

**THE EMPLOYMENT, SOCIAL AND
PSYCHOLOGICAL CONTRACT AND WORK
OUTCOMES IN A PRIVATE SECURITY
ORGANISATION**

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LLB

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**Faculty of Humanities
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DECLARATION

I, V PELSER-CARSTENS declare that **THE EMPLOYMENT, SOCIAL AND PSYCHOLOGICAL CONTRACT AND WORK OUTCOMES IN A PRIVATE SECURITY ORGANISATION** is my own work and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references.

Signature: _____

Date: _____

REMARKS

The reader is reminded of the following:

- The references, as well as the editorial style as prescribed by the Publication Manual (6th edition) of the American Psychological Association (APA) were followed in this dissertation. This practice is in line with the policy of the programme in Labour Relations Management 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. Based on research on this topic, articles were published:

Article 1: Pelser-Carstens, V., & Keyser, E. (in press). Validation and variables impacting the measurement of the Employment Contract Scale. *Procedia Social and Behavioral Sciences*. Paper ID 25246

Article 2: De Beer, S., Keyser, E., & Pelser-Carstens, V. (2011). The relationship between the psychological contract, job insecurity, intention to quit and individual characteristics of security employees in the Vaal Triangle. IBC. ISBN: 978-620-47495-5

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SUMMARY

Title: The employment-, social- and psychological contract and work outcomes in a private security organisation

Key words and terms: employment contract, social contract, psychological contract, work outcomes

Employment relations literature is concerned with what is exchanged between the employer and the employee via an employment contract, a social contract or a psychological contract, with perceived mutual obligations (Rousseau, 1995; Capelli, 1999; Kalleberg, 2001).

The psychological contract finds its foundation in the perceptions of the employee, that is, what the employee believe the employer has offered the employee in terms of their work relationship and the social contract refers to the expectations and obligations employers and employees have for their work and the employment relationship (Grahl, & Teague, 2009).

The new employment contract differs from the old employment contract in that it is largely informal and even unwritten (Gilbert, 1996). This is in line with the new trend of business management as used by people-driven world-class organisations with a globalised focus (Gilbert, 1996).

A research need exists to examine the potentially different or redundant effects of promises and expectations on the development of the obligations that are perceived to constitute the employment, the social and the psychological contracts (Martocchio, 2004; Shore, Tetrick, Taylor, Coyle-Shapiro, Liden, McLean-Parks, et al. 2004). The primary objective of this research is to investigate the relationship between the social- and the psychological contracts of private security employees (N=217) in the Vaal Triangle in terms of employability, job insecurity, job satisfaction, life satisfaction and intention to quit.

This study is submitted in article form. 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 of the

research. Validity, Pearson product moment correlation coefficients as well as regression analysis were utilised to examine the relationship between the constructs employed in this research. The Employment Contract Scale (ECS) was also utilised as a research instrument, as the questionnaire-method proves to be largely reliable.

Reliability analysis confirmed sufficient internal consistency of the subscales. The observed correlations were found to be comparable with the values reported in previous research by Edward and Karau (2007). By using multiple regression analysis, it was established that by investigating the relationship between the social- and the psychological contracts of private security employees (N=217) in the Vaal Triangle in terms of employability, job insecurity, job satisfaction, life satisfaction and intention to quit (the primary objective of this research) that job satisfaction and intention to quit predicted the social contract and that job satisfaction and life satisfaction predicted the psychological contract. No relationship however exists between employability, intention to quit and the psychological contract.

Recommendations are advanced for future research.

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CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

1.1 INTRODUCTION

The study focuses on the relationship between the new social contract and the new psychological contract of employees within a private security organisation in the Vaal Triangle. Chapter 1 provides a background to and motivation of the general objective and specific objective for Chapter 2 (Article 1) and Chapter 3 (Article 2) of the study. In Chapter 1 the paradigm perspective of the study is also discussed. The research design and methodology are explained in order to clarify the implementation of the research. At the end of Chapter 1, an outline of the chapters is provided. Chapters 2 and 3 consist of articles, and Chapter 4 furnishes the conclusion and recommendations of the study.

1.2 BACKGROUND AND PROBLEM STATEMENT

In the last two decades, there have been major changes in employees' perceptions of and reactions to the employment relationship (Zhao, Wayne, Glibkowski, & Bravo, 2007), as well as their ability to handle the changing environment (Ramesar, Koortzen, & Oosthuizen, 2009). Because of the dramatic changes in the employment relationship over the past few decades, the literature on recent employment relations focuses on what is actually exchanged by the employer and employee, rather than on the perceived mutual obligations between the employer and the employee (Capelli, 1999; Kalleberg, 2001; Grogan, 2009).

Weidenbaum (1995) explains that the new social and psychological contracts are formed by employers and employees and that these new contracts govern their relationship. Edwards and Karau (2007) aver that researchers, in a number of studies, refer to the new employment relationship and that there is some disagreement among researchers on whether this new employment relationship is impacted by the social or the psychological contract. It could therefore be advantageous (in the researcher's own voice) to study the new employment relations from a South African perspective, because the researcher found limited international theoretical and empirical studies that solely include these two concepts, and no specific research applicable to the

South African context. A need therefore exists, in reference to the South African context, to “fill the gap” in the employment relationship.

The evolving democratic system of South Africa has not left the private security industry untouched. The latter began developing during the 1980s owing to factors such as apartheid activities (Berg, 2007; Pretorius, 2012). Since 1994, there has been a rise in the crime rate and a concurrent rise in the size of the private security industry as indicated by the Security Association of South Africa (SASA, 2012). According to Lubbe (2010), the Bureau of Labour Statistics (BLS) predicts that the employment of security officers will grow by 17% between 2006 and 2016, which is considerably faster than the average for all occupations and the same growth rate applies to South Africa (Berg, 2007). The research and the results obtained in this study is therefore paramount to the private security industry in South Africa.

Pillay (2001) and Blaine (2005) therefore go as far as to say that the private security industry is currently one of South Africa’s fastest growing industries. Pillay (2001) furthermore states that this growth in the private security industry is a fact which is recognised by the state because the private security industry is now performing duties which were previously the responsibility of the state police. Consequently, Berg (2007) found that the growth of this industry has also constituted an avenue of employment for the unemployed.

Accountability in the private security industry in South Africa is governed through State laws and statutory bodies, enforcing these laws through regulating the industry. This legal framework is however not specific to the private security industry, but still serves as a “metaregulator”, ensuring accountability (Loader & Walker, 2006).

Pettinger (1999) avers that a government promulgates the employment law and sets the standards and boundaries of practice within a country. Pettinger (1999) further explains that a government also establishes codes of conduct, codes of practice as well as employment protection and encouragement policies. The employment contract serves as the foundation for the relationship between an employee and the employee’s employer, and is the origin of the entire system of labour law rules (Basson, Christianson, Dekker, Garbers, Le Roux, Mischke, & Strydom, 2009). This is also evident in the private security industry where security officers are employed on

permanent or part-time contracts (Schönteich, 1999; De Beer, Keyser, & Pelsers-Carstens, 2011).

Different types of contracts exist in the employment relationship, namely the employment contract, the social contract and the psychological contract (Rousseau, 1995). Hakim (1994) explains that the employment relationship consists of a social contract and Kissler (1994) posits that changes in the employment relationship have created psychological contracts. Employees are prepared to utilise the law (Grahl & Teague, 2009) and therefore the social contract and the psychological contract have important legal dimensions that require new strategies to ensure compliance and enforcement of employment legislation. In the context of South Africa and in other countries like the Czech Republic (Kirovavo, 2010), the concept of a social contract or a psychological contract, both the traditional and new types, are not widely known by practitioners and scholars.

Edwards and Karau (2007) focus on employees' perceptions of the employment relationship that exists in organisations today as well as their perceptions of the social contract and the psychological contract. Therefore, they believe that these contracts are driven by individual ideology and perceptions. In the researcher's own voice, the following questions can be posed: What is the legal view on the social contract and the psychological contract? How did these contracts develop over time?

Pesqueux (2012) attempts to answer these questions by reasoning that the legal view/concept of a contract is about will, agreement, obligation, promise, commitment, staying true to one's commitments, cooperation, sanction and bond. Furthermore, the concept of a contract is also at the core of disciplines such as law, labour relations management, industrial sociology and sociology.

Researchers also, in addressing the abovementioned questions, explain that the formation and maintenance of the employment relationship is predicated on a reciprocation of valued resources (Dulac, Coyle-Shapiro, Henderson, & Wayne, 2008). According to Schein (1965) and Rousseau (1989), reciprocal obligations between employees and their employers lay the foundation for an employment relationship. Within the employment relationship, the employment contract is based on defined or undefined periods (Grogan, 2009). The psychological contract accounts

for the perceived promises that employees believe their organisation has made to employees and the social contract refers to the expectations and obligations that the employees and employers have for work and the employment relationship (Grahl & Teague, 2009). Martocchio (2004), and Edwards and Karau (2007) explain that a need exists to examine the promises and expectations within the employment relationship. Therefore, a further question that needs to be addressed is whether the social contract and the psychological contract could be considered as a contract within the employment relationship and what are the expectations of the parties within this relationship.

Addressing the question on the development of the employment contract over time Gilbert (1996, p. 36) posits that the new employment contract “is informal and largely unwritten and its main users are people-driven, world-class organisations”. Charness and Levine (2002) suggest that researchers can already identify changes in the new employment relationship because there is less commitment between the employer and the employee and there are closer ties between wages within the organisation and those in the external labour market. From 1950 through to the mid-1960s, employees demonstrated intense loyalty to their employers and in return, employers provided job security and benefits for their employees. Employers would only terminate employee contracts if it was in the short-term interest of the organisation to do so, while at the same time employees began to move from organisation to organisation, no longer making a career with one employer (Brown, 2005). Research conducted by Clarke and Patrickson (2008) indicated that the employee still believes that employability is the responsibility of the organisation because employability benefits employees with highly developed or high-demand skills and therefore the employee can still manage a career through development and job-specific training.

Hakim (1994) as cited by Edwards and Karau (2007, p. 67) suggests “a new employment relationship should consist of a social contract which requires all employees to be self-employed because they are no longer entitled to jobs, but instead they have to earn jobs”. Edwards and Karau (2007, p. 67) therefore suggest “the new social contract requires employees to be responsible for acquiring their own skills and employment”. Pillay (2001) explains that in South Africa, the commercial provision of security is a reality. To exploit the opportunities offered by private security

services, policy changes should be considered which grant them additional powers, and provide safeguards to ensure that they operate within the law and protect the rights of people.

