward employees were neglected in the past, there would not be reason, even after longer years of service, to feel like one could trust the employer or even feel that one would be treated fairly. This in turn may have an influence on the employee's perceptions of job insecurity, and eventually intention to quit. An increase in tenure is linked to increased levels of job security (Yousef, 1998). As tenure and job insecurity increases, employees' morale and opportunity to develop a long-term relationship are influenced (Greenspan, 2005). Employee turnover is determined by an individual's intention to quit. The result of this is that the employer is faced with a lack of employment continuity.

Manski (2001) found that job insecurity decreases with higher levels of qualification. According to Loscocco and Bose (1998), studies in the United States, Japan and Taiwan found that education (or *qualification*) has a positive effect on job insecurity, since higher qualification create high job expectations in comparison to those with less qualification. The treatment of job loss should be less problematic for the highly qualified, since more resources are available in order to find alternative employment (Schaufeli, Enzmann, & Girault, 1993). The level of qualification has been assumed to have a positive effect on the probability of changing jobs since a high qualification is often associated with better labour market alternatives (Royalty, 2004). However, most studies revealed a significant correlation

between one's qualification and intention to quit (Booth, 1999; Campbell, Caruth, Dickerson, & Green, 2007).

The hypothesis that different levels of qualification influence an employee's perception of employer- and employee's obligations is partially accepted. According to Keyser (2010a), as qualifications increase, job insecurity decreases. For security organisations, qualification levels are not that high, as qualification levels is seen as sufficient if the employee is able to read and write and undergo future training. One's ability to secure employment elsewhere and subsequently also the individual's intention to quit is among other things indicated by the level of one's qualification. Employees' acknowledgment of an organisation's inability to provide long-term employment in a changing setting is reflected by more transactional obligations (Bellou, 2007). The least skilled young employees who are most likely to associate employer flexibility with reduced choice and right for employees does not trust their employers (Smithson & Lewis, 1999). According to Van Wyk (2007), qualification is one of the most prominent causes or predictors of job insecurity in South Africa.

In **Chapter 3**, the third specific objective of this study was whether the psychological contract and job insecurity could predict intention to quit. This was tested by using multiple regression analyses that indicate that employee's obligation predicts a negative intention to quit. More specifically, it seems that the individual's employee obligations predict a negative intention to quit. Literature supports these findings by stating that employer obligations, employee obligations, the state of the psychological contract and violation of the psychological contract predict a negative intention to quit (Keyser, 2010a).

Job insecurity predicts positive intention to quit. Job insecurity may make employees less inclined to remain with the employer. The positive correlation between job insecurity and intention to quit is not unexpected. According to Ashford *et al.*, (1989) Greenhalgh and Rosenblatt (1984) the prediction that job insecurity would be positively related to intention to quit were made.

The results of this study emphasise the importance of an employer maintaining a good psychological contract with his or her employees. Trust between the parties and keeping their promises is also important in this exchange relationship. If employees do not fulfil their

promises, the employees have a higher intention to quit their job. Job insecurity can also influence employees' intention to quit.

In **Chapter 4**, the fourth specific objective of this study was to make recommendations for security organisations in the Vaal Triangle.

4.2 LIMITATIONS

One limitation was the use of the cross-sectional research design, making it difficult to prove causal relationships between the constructs in the Vaal Triangle, which implies that the data might not be representative in a South African sense. A replication of a larger study population with greater differences in type of contract, gender, age, tenure and qualification will be worthwhile. However, one advantage of this sample is that participants were from a variety of security organisations which is encouraging with respect to the general-ability of the findings. The process of selective data gathering could imply that important or relevant data in connection with the study was missed. Additionally, self-report data leaves space for participants' uncertainty about confidentiality. Also, the measuring instrument was in English only and should be translated into other South African languages.

4.3 RECOMMENDATIONS

Recommendations pertaining to security organisations as well as recommendations for further research will be discussed in this section.