In psychological contract theory and research, the differences between what the employee believes, what has been promised by the organisation and what has actually been delivered play a major role in shaping the individual's attitudes and behaviours (Robinson, 1996). Researchers "disagree as to whether these changes are impacting the social contract or the psychological contract" (Edwards & Karau, 2007, p. 67). Therefore, it is necessary to investigate the individual level (employment contract and psychological contract) that spells out the individual interest and the national level (social contract) that spells out the individual agreement on a macro-level or organisational level.

The social contract entails beliefs about exchange, reciprocity, good faith, and fair dealings in reference to the employment relationship (Morrison & Robinson, 1997). The social contract focus falls on how the reciprocal relationship between the employer and the employee has been conducted up to now and how it should be conducted in the future. The terms and conditions that govern the execution of the psychological contract are embedded in the social contract.

Addressing the question on the development of the social contract over time, the implicit social contract of today is different to the implied expectations or obligations of the past (Kochan, 1999). Kochan and Shulman (2007) argue that the implicit social contract and the belief that hard work, loyalty and good performance by the employee will be rewarded by the employer with fair and increasing wages, dignity and security that has governed the employment relationship for years has now broken down and is being replaced by the short-term gains of the employees, often at the expense of the employee.

Researchers' views on the social contract and the *employment contract* require updating because if there was an implicit employment contract, it is changing dramatically and the expectations between the employer and the employee are changing as well (Eaton, 2000). Pillay (2001) argues that a significant mind shift is

necessary if the private security industry in South Africa is to survive and the employer must begin to see the employees as assets and a long-term investment.

An extension of the *social contract* is the psychological contract (Roehling, 1997). Coyle-Shapiro and Kessler (2000) suggest that there is a renewed interest by researchers in the *psychological contract* because of the attempts by researchers to describe, understand and predict the consequences of changes now occurring in the employment relationship. Psychological contracts constitute each party's beliefs about what the employee is entitled to receive but also obligated to give, in exchange for the employers' contribution (Niehoff & Robert, 2001).

The psychological contract at work can be viewed as a set of reciprocal expectations, an integral dimension of the social contract, held by employees and employers about how each should perform and be treated at work (Grahl & Teague 2009). Niehoff and Robert (2001) explain that when such contracts are upheld, outcomes are positive, and when violations occur, outcomes are negative.

Fulfilment of the psychological contract by the employer as well as the employee suggests positive outcomes for employees who then tend to stay in the organisation despite job mobility (Coyle-Shapiro & Conway, 2005).

Addressing the question on the development of the psychological contract over time, current psychological contracts seem to be different from the contracts of the 1950s and 1960s. Employers and employees realise that lifetime job security can no longer be guaranteed and employees have to be more self-reliant (De Meuse & Tornow, 2007). By focusing on the psychological contract emphasis is placed on the importance of balancing both individual and organisational concerns about careers (Atkinson, 2002). This positions the discussion to move to the concept of employability (Sieber, 2008). Employability is the capacity and willingness of employees to remain attractive to the labour market by anticipating changes in the task and work environment and reacting to them (De Grip, Van Loo, & Sanders, 2004).

Changes in the work environment may impact the psychological contracts of employees (Maguire, 2002). When change occurs, employees will alter perceptions of what they owe the employer and what is owed in return (Robinson & Rousseau,

1994). Individuals' perceptions of work differ (Bendix, 2010). The attitude that individuals adopt towards their jobs, and the extent to which they feel positively or negatively about their jobs, is defined as job satisfaction (Bhuiyan & Menguc, 2002). The development of negative thoughts and the intention to quit by the employee may be influenced not only by the characteristics of the individual, but also by those of the organisation as well as the job of the employee (Rosin & Korabik, 1991; De Beer, 2010; Pretorius, 2012).

The question could now be posed whether job satisfaction impacts on life satisfaction and whether it could be linked to intention to quit. Addressing this question, previous research indicates that job satisfaction could be influenced by personality dispositions (Weitz, 1952; Gutknecht, 2005). The research conducted by Weitz (1952) indicates that people who were not satisfied with their job also complained more about their life in general. Further research even indicated that if job satisfaction influences life satisfaction, there might be some kind of disposition to view things in a more positive or a more negative way (Hart, 1999). It seems that changes at the workplace inherently have a positive influence on job satisfaction and intention to quit (Gutknecht, 2005). This result confirms the findings of Semmer, Baillod, Stadler and Gail (1996), who noticed that job satisfaction reaches its lowest level shortly before a potential change of job. An indispensable factor to understanding job satisfaction is "quality of life," or life satisfaction (Ghiselli, La Lopa, & Bai, 2001). There is, however, a limitation on research linking the psychological contract, job satisfaction and life satisfaction to the intention to quit (Ghiselli et al., 2001), especially within the private security industry.

The question that now needs to be addressed is whether labour relations in South Africa will keep up with the constant changes experienced within the private security industry and whether the employees will experience job satisfaction as well as life satisfaction or will they experience an intention to quit. The differences between what the employee believes has been promised by the organisation and what is actually delivered, play a significant role in shaping the attitudes and behaviours of the individual in psychological contract theory and research (Robinson, 1996).

Conway and Briner (2005) offer the following perspective of the different types of contracts within the employment relationship:

Table 1

Perspectives of the different types of contracts within the employment relationship

		LEVEL	
		Individual	Group
PERSPECTIVE	Within	Psychological Beliefs that people have about promises made, accepted and relied upon between themselves and another	Normative Shared psychological contract that emerges when members of a social group, organisation or work unit hold common beliefs
	Outside	Implied Interpretations that third parties make regarding contractual terms	Social Broad beliefs in obligations associated with a society's culture

Adapted from Conway and Briner (2005).

Research on the changing employment relationship and the impact thereof on the social contract and the psychological contract are therefore needed. Researchers have identified divergent schema of employer and employee complexity and ambiguity around employment contracts as well as miscommunication between the parties as sources of differences in perception (Martocchio, 2004). Hutchison and Pretorius (2009) state that if the minds of the parties have never truly met, one must then ask whether either party by their words or conduct has led the other party to a reasonable belief that a consensus had been reached. One could pose the question: What are the differences between the social contract and the psychological contract within the private security industry?

From the above it is clear that, in addressing the differences between the social contract and the psychological contract within the growing private security industry, the perceived promises and expectations between the employee and the employer need to be investigated through research into the social and the psychological contracts. This study also focuses on the new employment relationship and the implications of individual perceptions on the employment relationship, by focusing on the employment, social and psychological contracts, and individual outcomes (employability) and organisational outcomes (job insecurity, job satisfaction, life satisfaction and intention to quit) in the growing private security industry.

1.3 MEASUREMENT OF THE SOCIAL AND PSYCHOLOGICAL CONTRACT

The last decade has witnessed an increase in cross-cultural studies in which the perceptions of national characteristics of countries were compared. Referring to the common attributes that were studied, disparities were observed among the prevalent cultures in each of the countries. These studies have classified cultures only as individualistic or collectivistic and lack scrutiny of the differences between the constructs and individual characteristics of the employee (Beugelsdijk & Frijns, 2010). Therefore, a need exists to focus on the individual characteristics of employees.

To try and understand the changes in the employment, social and psychological contract variables are utilised. In research, variables such as education, age, gender and working hours were included as control variables (Conway & Coyle-Shapiro, 2012). Education, age and gender may influence what employees expect from work (Bal, De Lange, Jansen, & Van Der Velde, 2007). Inadequacies in the research of the psychological contract variables led Conway and Briner (2005) to criticise these contracts as measuring instruments, because they were not being interpreted as a series of events, paid little attention to multiple levels and gave no consideration to the time intervals between events.

Edwards and Karau (2007) however have conducted three studies in order to develop and validate efficient measures of social and psychological contracts as distinct constructs. In the **first study**, they utilised a large sample of management students in the United States. They made use of Morrison and Robinson's (1997) studies to generate 24 items that form the essence of the employment relationship. The items in the questionnaire included "loyalty, long-term job security, employability and fulfilment of work responsibilities, and employee mobility". In the **second study**, 301 undergraduate students of the Midwestern State University were recruited to complete a 12-item questionnaire. In this research, 192 students completed the questionnaire. Furthermore, 78% of the employed respondents worked part time and 22% worked full time. The Cronbach alphas for these two dimensions were high, suggesting a good reliability. In the **third study**, conducted in Singapore, 45 practicing managers who were enrolled in an Executive MBA course were utilised. In this study, the

dimensionality and internal consistency of the ECS was not restricted to students or a United States sample but was tested on managers in South-East Asia.

Studies on the test-retest reliability of the ECS conducted by Edwards and Karau (2007) seem to confirm the stability of the ECS scales over time. Coefficients for the social contract ranging from 0.72 to 0.87 and 0.81 to 0.84 for the psychological contract were found in three different studies, namely on management students in the United States, undergraduate students of the Midwestern State University and practising managers enrolled in an Executive MBA course presented in Singapore. No previous studies exist which test the reliability of the ECS scale in South Africa, and Edward and Karau (2007) mention that it is important for future studies to examine the consequences of differences between the social contract and the psychological contract of employees and related outcomes.

Therefore, in this study the researcher focused on the aforementioned consequences as well as the validation of the ECS as a measurement instrument. One can thus pose the question whether the individual and organisational outcomes predict a social contract or a psychological contract.

1.4 MY EVOLVING INTEREST IN THE STUDY: OBSERVATIONS FROM THE WORKPLACE AS PRACTICING ATTORNEY AND ACADEMIC

Before I joined the world of academia and research, I was a practising attorney from 1999–2005. During my years of practice, I specialised in Labour Law. In most of the arbitration cases as well as the disciplinary hearings that I handled, it was evident that the parties involved in the employment relationship had diverse expectations that were not “put into writing”, that is, the expectations were not reflected in the employment contract. It was usually these unvoiced expectations that created a hiccup in the employment relationship or the reason why legal advice was sought. A lack of job satisfaction ensued because these unvoiced expectations were not met, while at the same time creating a spill over effect to the home and family environment. The employee was not pleased or satisfied with life any longer and thus the intention to quit was created. This dissatisfaction with life and work as well as the intention to quit influenced the employee in such a way that less care and skill was applied in the workplace resulting in disciplinary hearings and arbitration processes.

During these arbitration processes and disciplinary hearings, I tried to clarify the unvoiced expectations of the employer as well as those of the employee. Usually this clarification process resulted in a positive outcome for both the employer and employee. These unvoiced expectations differed from one case to another but mostly it boiled down to the variables (utilised in this study) within the social contract and the psychological contract. This brought me to the onset of my research; my aim to establish the relationship between the employment contract, the social contract and the psychological contract and to determine that these types of contracts play a role in an individual employee's employability, job insecurity, job satisfaction, life satisfaction and his or her intention to quit. Furthermore, I sought to establish that these three types of contracts cannot be seen as separate concepts, but that they are indeed strongly linked with one another and to refer to the one is to refer to the other.

Considering the above, and as explained by Edwards and Karau (2007), there is a need for research on the differences between the social contract, psychological contract and work-outcomes in the employment relationship. A conceptual model is established in Figure 1.

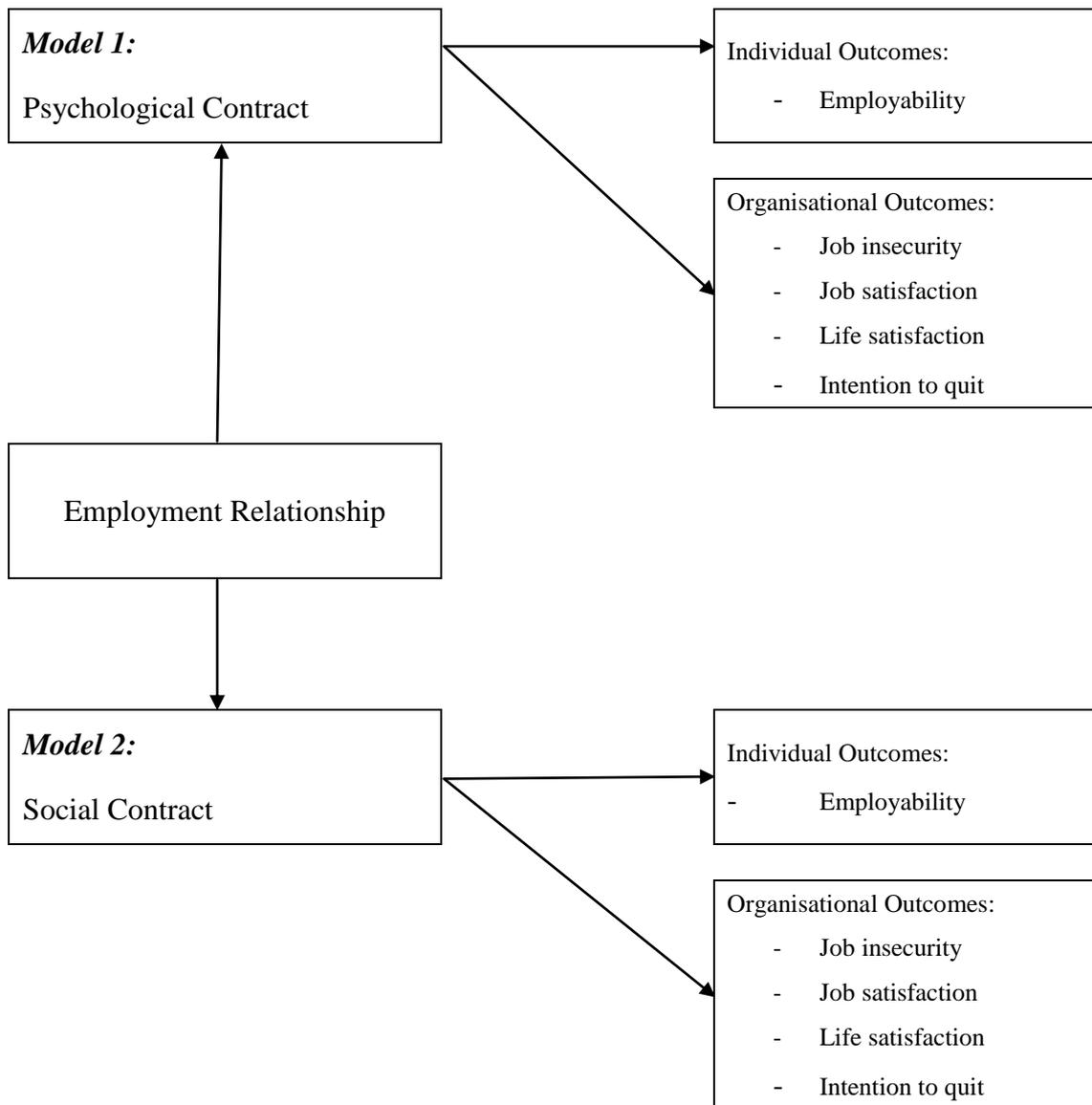


Figure 1. Conceptual model on the differences between the psychological and the social contract and work-outcomes

On the basis of the above-mentioned literature, the following research questions are identified:

- How are the old and the new employment, social and psychological contracts and the relationship between these constructs conceptualised in the literature?
- Is the Employment Contract Scale (ECS) a reliable and valid scale on which to measure the social and the psychological contract for employees in a private security organisation in the Vaal Triangle?

- What are the differences and relationships between the types of employment, social and psychological contracts for employees in a private security organisation in the Vaal Triangle?
- What are the relationships between the employment, the social and the psychological contracts, and employability, job insecurity, job satisfaction, life satisfaction, and intention to quit for employees in a private security organisation in the Vaal Triangle?
- Do employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the social contract?
- Do employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the psychological contract?

1.5 EXPECTED CONTRIBUTION OF THE STUDY

1.5.1 Individual contribution

The researcher hopes to gain insight into the type of contract that exists between the employer and employee within a private security organisation in the Vaal Triangle, as well as if the employee's level of job satisfaction plays a role in their experience of life satisfaction. The researcher furthermore hopes to gain insight into employees' intention to quit due to employability and job insecurity. Information will be used to assist employers within the private security industry to gain insight into the employment relationship and the differences between the old and the new social- and psychological contract. Furthermore, this study will also shed light on variables and their impact on the social contract and the psychological contract of employees within the private security industry.

1.5.2 Contribution to Labour Relations

Due to limited research on the relationship and differences between the social contract and the psychological contract regarding employability, job insecurity, job satisfaction, life satisfaction and intention to quit, this study will contribute to the literature by establishing constructs for the social contract and the psychological contract.

This research may also furnish insight into future research for establishing a relationship between the employment contract, the social contract and the psychological contract regarding employability, job insecurity, life satisfaction, job satisfaction and intention to quit.

1.5.3 Contributions to Organisations in South Africa

This study is significant because it contributes to a reliable and valid measuring instrument for the new social- and psychological contract within the private security industry in South Africa. A model is developed between the social contract and the psychological contract. New scientific information and knowledge regarding the differences between the social contract and the psychological contract and the work-outcomes will be available.

1.6 RESEARCH OBJECTIVES

In order to answer the research questions mentioned previously, the following research objectives are set. The research objectives are divided into general objectives as well as specific objectives.

1.6.1 General objective

The general objective of this study is to establish the relationship between the employment contract, the social contract and the psychological contract of employees within a private security organisation in the Vaal Triangle.

1.6.2 Specific objectives

The specific research objectives are thus:

Chapter 2: Article 1

Validation and variables impacting on the measurement of the Employment Contract Scale

- To conceptualise employment, social and psychological contracts and the relationship between these constructs from literature; and

- To evaluate the new employment relations (social and psychological contract) of a private security organisation in the Vaal Triangle and to assess variables (classification of job, type of contract, gender, age, tenure, qualification, hours of work per week, supervision/supervising employees and union membership) that influence employment, social and psychological contracts (Hypothesis 3-11); and
- To assess the reliability and validity of the Employment Contract Scale (ECS) (Hypothesis 1-2).

Chapter 3: Article 2

The relationship between employment, social and psychological contracts, regarding employability, job insecurity, job satisfaction, life satisfaction and intention to quit for employees in a private security organisation in the Vaal Triangle

- To conceptualise and explain whether the social contract and the psychological contract could be considered as contracts within the employment relationship;
- To determine the relationship between the employment, the social and the psychological contracts regarding the work outcomes employability, job insecurity, job satisfaction, life satisfaction and intention to quit for employees in a private security organisation in the Vaal Triangle;
- To develop models for (a) the social contract (to determine if employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the social contract) and (b) the psychological contract (to determine if employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the psychological contract).

1.7 PARADIGM PERSPECTIVE OF THE RESEARCH

A certain paradigm perspective directs this research, representing the thinking and practices of the researcher. A paradigm perspective is an experimental design, model or plan of the steps in research, which includes the intellectual climate and market of intellectual resources (Mouton & Marais, 1992; Lundin, 1996; Bergh & Theron, 2003).

1.7.1 Intellectual climate

In research, intellectual climate refers to a “collection of beliefs, values and assumptions that do not directly deal with the epistemological views of the scientific research practice because it normally originates in a non-epistemological context” (Mouton & Marais, 1992 as cited by Swart, 2006, p. 8; Carr, 2007). Furthermore, Mouton and Marais (1992) as cited by Keyser (2010, p. 15) explain that “the intellectual climate refers to the variety of non-epistemological systems/beliefs that are underwritten in any given period in a discipline”. Todorov and Marinova (2009) posit that what is however clear is that there is a need for a new area that would cover the study, modelling and measuring of sustainability allowing for new knowledge to be generated, which would help in analysing current trends, forecasting expected changes and managing the global system of the “humanity– economy–society” for sustainable development.

1.7.1.1 Discipline

This research falls within the boundaries of the behavioural sciences and more specifically focuses on the social exchange theory between the employer and employee within employment relations. “Employment relations” is a term that is commonly utilised with regards to “industrial relations” and “labour relations”. Employment relations are a broader concept.

Kelly (1998) avers that industrial relations are increasingly known as employment relations and that it is not a discipline but a field of study comprising contributions from across the social sciences, including economics, sociology, psychology, law and politics. The social-exchange theory focuses on the employment relationship through the lens of exchange (Barnard, 1938; Gouldner, 1960; Blau, 1964). The problems posed in the field of industrial relations/labour relations cannot be researched or solved within a single discipline alone. An inter-disciplinary approach is therefore necessary.

This research employed the social exchange theory and spill over theory. The beginnings of *the social exchange theory* were characterised by the research done by Homans (1958), Gouldner (1960) and Blau (1964). The research of Gouldner (1960) and Blau (1964) builds on the framework provided by Homans (1958). Blau (1964)

maintains that personal obligations, gratitude and trust assisted in the development of the social exchange theory. Coyle-Shapiro and Parzefall (2008) reason that this social exchange relationship includes reciprocal actions between the different parties in the relationship and it can therefore be applied to the employment relationship as well. Coyle-Shapiro and Parzefall (2008) state that the application of this relationship lies within reciprocity by perpetuating the on-going fulfilment of obligations and the strengthening of indebtedness between the parties in the relationship. Social exchange theory shares some common elements with the psychological contract theory and the social contract theory.

Blau (1964) explored social exchange theory (SET) and stated that SET could be utilised to explain the formation of social contracts between two or more parties as well as future, non-guaranteed social rewards. People form relationships on the basis of trust, especially during initial exchanges, according to SET.