4.3.1 Recommendations for the organisation

Future research should reduce some of the previous limitations and contribute to further development of a theoretical framework that accounts for South Africa. In the research, it was found that job security is explicitly redistributed away from permanent employees towards more temporary employees.

Employers and employees need to be aware of the possibility of the perception of the psychological contract, job insecurity and its consequences (intention to quit). To assist employers and employees, the results of relevant research studies must be communicated to

the organisation. Employers must be equipped with tools to help them identify the current state of their psychological contract in relation to job insecurity, and to act pro-actively in preventing and minimising the consequences of job insecurity. The proposed model for job insecurity in South African organisations can serve as such a tool. Interventions should be compiled and implemented to combat the prevalence of the negative effects of non-fulfilment of the psychological contract, feelings of job insecurity and intentions to quit the organisation.

Lee and Ashford (1996) state that interventions should be designed in order to have long-term benefits that can be achieved in order to deal with causes at the root of negative psychological contract, job insecurity and consequences. Interventions should be introduced at all levels in security organisations. According to Burchell, Ladipo and Wilkonson (2002), job insecurity is a phenomenon that is equally spread across all levels of the workforce. Fair and consistent performance management systems must be in place in order to prevent and minimise perceived feelings of non-fulfilment of the psychological contract, job insecurity which may lead to negative consequences for the individual, the organisation and the social environment.

4.3.2 Recommendations for future research

A recommendation is made to use a longitudinal research approach to examine how employees' perceptions relate to their attitudes and behaviour. This may also aid in the establishment of causal relationships with known long-term consequences of employees employment.

A longitudinal study approach will aid researchers who are interested in identifying numerous points at which to target organisational interventions. Thus, organisations that intend to improve their employees' evaluation of the psychological contract may need to consider aspects of job insecurity and intention to quit separately in relation to employees' evaluations of their psychological contracts.

In relation to self report measures, researchers should gather information during sessions with employees either as a group or individually, at a set time and place, in this way the effective analysis and prevention of mistrust and the promotion of positive psychological contract for employees will be better guaranteed (Silla, Gracia & Peoro, 2005). The measurement should

also be translated to other South African languages. Common method variance may bias the observed relationship among variables. Doing so would improve their understanding of how relationships between the psychological contract, job insecurity, intention to quit and individual characteristics unfold over time and may provide additional clarification.

According to Van Wyk (2007) the most significant requirement for future research would be to close the gap between theory and practice and also that the relevant results and recommendations from research studies be communicated to the applicable organisations. An important contribution to research in Industrial Sociology has been made by the theoretical contributions of this study from a South African perspective. The research contributed to a valuable pool of knowledge of the psychological contract, job insecurity, intention to quit and individual characteristics. Most South African research used a global conceptualisation of the psychological contract, job insecurity and intention to quit.

Contradicting results between South African organisations and international studies should be highlighted. The current South African political, economical and social situation may definitely have an effect on the perceived feelings of non-fulfilment of the psychological contract, job insecurity, and intention to quit of individuals employed in South African organisation.

5. CONTRIBUTION TOWARDS THE LABOUR RELATIONS AND EMPLOYMENT RELATIONS FIELD

This research made the following contribution to Industrial Sociology and Employment Relations as a science:

From a South-African viewpoint, the Industrial Sociology and Employment Relations areas make a difference in the Employment Equity Act, which enforces equal rights to all (Skosana, 2009), and also address skill shortage indicating a higher demand than availability of qualified individuals (Hamlyn, 2007) and unemployment. The percentage of the labour force that is unable to find employment is available at [Http://www.compcom.co.za](http://www.compcom.co.za). An effective employment relations/labour relations plan could help secure the competitive advantages of the organisation's needs. Such a plan is necessary as employees generate

capital for their organisation through their competence, knowledge, skills and behaviour (HR Focus, 2004).