The relationship between an individual's work and nonworking domains is examined by *the spill over theory*. The spill over theory also emphasises the reciprocity of this relationship; in other words, affective responses from one domain may be carried over to another domain (Aldous, 1969; Piotrowski, 1979; Crouter, 1984; Barnett & Marshall, 1992; Barnett, Marshall, & Sayer, 1992; Leiter & Durup, 1996). The spill over of emotions from work life to nonworking life (Piotrowski, 1979; Kelly & Vyodanoff, 1985) as well as the spill over of emotions in the opposite direction, that is, from home life to work life (Crouter, 1984; Belsky, Perry-Jenkins, & Crouter, 1985), usually forms part of the focus of research studies in behavioural science and more specifically in labour relations.

My research journey consequently began with a desire to research the protection of social and psychological expectations of the employee as the labour laws are constantly evolving.

1.7.1.2 Meta-theoretical assumptions

Mouton and Marais (1992) explain that meta-theoretical assumptions are those assumptions which are concerned with other assumptions of other theories. “The paradigms that are relevant to this research are firstly, the literature review, which is conducted within the behaviouristic paradigm, and secondly, the empirical study

which is conducted within the phenomenological and humanistic paradigms” (Keyser, 2010, p. 17).

A. Literature review

Weiten (2007) as cited by Keyser (2010, p. 17) explains that the behaviouristic paradigm is a theoretical orientation based on the argument that scientific subjects should only study observable behaviour. The behaviouristic paradigm is based on the assumptions that scientific claims must be verified, that a relationship exists between stimuli and responses, and that environmental determinism emphasises the importance of the individuals’ environment when studying behaviour (Weiten, 2007). This study focuses on analysing observable behaviour of individuals within their immediate work groups and wider organisational context therefore “it could be implied that the behaviouristic paradigm is applicable to this research” (Keyser 2010, p. 17).

Despite a long held awareness of the importance of studying the situation and the person and calling for such research relating to the psychological contract, the role of the variables of the individual differences in an exchange relationship has received relatively little attention (Coyle-Shapiro & Neuman, 2004).

B. Empirical study

The phenomenological paradigm is applicable to this study. This paradigm is concerned with an individual’s attributes to experiences of reality, their world and relationships as well as their cognitive experiences (Rothman, Gerber, Lubbe, Sieberhagen & Rothmann, 1998).

1.7.2 Market of intellectual resources

Mouton and Marais (1992) as cited by Keyser (2010, p. 18) explain that “the market of intellectual resources refers to that collection of beliefs which directly involves the epistemological status of scientific statements. The two main types of epistemological beliefs are the theoretical and the methodological beliefs”.

1.7.2.1 Theoretical beliefs

Mouton and Marais (1992) as cited by Keyser (2010, p. 18) explain that “theoretical beliefs can be described as all beliefs that can make testable judgments regarding social phenomena. These are all judgments regarding the “what” and “why” of human phenomena and include all conceptual definitions, and all models and theories of research”.

A. Conceptual definitions

The relevant conceptual definitions are furnished below.

Employment contract: Basson et al. (2009) define the employment contract as the foundation for the employment relationship between the employer and the employee.

Employment relations: Employment relations are defined as the relationship between an individual and his or her superiors or other employees (Huat, 2002). Edwards and Karau (2007) place the emphasis on the value of the relationship between the employer and the employee rather than referring to the employment contract. In their opinion a psychological contract binds an employee with his or her current employer and a social contract is a reflection of the employee’s perception of an ideal contract between employers and employees.

Social contract: Edwards and Karau (2007, p. 68) define the social contract as a “set of norms which includes assumptions and beliefs that society conceives as fair and appropriate for the parties involved in the employment relationships”.

Psychological contract: Amstrong and Murlis (1998) define the psychological contract as the set of “expectations held by the individual employee that specify what the individual and the organisation expect to give and receive from one another in the course of their working relationship”. In more recent studies, the psychological contract is defined as “the relationship between the organisation and the employee as an individual, with regard to the obligations between the employer and the employee” (Edwards & Karau, 2007, p. 68).

Employability: Employability is defined as “a form of work-specific active adaptability that enables employees to identify and realise career opportunities”

(Fugate, Kinicki, & Ashforth, 2004, p. 14). Van der Heijde and Van der Heijden (2006, p. 453) define employability as fulfilling the ability of acquiring or creating work on a continuous basis through the optimal use of competencies. Marock (2008, p. 6) suggests that “globally there is no standard regarding the definition of employability” and that its meaning will vary depending on the level, culture and type of economic development as well as the employer norms present at the time. Marock (2008, p. 6) avers that the concept of employability has changed over time, particularly with the “demise of life-long employment and the expansion of the services economy”. De Cuyper, Bernhard-Oettel, Berntson, De Witte, and Alarco (2008) maintain that employability definitions differ, yet they all refer to the employee’s ability to make positive labour market transitions.

Job insecurity: Job insecurity is defined as “the perceived threat of job loss and the concerns related to that threat” (De Witte, 1999, p. 156; Sverke, Hellgren, Näswall, Chirumbolo, De Witte, & Goslinga, 2004, p. 39).

Job satisfaction: Job satisfaction is defined as the employee’s appraisal of the degree to which the work environment fulfils the individual’s needs (Locke, 1976). Price (2001) does not offer a definition of the intention to quit in his research but rather links the intention to quit to job satisfaction, and therefore defines job satisfaction as the individual’s (employee’s) emotional orientation towards their work. This is considered as an updated definition of job satisfaction (Price, 2001).

Life satisfaction: Life satisfaction is viewed as the extent to which an individual is pleased with his or her life (Rode, 2004). Guest and Conway (1998) do not per se define life satisfaction but posit that life satisfaction and job satisfaction are both linked to the employee’s emotional orientation towards fairness, and more specifically, fairness at work.

Intention to quit: Masoor and Fakir (2009, p. 128) suggest that the intention to quit could be defined as “the employee’s plan to quit his or her present job and the anticipation of finding another job in the near future”.

B. Models and theories

Baker (2009) posits that the employment relationship has changed dramatically in the last two decades. Baker (2009) therefore suggests that change and uncertainty within organisations has meant that not only has organisational structures transformed from being stable and predictable to manoeuvrable and responsive, but employees have also altered their beliefs about job security by expanding their skills so that they can be more employable. In this study, the models utilised examines the employment relationship from the dual perspective of the individual and the organisation (Baker, 2009).

1.8 RESEARCH METHOD

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

1.8.1 Literature review

In this study, the literature reviews appear in the chapters as outlined below:

In Chapter 2 – Article 1, the content focuses on the review of the ECS, discussion of the validation of the ECS, and the variables impacting on the measurement of the ECS.

In Chapter 3 – Article 2, the content focuses on the relationship between the employment, social, and psychological contracts regarding employability, job insecurity, job satisfaction, life satisfaction, and intention to quit.

A literature review was conducted regarding the social and the psychological contracts. A search was performed by staff of the North-West University Library on the following databases: Sabinet Online, Science Direct, Google Scholar and SAePublications, Nexus search, SACat and ProQuest. The empirical study is discussed next and comprises the research design, participants, data collection, measuring instruments and the statistical analysis. The sources that were consulted include journal articles, textbooks and the internet.

1.8.2 Empirical study

The empirical study consists of a research design, participants, measuring instruments and statistical analysis.

1.8.2.1 Research Design

A correlation design was utilised to assess interrelationships among variables at one point in time, without any planned intervention (Huysamen, 1993). A cross-sectional survey design was utilised by capturing data, based on the population (people or organisation) at an appointed, singular moment. The survey-design was used to serve the purpose of a specific design, utilising a questionnaire to achieve the research objectives (Hardy & Bryman, 2004; Babbie & Mouton, 2008).

1.8.2.2 Participants

Within the private security industry in the Vaal Triangle, a population of 297 employees were targeted as participants for this research. A response rate of 217 (73%) was obtained. The studied population included security guards, control room operators, administration employees, technical assistants, cleaners, the sales department, the fire department, the armed response, CCTV operators, supervisors and directors. To ensure the valid completion of the questionnaires, the employees with the lowest skill levels had to be adequately literate. Assistance with the distribution of the questionnaires was received from the supervisors. An information letter was included in the questionnaire, explaining the purpose of the questionnaire and informing participants that their responses would be treated confidentially. The responses (completed questionnaires) could either be collected from the respondents or they could return them to the offices of the supervisors via internal post.

1.8.2.3 Measuring instruments

The following questionnaires were used in the empirical study, namely the Biographical questionnaire, Employment Contract Scale as well as the employability, job insecurity, job satisfaction, life satisfaction and intention to quit scales.

A *Biographical Questionnaire* was developed “to gather data” /information concerning the demographic characteristics of the participants. This questionnaire

offers participants the option to supply their classification of job, type of contract (permanent or temporary), gender, age, tenure, qualification, hours of work per week, supervision and union membership (Pretorius, 2012, p. 14).

The *Employment Contract Scale* (ECS) of Edwards and Karau (2007) is used to measure the psychological and the social contract; hence, it consists of two dimensions (social contract and psychological contract) and 12 items. The first six items measure the psychological contract and the last six measure the social contract. Studies on the test-retest reliability of the ECS conducted by Edwards and Karau (2007) seem to have confirmed the stability of the ECS scales over time. Cronbach alphas for the social contract ranging from 0.72 to 0.87 and 0.81 to 0.84 for the psychological contract were found in three different studies, namely on management students in the United States, undergraduate students of the Mid-Western State University, and practising managers enrolled in an Executive MBA course presented in Singapore.

The *Employability Scale* (ES) of De Cuyper and De Witte (2005) was utilised in the Psycones Project (2006) to measure employability. The questionnaire consists of five items. Statements such as: “I am confident that I could quickly get another job” and “I am optimistic that I will find another job if I look for one” are utilised within the questionnaire. A Cronbach alpha coefficient between 0.70 and 0.81 was measured in the Psycones project (2006).

The *Job Insecurity Scale* (JIS) of De Witte (1999) was employed to measure perceived job insecurity. This measurement consists of 11 items. In his study, De Witte (1999) found a Cronbach alpha coefficient of 0.92. In the South African context, acceptable Cronbach alpha coefficients of 0.81 (Heymans, 2002), 0.84 (Elbert, 2002) and 0.73 were measured (De Beer, Keyser, & Pelsers-Carstens, 2011). The JIS items are arranged along a 5-point scale from one (1) “strongly disagree” to five (5) “strongly agree”. An example of job insecurity would be “I am sure I can keep my job” while one of the job insecurity items would be “I feel insecure about the future of my job”.