REFERENCES 4

- Ashford, S., Lee, & Bobko (1989). Content, causes, and consequences of job insecurity: Theory-based measurement and substantive test. *Academy of Management Journal*, 32(4), 803-829.
- Bellou, V. (2007). Identifying employees perceptions on organizational obligations: A comparison between the Greek public and private sector. *International Journal of Public Sector*, 20(7), 608-621.
- Berman, E.M., & West, J.P., (2003). *Review of Public personnel administration. Psychological contracts in local Government: A preliminary survey.*
- Booth, A.L., & Burton, J. (2000). The position of women in UK academic economics. *The Economic Journal*.
- Boshoff, A.B., Van Wyk, R., Hoole, C. & Owen, J. H. (2002). The prediction of intention to quit by means of biographic variable, work commitment, role strain and psychological climate. *Management Dynamics*, 11(40), 14-28.
- Buitendach, J.H., Rothmann, S., & De Witte, H. (2005). The psychometric properties of the job insecurity questionnaire in South Africa. *SA Journal of Industrial Psychology*, 31(4), 7-16
- Burchell, B., Ladipo, D., & Wilkonson, F. (2002). *Job insecurity and workintensification*. London: Routledge.
- Campbell, D., Carruth, A., Dickerson, A., & Green, F. (2007). Job insecurity and wages. *The Economic Journal*, 544-566.
- Caplan, R., Cobb, S., French, J.R.P., Van Harrison, R. & Pinneau, S.R. (1975). Job demands and worker health: *Main effects and occupational differences*. Washington, DC: Department of Health, Education and Welfare.
- Cavanaugh, M.A., & Noe, R.A. (1999). Antecedents and consequences of relational components of the new psychological contract. *Journal of Organizational Behavior*, 20, 323-340.
- Davy, J.A., Kinicki, A.J., & Scheck, C.L. (1997). A test of job security's direct and mediated effects on withdrawal cognitions. *Journal of Organizational Behavior*, 18, 323-349.
- De Witte, H. (1999). Job insecurity and psychological well-being : Rewiew of the literature and exploration of some unresolved issues. *European Jouranl of Work and Orgaisational Psychology*, 8, 155-177.

- De Witte, H. (2000). Arbeidethos en jobonzekerheid: Meting en gevolgen voor welzijn, teverdenheid en inzet op het werk. In R. Bouwen, R., K. De Witte, K., H. De Witte, H., & T. Tailieu, T. (Red.), *Van group tot gemeenschap*. Liber Amicorum Prof. Dr. Lagrou, L., Garant.
- Ferrie, J.E. (2001). Is job insecurity harmful to health? *Journal of the Royal society of Medicine*. Department of Epidemiology & Public health., University College. Londen.
- Greenhalgh, L., & Rosenblatt, Z. (1984). Job insecurity: Toward conceptual clarity. *Academy of Management Review*, 9(3), 438-448.
- Greenspan, S.A. (2005). *Government says jobs took backseats*. SA Media, 12(2)
- Guest, D.E. (2004). The psychology of the employment relationship: An analysis based on the psychological contract. *Applied Psychology-an International Review*. 53, 541-555.
- Guest, D.E., & Conway, N. (2002). *Public and private sector perspectives on the psychological contract*. London, UK: CIPD
- Hamlyn, N. (2007). Avant garde critical studies. *Rodopi*, (12), 249-260.
- Hartley, J., Jacobson, D., Klandermans, B., & Van Vuuren, T. (1991). *Job insecurity: Coping with jobs at risk*. London: Sage Publications.
- Herriot, P., Manning, W.E., & Kidd, J.M. (1997). The content of the psychological contract. *British Journal of Management*, 8(2), 151-162.
- HR Focus. (2004). Exclusive survey: HR has many ideas, but little support for succession preparation. *HR Focus*, 1-4. From [Http://www.compcom.co.za](http://www.compcom.co.za)).
- Iyo, J.K., & Brotheridge, C.M. (2004). Exploring the predictors and consequences of jobinsecurity's components. *Administrative Sciences Association of Canada, Quebec*. 22(1), 40-64.
- Keyser, E. (2010a). *The changing employment relationship in the chemical industry: The role of employment and Psychological contract*. North West University of the Vaal Triangle. Vanderbijlpark.
- Kingdon, G. & Knight, J. (2001). The centre for the study of African economies working paper series. *Centre of Study of African Economies*. 156.
- Kuhnert, K.W., & Vance, R.J. (1992). Job insecurity and moderators of relation between job insecurity and employee adjustment. *Stress and well-being at work*. Washington: APA.
- Lee, R.T., & Ashford, B.E. (1996). A meta-analytical examination of the correlates of job burnout. *Journal of Applied Psychology*, 81, 123-133.
- Maharaj, K., Ortlepp, K., & Stacey, A. (2008). Psychological contracts and employment equity practices: A comparative study. *Management Dynamics*. 17(1).