The *Job Satisfaction Questionnaire* (JSQ) of Price (1997) was employed to measure the perceived job satisfaction of the participants. Statements such as: “I am not happy

with my job”, “I am often bored with my job”, “I find enjoyment in my job”, and “Most days I am enthusiastic about my job”, form part of the questionnaire. In responding to these statements, the widely used Likert-type scale, varying from 1 (Strongly disagree) to 5 (Strongly agree) was utilised. In a study carried out by Fotinatos-Ventouratos and Cooper (2005), items on job satisfaction are reported to have had a Cronbach alpha coefficient of 0.85.

The *Life Satisfaction Scale* (LSS) (Guest & Conway, 1998) was utilised, as cited in Pretorius (2012, p. 16) to “measure life satisfaction. The scale consists of six items. In responding to these statements the widely used Likert-type scale, varying from 1 (Strongly disagree) to 5 (Strongly agree) was utilised”. The statements in this questionnaire reflected on “Your life in general”, “Your family life”, “Your state of health and well-being” and “Your leisure time”. In the Psycones project (2006), a Cronbach alpha coefficient between 0.81 and 0.85 was measured.

The *Intention to Quit Scale* (ITQ) was measured by using the questionnaire by Price (1997). In this four-item scale, statements such as: “These days I often feel like quitting” are utilised. In responding to these statements the widely used Likert-type scale, varying from 1 (Strongly disagree) to 5 (Strongly agree), was utilised. Cronbach alphas ranging from 0.79 to 0.82 were found (Isaksson, 2002). In South Africa a study conducted by De Beer (2010) on the ITQ was also measured by using the questionnaire by Price (1997) and a Cronbach alpha of 0.67 was measured. Another South African study conducted by Du Plooy (2009) also measured a Cronbach alpha of 0.67.

1.8.2.4 Statistical analysis

The statistical analysis was carried out using the Statistical Package for the Social Sciences version 20 (SPSS, 2012). “Descriptive statistics (means, standard deviations, skewness and kurtosis) are computed to describe the data and inferential statistics are employed to analyse the data” (Pretorius, 2012, p. 16-17). Cronbach alpha coefficients are utilised to assess the internal consistency of the measuring instrument (Clark & Watson, 1995).

Pearson product-moment correlation coefficients are calculated to specify the relationship between the variables. The value is set at a 99 % confidence interval level

($p \leq 0.01$) for statistical significance. Effect size is used in addition to statistical significance to determine the practical significance of correlation coefficients. Cohen (1988) and Steyn (2002) explain that in favour of the practical significance of the correlation coefficients, a cut-off point of 0.30, which represents a medium effect, was set. Regression analysis is utilised as a statistical tool to investigate the relationships between variables. Usually, the investigator seeks to ascertain the causal effect of one variable on another (Sykes, in press).

“Multivariate analysis of variance (MANOVA) is utilised to determine the significance of the difference between the social and the psychological contracts of demographic groups” (Pretorius, 2012, p. 17). “MANOVA tests whether mean differences among groups have occurred by chance by using a combination of variables” (Tabachnick & Fidell, 2001 as cited by Keyser, 2010, p. 27). “Multiple ANOVAs are utilised in this study; a Bonferroni type adjustment is made for the inflated Type 1 error. A Tukey test is conducted to indicate which groups differ significantly when the ANOVAs are concluded” (Keyser, 2010, p. 27).

“Multiple regression analysis is carried out to assess the contribution of the independent variables towards job insecurity, organisational commitment, job performance and intention to quit” (Keyser, 2010, p. 27). Tabachnick and Fidell (2001) as cited by Keyser (2010, p. 27) explain that “the correlation between an independent variable and a dependent variable reflects the variance shared with the dependent variable. However, some of the variances might be predictable from other independent variables”. A regression analysis is utilised to determine the percentage variance in the dependent variable that is predicted by the independent variables (Cohen, 1988).

1.9 ETHICAL CONSIDERATION AND PERMISSION TO CONDUCT RESEARCH

Participation in the completion of the questionnaire was voluntary. A letter of explanation and consent, with confidentiality and anonymity of the results guaranteed, was given to the participants. “The researcher made arrangements with the three directors of a private security organisation in the Vaal Triangle to inform them of the specific details of the research. Guards, armed response employees, as well as control

room and administrative employees were informed that they would be asked to complete the questionnaire anonymously, without any obligation, and that all confidentiality would be maintained in this regard. Results obtained in this study will be shared with the three directors and employees” (Pretorius, 2012, p. 17).

1.10 CHAPTER DIVISION

The chapters in this dissertation are presented thus:

Chapter 1: Introduction and problem statement.

Chapter 2: Research Article 1: Validation and variables impacting on the measurement of the Employment Contract Scale.

Chapter 3: Research Article 2: The relationship between employment, social, and psychological contracts, regarding employability, job insecurity, job satisfaction, life satisfaction and intention to quit for employees in a private security organisation in the Vaal Triangle.

Chapter 4: Conclusion, limitations and recommendations.

1.11 SUMMARY

In Chapter 1, the researcher presented a brief summary to motivate why and how this study would make a contribution. A problem statement was accentuated. The proposed research method included a literature review, an empirical study, research design, the study population, the measuring instruments, data analysis and the research procedure. An outline of the division of the chapters was also furnished.

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CHAPTER 2

RESEARCH ARTICLE 1

VALIDATION AND VARIABLES IMPACTING ON THE MEASUREMENT OF THE EMPLOYMENT CONTRACT SCALE

A part of this research article is in press:

Pelser-Carstens, V., & Keyser, E. (in press). Validation and variables impacting the measurement of the Employment Contract Scale. *Procedia Social and Behavioral Sciences*. Paper ID 25246

VALIDATION AND VARIABLES IMPACTING ON THE MEASUREMENT OF THE EMPLOYMENT CONTRACT SCALE

ABSTRACT

The objective of this study was to validate the Employment Contract Scale (ECS) for employees in a private security organisation in the Vaal Triangle and to assess variables that influence the social and the psychological contract. The Employment Contract Scale (ECS) as well as a Biographical questionnaire were administered. A cross-sectional survey design with a stratified random sample (N=217) was utilised. The scales confirmed acceptable internal consistencies. Factor analysis of the ECS indicated two factors, namely the psychological contract and the social contract. No practical significant differences were found with regard to gender, age, type of contract, qualification, hours of work per week, supervision and union membership. Significant differences were found between the ECS, tenure and classification of job.

In South Africa a series of political and legislative transformation have led to transformation within the labour/employment relationship (Ferreira, 2005). Furthermore, like in the rest of the world the employment relationship in South Africa is also undergoing perpetual transformation (Smit, 2003). Employment relationships essentially involve people who have been placed in a specific relationship with one another due to their mutual involvement in the work situation (Bendix, 2010), and the entire contract spectrum ranges from being strictly legal to purely psychological (Spindler, 1994).

Weidenbaum (1995) avers that whether employers and employees recognise it or not, they are forming new social and psychological contracts to govern their places of work. Edwards and Karau (2007) posit that researchers, in a number of studies, refer to the new employment relationship and that there is some disagreement among researchers on whether this relationship is influenced by the social or the psychological contract.

Lee and Mohamed (2006) and De Beer (2010), explain that very little research has been conducted in South Africa on the labour force in the private security industry, based on assessing the characteristics/differences in the different types of employment contracts. It is not only in South Africa that research is limited on variables impacting the social and psychological contracts, but also internationally (Edwards & Karau, 2007).

Kochan (2000, p. 5) explains that the “1930s heralded in the substance of the old social contract” which was based on the employment relations of the time and therefore the new social contract must be grounded in a clear vision of what members and society expect from work. As mentioned by Rappaport (1996), employers are concerned about employee appreciation and about implementing changes that evolve the social contract between the employer and the employee.

This renaissance in the psychological contract was led by Rousseau (1989; 1990), who introduced transactional psychological contracts where employees do not expect a long-lasting employment relationship with their organisation based on loyalty and job security, but rather, believe that their employment consists of long hours of work in exchange for high contingent pay and training. Under this new psychological

contract, there is a “decreased expectation of paternalistic human resource practices, the replacement of the concept of organisational worth with self-worth, the substitution of personal accomplishment for promotion as the route to growth, and the decreased importance of tenure” (Maguire, 2002, p. 15). The question that now needs to be addressed, through the research in this study, is whether permanent and temporary employees within the private security industry experience the social and psychological contracts differently.

Researchers in sociology posit that we have entered an age of insecurity in relation to employment and work no longer plays the central role in contemporary life experiences (Beck, 2000; Sennett, 2004). This insecurity is claimed to have consequences for the social and personal lives (life satisfaction) of employees, leading to individualisation and work as the central basis for peoples’ identities (Beck, 2000).

This poses the question of how the private security employees experience the social contract and the psychological contract, which would afford a better understanding of the new employment relationship. A milestone event in the study of social and psychological contracts, which address the new employment relationship, was the development of the Employment Contract Scale (ECS) (Edwards & Karau, 2007). Studies on the test-retest reliability of the ECS conducted by Edwards and Karau (2007) appear to confirm the stability of the ECS scales over time. Coefficients for the social contract ranging from 0.72 to 0.87 and 0.81 to 0.84 for the psychological contract were found in three different studies, namely on management students in the United States, undergraduate students of the Midwestern State University and practising managers enrolled in an Executive MBA course presented in Singapore.

Limited research exists which tests the reliability of the ECS scale in South Africa, and therefore, it is necessary to expand on the validation of the ECS as a measurement instrument. Kirovova (2010) states that little attention was paid to the variables between the social contract and the psychological contract. This study is therefore one of the few studies which attempt to address the validity and reliability of the ECS and the variables affecting the social contract and the psychological contract.

The first aim of this study was to determine the factorial validity, construct equivalence and internal consistency of the ECS for employees in a private security

organisation in the Vaal Triangle. The second aim was to determine whether the levels of the social and psychological contracts differ in terms of demographic variables such as classification of job, type of contract, gender, age, tenure, qualification, hours of work per week, supervision (supervising employees), and union membership.

Origin and conceptualisation foundations of the social contract and the psychological contract

D'Agostino, Gaus and Thrasher (2011) aver that the concept of a social contract was conceptualised and formed during the time of Plato but it only came into its prime during the early part of the Age of Enlightenment through the writings of Hobbes, Locke and Rousseau. Kochan (2000) mentioned that the social contract originally developed in order to address the relationship between the citizen and the state and that this occurred before the employment relationship was formed by the industrial revolution. Morrison and Robinson (1997) reason that the social contract contains all the assumptions, norms and beliefs about appropriate behaviour within a given social structure. Kochan (2000) also reasons that the social contract comprises, in a broad manner, the mutual expectations and obligations that employers, employees and members of society in general hold with regards to work and employment relationships. Edwards and Karau (2007) furthermore reason that the social contract, in a narrow way, comprises the norms, assumptions and beliefs that society perceives to be fair and appropriate for parties involved in employment relations.

Kilpatrick (1999) mentions that notions held by employees and employers during the 19th and 20th centuries could be considered as one of the myths where employers and employees have an unspoken but binding obligation to each other, where the individual as an employee and the organisation as an employer have explicit responsibilities to each other, and hence, to a successful relationship. Kochan (1999) avers that the implicit social contract of today is different to the implied expectations or obligations of the past.

The social contract encompasses employees' ideas and expectations such as the right to a decent job, good working conditions, collective bargaining and the right of employees to have some say in their workplace (Baird, 2007). Mills (1997) avers that

the social contract has changed because the old bond between the employer and the employee has largely disappeared. Eaton (2000) explains that researchers' views of the social contract and the employment contract require updating because if there was an "implicit employment" contract it is changing dramatically and the expectations between the employer and the employee are changing as well. Fisher (1997) uses the term "social contract" to describe the "new deal" that the organisation (employer) wishes to make with its employees; promising employees, for example, career development, supervision, training and regular employee satisfaction surveys.

An extension of the *social contract* is the psychological contract (Roehling, 1997). The origins of the psychological contract can be found in the work of Argyris who used the term psychological work contract to describe the relationship between employers and employees back in the 1960s (Anderson & Schalk, 1998). The term psychological contract increased in popularity during the 1980s and 1990s (Hiltrop, 1995a; 1995b).

The concept psychological contract can be defined in different ways. The psychological contract theory has its origins in, and was derived from, traditional organisational research on exchange relationships such as social exchange theory (Blau, 1964; Homans 1961) and norm of reciprocity (Gouldner, 1960). Freese and Schalk (2008) state that the psychological contract is based on the mutually perceived rights and obligations between the employer and the employee within the framework of their work relationship. These mutually perceived rights and obligations lead to a bilateral view of the employment relationship (Levinson, Price, Munden, Mandl, & Solley, 1962; Schein, 1965; Herriot & Pemberton, 1995).

O'Donohue and Wickham (2008) argue that the psychological contract further defines the formal employment contract by allowing the reciprocal desires of both the employer and employee to define their working relationship. Using the psychological contract as a framework to understand the employment relationship, the conceptualisation of the construct has suffered some problems (Guo, 2010). Peyrat-Guillard (2008) avers that the nature of the exchange between the employer and the employee is an economic and social exchange, which is dependent on trust.

Edwards and Karau (2007) describe the binding effect the psychological contract has on the employer and the employee and how the social contract then reflects the employee's perception of the existence of an ideal contract in the employment relationship. Peyrat-Guillard (2008) argues that there are universal principles that render the social and psychological contracts compatible.

Newton (2006) mentions that when an employee has completed his or her service, the employee expects to receive some form of gratitude resulting in a shared exchange between the employer and the employee; or, with the reciprocity norm, the employer might become obligated once a service has been completed. Salancik and Pfeffer (1978) posit that employees now try to make sense of the social context in which they work, ultimately affecting their perceptions, attitudes and subsequent actions. These unvoiced and unwritten expectations must somehow form part of, or function within, either the social contract or the psychological contract, as they are not written into the employment contract itself.

Rousseau (1995a, 1995b) describes the interaction between the various contractual types because the social contract influences the interpretation of the perceived reciprocal promises within the employment relationship. The psychological contract is then impacted and strengthened when the perceptions of the employer and employee are used as a basis for a code of conduct. Peyrat-Guillard (2008) maintains that the different types of contracts influence each other in many ways.

Sharpe (2002) argues that the specific nature of the social contract between the employer and the employee is uncertain. Therefore, it is important to examine the social contract and the psychological contract. Researchers agree that the present era of globalisation, recession and downsizing has radically altered the nature of the employer and employee relationship (Edwards & Karau, 2007).

The measuring of the social contract and the psychological contract and validation of the measurement instrument

Kimberlin and Winterstein (2008) define measurements as the assigning of numbers of observations in order to quantify phenomena. When studying the employment relationship, a measurement is performed on contract types that include contracts such as the employment contract, the social contract and the psychological contract

(Rousseau, 1989). Reliability and validity of the measures are key indicators of the quality of the measuring instruments (Kimberlin & Winterstein, 2008).

In a study conducted by Freese and Schalk in 2008, the authors argue that further examination of the factor structure of existing questionnaires and its use in different cultural contexts (especially important in countries with varied cultures such as South Africa) is needed. They further state that it is important for research and employment contract practices that a valid measuring instrument should exist, which can be utilised in multiple countries. Rao, Ragu-Nathan and Solis (1997) argue that employers with global operations could use such an instrument for measuring and benchmarking the employment contract scale internationally and in turn prevent erroneous conclusions. In the study conducted by Rao, et al. (1997) it is stated that none of the existing measuring instruments were empirically tested and validated in the international context, which limits their use in studies across countries.

Face validity refers to the extent to which a measuring instrument appears to measure what it purports to measure, but face validity should not be considered as primary evidence for the quality of an instrument (Polit & Hungler, 1999). Polit and Hungler (1999) explain that it is helpful for a test to possess face validity as long as it has demonstrated evidence of actual validity, because usually when one establishes evidence of validity for the interpretation of test scores, face validity is also established. Face validity on its own never provides a sufficient basis on which to establish validity and the mere appearance of validity is not adequate to establish evidence of validity.

Content validity and the measuring of the conceptual foundation of the social contract and the psychological contract receive variant attention. Studies are either conducted on the social or psychological contract, but none of them are conducted on the variables in a questionnaire pertaining to the social or psychological contract, except for the ECS that was developed by Edwards and Karau (2007), and therefore it is important to test the ECS in South Africa. Furthermore, this point of view is also argued in a study conducted by Watson in 1997.

Messick (1995) argues that by comprehensively sampling the content of the construct of interest, the content validity evidence in fact also constitutes construct validity

evidence and thus it is well represented by the content of the instrument; therefore, all content in the instrument should map back to the instrument's constructs unambiguously. The question is whether the ECS is a valid instrument to use? Conway and Briner (2005) as cited by Freese and Schalk (2008, p. 269) state that "questionnaire surveys are the most commonly used method to examine the psychological contract".

Freese and Schalk (2008) point out that all measurements need to be theory-based or inductively developed and have to contain the following three validities: face validity, content validity and construct validity. However, universal agreement on the content measurement of the psychological contract (Rousseau & Tijoriwala, 1998; Conway & Briner, 2005; Edwards & Karau, 2007) and the social contract (Edwards & Karau, 2007) is lacking. Freese and Schalk (2008, p. 269) state that "the measuring instrument should reflect the perceptions of mutual obligations and promises and therefore psychological contract questionnaires are based on existing psychological contract questionnaires; consequently, completely new items seldom appear".

Freese and Schalk (2008, p. 279) explain that "the elements of expectations, promises or obligations need to be included in the psychological contract measure, and the instruments that assess only actual inducements are work satisfaction measures". Freese and Schalk (2008, p. 281) furthermore argue that "a complete psychological contract measurement needs to include perceived organisational obligations, perceived employee obligations, a breach and violation scale, and a global assessment or fulfilment or violation scale". De Vos (2002) argues that psychological contract questionnaires can be designed for unique circumstances, for example, scholars can add or delete certain items, or change the wording of the items. Therefore Freese and Schalk (2008, p. 276) explain that "by reducing the length of the questionnaire, one could argue that one could simply forget about the specific measure, but the problem is that using a solely global method will not yield specific information".

The preferred way of measuring psychological contract fulfilment or violation is to do so on the level of the subscale or item, as presented in the questionnaires of Freese and Schalk (1997), Kickul, Lester and Finkl, (2002), Coyle-Shapiro and Kessler (2002), Guest and Conway (2002) and Brink (2004). The reason for assessing

criterion validity is that the test or measure serves as a substitute for the measure in which researchers are really interested (Anastasi & Urbina, 1997).

With reference to the above-mentioned unvoiced and unwritten “expectations, promises or obligations” (Freese and Schalk, 2008, p. 279) between the employer and the employee, it is also necessary to look at research conducted on how the social contract is measured. Edwards and Karau (2007) explain that questions found in the social contract, relating to measurement are based on questions previously utilised by researchers such as Rousseau (1995a, 1995b), Morrison and Robinson (1997) and Clark and Waddell (1985). Numerous sources influence the social contract. These sources include, among others, public opinion, the nature of professional organisations and different ideologies (Rousseau, 1995a, 1995b). This is why Morrison and Robinson (1997), explain the major influence the nature of an organisation has on the nature of the social contract. The social contract, which exists between the employer and the employee in today’s organisations, is the focus of the research conducted by Edwards and Karau (2007). They suggest combining the measurement of the social contract and the psychological contract by using the ECS because the ECS appears to provide an efficient measure of employment contracts that reliably distinguishes between social and psychological contracts. Edwards and Karau (2007, p. 76) also suggest that “future use of the ECS could create further insight into the causes and consequences of peoples’ perceptions of appropriate employment relationships”.

Macneil, in 1980, published the book “The New Social Contract: An Inquiry into Modern Contractual Relations”. Researchers Blois and Ivens (2006) explain that this publication influenced the norms of exchange in the workplace. Kaufmann and Stern (1988) developed scales to measure three of Macneil’s (1980) common contract norms: Role integrity; Contractual solidarity; and Reciprocity. Macneil’s (1980) framework was also utilised by Kaufmann and Dant (1992).

In Table 1, a framework for the measurement of the social contract is formed. The researcher has adapted and modified the framework as set by the researchers Kaufmann and Stern (1988), Kaufmann and Dant (1992) as well as Blois and Ivens (2006).

Table 1

Framework for the measurement of the social contract

Concept	Kaufmann & Stern (1988)	Kaufmann & Dant (1992)
Relationship	The exchange relationship could be described as an "arm's length negotiation" rather than a cooperative effort.	Each transaction is to be reconciled completely and individually.
Role of the other party	The other party was just another client.	The other party is acting as expected by precisely monitoring the main party's performance on a transaction by transaction basis.
Expectations	While it appeared likely that other transactions would follow, there was no specific expectation that the exchange relationship would continue beyond each transaction.	The organisation monitors performance of each transaction separately to assure compliance with expectations.