- Manski, C.F. (2001). *Informing America's policy on illegal drugs: What we don't know keeps hurting us*. National Academy of science. Washington. USA.
- Maumo, S., & Kinnunen, U. (1999). Job insecurity and well-being: A longitudinal study among male and female employees in Finland. *Community, Work & Family*. (2), 147-169.
- Medoff, J. (1993). Middle-aged and out of work: growing unemployment due to job loss among middle-aged American. Working Paper, National Study Center, Washington, DC.
- Meitzen, M.E. (1986). Differences in male and female job-quitting behaviour. *Journal of Labour Economics*, University of Wisconsin. Milwaukee. 4(2).
- Nickel, S., & Quintini, G. (2000). Nominal wage rigidity and the rate of inflation. *Working Paper*. Centre for Economic performance. London School of Economics. 489.
- Rosenblatt, Z., & Ruvio, A. (1996). A test of multi-dimensional model of job insecurity. The case of Israeli teachers. *Journal of Organisational Behaviour*.
- Rosenblatt, Z., & Ruvio, A. (1996). A test of multidimensional model of job insecurity: the case of Israeli Teachers. *Journal of Organizational Behavior*. (17), 587-605.
- Schaufeli, W.B., Enzmann, D., & Girault, N. (1994). The validity of the Maslach Burnout Inventory in three national samples. *Health workers and AIDS*. 8, 132-150.
- Silla, I., Gracia, F.J., & Peiro, J.M. (2005). Job insecurity of Health-related outcomes among different types of temporary workers. *Economic and Industrial Democracy*, 26(1), 89-117.
- Skosana, N.M.D. (2009). Perceptions of adolescents about sexuality and sexually transmitted diseases. In fulfilment of the requirements for the degree of Master of arts in department of advanced medicine.
- Smithson, J., & Lewis, S. (1999). *Is job insecurity changing the psychological contract?* Manchester Metropolitan University, Manchester, UK. 29(6), 680-702
- Sverke, M., Hellgren, J., & Naswall, K. (2002). No security; A meta-analysis and review of job insecurity and its consequences. *Journal of Occupational Health Psychology*. 6, 242-264.
- Van Vuuren, T. (1990). Job insecurity: introduction. *European Journal of work and Organisational Psychology*, 8(2), 145-153.
- Van Wyk, M. (2007). Setting a research agenda for job insecurity in South African organisations. Dissertation in partial fulfillment of Magister Artium in Industrial Psychology. North-West University of Potchefstroom. Potchefstroom.

- Wellington, A.J. (1993). Changes in the male/female wage gap. *Journal of Human Resources*, 28,383-411.
- Yousef, D.A. (2000). The interactive effects of role conflict and role ambiguity on job satisfaction and attitudes toward organizational change: A moderated multiple regression approach. *International Journal of Stress Management*, 48, 9-21