Source: Blois and Ivens (2006)

Blois and Ivens (2006) mention that no empirical study, using the work of Macneil (1980), Kaufman and Stern (1988), and Kaufman and Dant (1992), has developed measures for all of Macneil's common contract norms (requirements). Blois and Ivens (2006, p. 2) state that "there appears to be little agreement on how the scales should be operationalised, even where two or more researchers have investigated the same norms, except in cases where they explicitly utilised the scales created by other writers". The aforementioned questionnaires focussed on only "the other party" as viewed by the organisation and therefore research on how employees view the organisation is extremely limited. In research conducted by Skipton and Verreault (2007), the Integrative Social Contracts Theory (ISCT) is utilised for the measurement of the social contract. In the analysis of only the ethical dimensions on economic policies, ISCT is utilised as a methodology based on social contracts.

Edwards and Karau (2007, p. 67) mentions that they have "developed a four-item social contract scale to measure employees' beliefs about the ideal employment relationship". Another four-item psychological contract scale was "developed to measure employees' beliefs about their actual relationship with their employers".

They refer to their scale as the Employment Contract Scale (ECS). In this specific study Edwards and Karau's questionnaire was utilised because both the social contract and the psychological contract are included in the employment contract scale. A discussion on this questionnaire follows below.

The Employment Contract Scale (ECS) as a measurement instrument

The Employment Contract Scale was designed to measure the social contract as well as the psychological contract. As mentioned by Edwards and Karau (2007, p. 67), a four-item scale for the social contract "was developed to measure employees' beliefs about the ideal employment relationship" and a four-item scale for the psychological contract was developed to measure employees' beliefs about their actual relationship with their employer. Edwards and Karau (2007, p. 69) focus on the employees' "perceptions of the social contract as well as the psychological contract that they perceive to exist between employers and employees in today's organisations". They further believe that the "social contract and the psychological contract are driven by individual ideology that can be characterised as varying on a continuum from self-reliant to employer reliant" (Edwards & Karau, 2007, p. 69).

Edwards and Karau (2007, p. 69) have conducted "three studies in order to develop and validate efficient measures of the social contract and the psychological contract" as distinct constructs. In the **first study**, they utilised a large sample of management students in the United States. They utilised the studies of Robinson (1996) and Morrison & Robinson (1997) to generate 24 items that form the essence of the employment relationship. A 5-point Likert scale was utilised. This scale ranged from strongly disagree to strongly agree, with higher numbers representing greater agreement. These items included "loyalty, long-term job security, employability, fulfilment of work responsibilities and employee mobility". The items loaded onto two factors with only 12 items loading above the 0.40 cut-off point. These 12 items loaded between 0.45 and 0.78 for the social contract and between 0.63 and 0.83 for the psychological contract.

In the **second study**, 301 undergraduate students of the Midwestern State University were recruited to complete the 12-item questionnaire. Of this sample, 192 students completed the questionnaire. In this study 78 % of the employed participants worked

part-time and 22 % worked full-time. A principal axis factor analysis with a varimax rotation was performed in this study. The items loaded onto two factors. Four items loaded onto the social contract and a Cronbach alpha of 0.72 was obtained. Four items loaded onto the psychological contract, which had a Cronbach alpha of 0.81. The Cronbach alphas for these two dimensions were high and suggested good reliability.

In the **third study**, 45 practising managers who were enrolled in an Executive MBA course presented in Singapore were utilised. A principal component analysis with a varimax rotation was performed. The social contract scale items loaded on one factor. These items loaded between 0.83 and 0.93. The Cronbach alpha was 0.89 for the social contract scale. The psychological contract scale items loaded on one factor with items loading between 0.74 and 0.88. The Cronbach alpha for the psychological contract scale was 0.84. In this study the dimensionality and internal consistency of the ECS was not restricted to students or to a United States sample but was tested on managers in Southeast Asia.

Studies on the test-retest reliability of the ECS conducted by Edwards and Karau (2007) seem to confirm the stability of the ECS scales over time. Coefficients for the social contract ranging from 0.72 to 0.87 and 0.81 to 0.84 for the psychological contract were found in three different studies, namely for management students in the United States, undergraduate students of the Midwestern State University and practising managers who were enrolled in an Executive MBA course presented in Singapore. A limitation of their studies was that they did not endeavour to develop measures of all aspects of the employment relationship. They also did not test this instrument in different countries because of cultural sensitivity.

Derived from and supported by the above literature, the following hypotheses are set:

Hypothesis 1: The social and psychological contracts, as measured by the ECS, have acceptable levels of internal consistency for each of its subscales.

Hypothesis 2: The social and psychological contracts, as measured by the ECS, are a two-dimensional construct (social contract and psychological contract).

Variables impacting on the measurement of the social contract and the psychological contract

The last decade has witnessed an increase in cross-cultural studies in which the perceptions of national characteristics of countries were compared. Referring to the common attributes that were studied, disparities were observed among the prevalent cultures in each of the countries. These studies have classified cultures only as individualistic or collectivistic and lack scrutiny of the differences between the constructs and individual characteristics of the employee (Beugelsdijk & Frijns, 2010). Rousseau (1995a, 1995b) argues that a general change in societal values has changed the context within which psychological contracts are formed.

To try to understand the changes in the social contract, the psychological contract and the employment relationship, variables are utilised. In research, variables such as education, age, gender and working hours were included as control variables (Conway & Coyle-Shapiro, 2012). Education, age and gender may influence what employees expect from work (Bal, De Lange, Jansen, & Van Der Velde, 2007). Inadequacies in the research of the psychological contract variables led Conway and Briner (2005) to criticise these contracts as measuring instruments, because they were not being interpreted as a series of events, paid little attention to multiple levels and gave no consideration to the time intervals between events.

Most of the research on contractual relationships between employers and employees involves either psychological contracts or implied contracts (Watson, 1997). Furthermore, it is still necessary to understand why variables such as performance, time on the job, and formal promises significantly affect peoples' judgments of the fairness of termination. Rousseau and Anton (1991) argue that research is needed to further investigate the processes under which beliefs regarding obligation are formed. Some of these processes are social rather than psychological in nature and consequently there is a need to move beyond psychological and implied contracts (Watson, 1997).

Widespread economic and organisational changes have not only resulted in unstable and contingent employment, but have also created a new employment relationship that has most likely altered the psychological contract between employees and

employers (Travaglione, 2000; Ferres, Travaglione, & Firms, 2003). Able individuals, who willingly seek work, are offered access to employment through the new social contract (Lansbury, 2004). Eaton (2000) posits that researchers' conceptions of the social or employment contract appears to require updating because researchers argue about the existence of the implicit employment contract and if it is utilised it is changing so dramatically that it no longer concerns employment alone, because key workplace decisions have implications for family life and vice versa.

Table 2 (below) summarises some of the research conducted on variables that influence the social and the psychological contracts and also indicates the lack of research regarding variables. The researcher also furnishes a discussion on Table 2.

Table 2

Variables influencing the social contract and the psychological contract

Variable	Social contract	Psychological contract
Age	<p>Smola and Sutton (2002): Younger employees have entered the workplace under very different conditions, have worked under a changed social contract, and thus have developed work expectations that differ from their older counterparts.</p> <p>Rubin and Brody (2005): Older employees, who are forced to work longer hours by their employer, have a lower commitment, compared to their younger counterparts. There was a shift in the social contract because of increasing insecurity at work.</p>	<p>European Commission (2007): Older employees who are employed for longer periods expect more from the employer because of their loyalty through longer years of service than their younger counterparts.</p> <p>Campbell, Carruth, Dickerson and Green (2007): Age should be considered in relation to tendencies to quit.</p>
Gender	<p>Locke (1698): The social contract is defined as an agreement among persons (males and females) who are free and equal.</p> <p>Nussbaum (2003): Social contract traditions imagine a society as a contract for mutual advantage and the contracting parties as rough equals without any domination and dependency.</p>	<p>Herriot, Manning and Kidd (1997): In some studies it is suggested that women expect less in terms of pay and promotion than men in the workplace and women trade these benefits for flexibility.</p> <p>Smithson and Lewis (2000): Little gender difference in psychological contract expectations.</p> <p>Cable (2008); Tallman & Brunning (2008): Females generally feel more obligated towards their employer than males do, but females experience higher levels of obligations from their employers.</p> <p>De Beer (2010): Women experience a higher intention to quit than male employees.</p> <p>Blomme, van Rheede and Tromp (2010): The gender analysis indicated that promotion opportunities (partly mediated by affective commitment) had a high relation to employee turnover for women but not for men.</p>
Hours of work per week	<p>Lansbury (2004): Longer hours are spent on the job because people are working more intensively and harder.</p> <p>Presser (2003); Rubin (2007): In terms of research conducted on hours of work and the social contract, research tends to indicate that the normative 9-to-5, five-day-a-week workday has increasingly been replaced by a 24/7 workplace.</p>	<p>Shore and Tetrick (1994): Employees are clear about what matters to them and that is not only the basic outcomes of fair pay, safe hours and conditions, but also a degree of job security.</p> <p>Conway and Briner (2005): Working hours have also been found to be associated with both the fulfilment of the psychological contract and performance.</p>

Table 2 continued

Variables influencing the social contract and the psychological contract

Variable	Social contract	Psychological contract
Type of contract	<p>Taylor (in press): In the last decade, the social contract between the employer and the employee has shifted, and the permanent employee is most affected by this shift.</p> <p>Kornreich, Delle-Vigne, Knittel, Nerincx, Campanella, Noel, Hanak, Verbanck and Ermer (2011): Employees who had secured a permanent position felt a strong obligation and were willing to take responsibility for the organisation that offered them opportunities, but the employees on temporary contracts, however, were disciplined to work extra hard and not protest, with a hope of acquiring a permanent position in the organisation.</p> <p>Rasmussen and Håpnes (2012): Temporary employment relations are not the result of career-seeking portfolio employees, but of changes in the employment practices of their employers. These are not primarily changes in the formal employment contracts from permanent to temporary employment, but in the social contracts as they are practised by the employers and experienced by the knowledge workers in the different contexts of knowledge work.</p>	<p>De Cuyper and De Witte (2006): Found evidence that temporary employment does not need to be problematic in terms of psychological outcomes.</p> <p>Guest and Clinton (2006): Studies have indicated that large differences were found between permanent and temporary employees on their contract of choice. In their study the authors reported that differences were found regarding the variables of fulfilment and breach of the psychological contract as well as reports of trust and fairness, all indicating that temporary employees have a better kind of psychological contract.</p> <p>Maharaj, Ortrlepp and Stacey (2008): When the psychological contract is characterised by the employee's obligation to the employer as being short-term (temporary contract) the intention to quit is strong.</p> <p>Chambel and Alcover (2011): Research has revealed that temporary employees have more limited terms and conditions in their employment relationships, including in their psychological contract, and the employer has fewer obligations towards them.</p> <p>Pretorius (2012): Temporary employees have a limited possibility for renewing their contracts or being promoted to a permanent contract, but in their day-to-day work they share the same workplace as permanent employees, carry out the same tasks and are managed by the same supervisor.</p>
Union membership	<p>Rosswurm (1986): The social contract used to describe the relationship between trade unions and the capital that developed from 1947/1948.</p> <p>Lee and Kuruvilla (2001): Advanced industrial countries, especially those with strong trade union movements are exerting considerable efforts to preserve the social contract.</p> <p>Baird (2007): The social contract is composed of the employees' ideas and expectations that include the right to a decent job, good working conditions, collective bargaining and a voice in the workplace.</p>	<p>De Witte, H., Sverke, M., Van Ruysseveldt, J., Goslinga, S., Chirumbolo, A., Hellgren, J., & Näswall, K (2008): This relationship between the employee and the union to which the employee belongs is understood in terms of a psychological contract: the member needs to feel that what he or she brings into the relationship is balanced by what is being offered by the union.</p>
Qualification	<p>Mills (1996): The social contract has changed because the old bond between the employer and the employee has largely disappeared. The employer no longer provides job security to employees; thus, no loyalty, but instead there is pay for performance; education, which may make an employee attractive to other companies; and careers based on shifting from employer to employer.</p>	<p>Herriott and Pemberton (1996): The perception of the psychological contract is changing. The old idea of a psychological contract encompassed financial reward and stability in exchange for loyalty and trust, whereas the new psychological contract focuses on the concept of employability. Technological changes and globalisation create pressures, which encourage short-term jobs and in turn require a specific skill set in order to get the best returns.</p> <p>De Beer (2010): Entry-level jobs are less likely to attach to stable internal labour markets and employees who lack qualifications are experiencing increased job instability.</p> <p>Keyser (2010): A significant difference between the obligations of higher qualified (bachelor's and postgraduate degrees) employees and less-qualified employees.</p>

Table 2 continued

Variables influencing the social contract and the psychological contract

Variable	Social contract	Psychological contract
Tenure	<p>Morrison and Robinson (1997): The reciprocal obligations between the employer and the employee regarding rewarding the employees with long term job security for loyalty, commitment and full work effort, is being replaced by a more fragile and contingent relationship.</p> <p>Benavides, Benach, Muntaner, Delclos, Catot and Amable (2007): With reference to the social contract and tenure, the research is limited, but some studies suggest that employees that are temporarily employed are less likely to have long tenure than their permanently employed counterparts.</p>	<p>Rubin (1996): The length of service between the parties is changing with a movement away from long term contractual relationships.</p> <p>Tekleab and Taylor (2003): Longer tenure leads to closer agreement between employees and employers, and this serves to clarify the exchange.</p> <p>Lee and Faller (2005): The relational aspect of the psychological contract increases significantly after six months of employment and continues to increase over the length of tenure.</p> <p>De Beer (2010): Tenure of an employee has an influence on employer and employee obligations.</p> <p>Conway and Coyle-Shapiro (2012): Research indicated that there was little evidence for tenure as a moderator. The supportive quality of the employment relationship was more important than its length in terms of moderating associations between psychological contract fulfilment and employee performance. Longer tenure provides more leeway for both parties to deliver and reduce the need to monitor the exchange closely and therefore weakens associations between psychological contract fulfilment and employee performance. The association between psychological contract fulfilment and employee performance for employees with longer tenure are strengtend by a lack of findings for tenure as a moderator.</p>
Classification of job	<p>Chilton and Orlando (1996): Blue collar and clerical employees must have high-tech skills because of innovation within the workplace.</p> <p>Kalleberg (2011): Blue collar employees a measure of job tenure and occasional promotions in return for hard work and reliability.</p>	<p>Millward and Hopkins (1998): The psychological contract may be an indicator of what it means to an employee to be in the job he or she is doing in a particular organisation and with particular career values and personal goals in mind.</p> <p>Morris, Conrad, Marcantonio, Marks and Ribisl (1999): Blue collar and white collar work is often very different and studies have found differences in perception and behaviour for blue collar and white collar employees.</p>
Supervision	<p>Chilton and Orlando (1996): No more dictatorship by the supervisor. It is now a matter of equal rights and “workplace democracy” within the workplace.</p>	<p>Kottke and Sharafinski (1988): Employees do distinguish between relationships with supervisors and relationships with the organisation itself.</p> <p>Sutton and Griffen (2004): Effective supervision, feedback and acknowledgement of good performance are also important for job satisfaction.</p> <p>Keyser (2010): Employees who supervise other employees show no statistically significant differences in their psychological contracts.</p>

Drawing from the above Table 2, the following hypotheses are set:

Hypothesis 3: Younger employees experience higher levels of the social contract than older employees.

Hypothesis 4: No gender differences are experienced in the social and the psychological contracts of employees.

Hypothesis 5: Employees experienced longer hours of work in both the psychological and the social contract.

Hypothesis 6: Employees experienced a difference in terms of the type of contract in both the psychological and the social contract.

Hypothesis 7: High union membership exists in both the psychological and the social contract.

Hypothesis 8: Employees with higher levels of qualifications experience more encounters with the psychological contract than those with lower levels of qualifications.

Hypothesis 9a: Longer tenure provides less psychological contract fulfilment.

Hypothesis 9b: Employees that are temporarily employed are less likely to have long tenure as opposed to their permanently employed counterparts.

Hypothesis 10: Blue collar and white-collar (classification of job) employees experience the psychological contract differently.

Hypothesis 11: Employees in supervisor positions experience higher levels of the social contract than employees in non-managerial positions.

Table 2 above clearly indicates that age plays a role in both the social and the psychological contract. However, little research was found regarding age and gender in this regard. Regarding to South African legislation there should be no difference between what males and females experience because they are equal according to the law. Furthermore, in terms of the social contract, longer hours are spent at work, and in terms of the psychological contract, employees are willing to work longer hours as long as they receive fair pay for the completed work. The type of contract also plays a role in both the social and the psychological contract, but research differs in terms of the findings on what exactly the outcome of the type of contract is with respect to these contracts.

Employees want to belong to a trade union so that their jobs are more secured in both the social and the psychological contract. Significant differences are experienced

between higher and lower qualified employees in terms of the psychological contract, and in terms of the social contract, employees experience higher employability if they are more qualified. Employees with fewer years of service (tenure) experience the psychological contract differently than employees with longer service. Blue collar and white collar (classification of job) employees also experience the psychological contract differently. Differences are also found in literature between the social and the psychological contract regarding employees and supervisors in so far that the concept of supervision is superfluous in terms of the social contract. Furthermore, literature also indicates differences in the psychological contract between employees and supervisors.

METHODS

Research design

A cross-sectional survey design was utilised by capturing data, based on the population (people or organisation) at an appointed, singular moment. The survey-design serves the purpose of a specific design, utilising a questionnaire to achieve research objectives (Babbie & Mouton, 2008; Hardy & Bryman, 2004).

Shaugnessy and Zechmeister (1997) explain that this design could be utilised to evaluate the interrelationship among variables within a population. Shaugnessy and Zechmeister (1997) further explain that this design is also ideal to describe and predict functions associated with correlative research. Burns and Groove (1993) argue that where groups of subjects at various stages of development are studied simultaneously, cross-sectional designs are appropriate. This survey technique for data collection gathers information from the target population by means of questionnaires.

Participants

The study population could be defined as random samples of employees in a private security organisation in the Vaal Triangle (N=217). “The study population includes security guards, control room operators, administration employees, technical assistants, cleaners, the sales department, the fire department, the armed response, CCTV operators, supervisors and directors” (Pretorius, 2012, p. 13). The lower level

employees possess an adequate level of literacy for the valid completion of the questionnaires. Descriptive information of the sample is presented in Table 3.

Table 3
Compilation of Study Population (N=217)

Item	Category	Frequency	Percentage
Classification of job	Unskilled blue collar employee (1)	117	53.9
	Skilled blue collar employee (2)	17	7.8
	Lower level white collar employee (3)	19	8.8
	Intermediate white collar employee or supervisor (4)	5	2.3
	Upper white collar employee, middle management/executive (5)	1	0.5
	Management or director (6)	4	1.8
	Missing response	54	24.9
	Total	217	100.00
Type of contract	Permanent employee	11	5.1
	Temporary employee	147	67.7
	Missing response	59	27.2
	Total	217	100.0
Gender	Female (1)	46	21.2
	Male (2)	112	51.6
	Missing responses	59	27.2
	Total	217	100.00
Age	19- 25 years (1)	25	11.5
	26 - 30 years (2)	30	13.8
	31 - 35 years (3)	35	16.1
	36 – 40 years (4)	29	13.4
	41 – 45 years (5)	29	13.4
	46 years and older	11	5.1
	Missing responses	58	26.7
	Total	217	100.0

Table 3 continued

Compilation of Study Population (N=217)

Item	Category	Frequency	Percentage
Tenure	Less than 5 year (1)	137	63.1
	More than 5 years (2)	16	7.4
	Missing Responses	64	29.5
	Total	217	100.0
Qualification	Grade 9 and below (1)	91	41.9
	Grade 10 – 12 (2)	62	28.6
	Further education (Diploma, degree) (3)	6	2.8
	Missing response	58	26.7
	Total	217	100.0
Hours of work per week	1-20	13	6.0
	21-40	18	8.3
	41-60	126	58.1
	61 and more	3	1.4
	Missing response	57	26.3
	Total	217	100.0
Supervision	No	104	47.9
	Yes	58	26.7
	Missing response	162	74.7
	Total	55	25.3
Union membership	Yes	38	17.5
	No	122	56.2
	Missing response	57	26.3
	Total	217	100.0

Table 3 indicates that the majority of employees were between the *ages* of 31 to 40, totalling 29.5% of the participants. More *males* (51.6%) than *females* (21.2%) participated in the research. The minority (1.8%) of participants were on *management* level, while 53.9% were unskilled blue-collar employees. More *temporary* (67.7%) than permanent (5.1%) employees participated in this research. In terms of *qualification*, the majority of the participants (41.9%) had Grade 9 and below, 28.6% had Grade 10–12, while 2.8% had a further education.

Furthermore, Table 3 indicates that 63.1% of the participants had tenures of less than a year at the security organisation and 7.4% of the employees had tenure of more than 5 years. Table 3 also indicates that the majority of employees (58.1%) worked between 41 and 60 hours a week. Non-union membership was indicated by 56.2% of the employees. Only 26.7% of the employees were supervisors.

Measuring instrument

The following questionnaires were used to gather data for this study, namely a biographical questionnaire and an Employment Contract Scale (ECS).

A **Biographical questionnaire** was developed to “gather information about the demographic characteristics of the participants. This questionnaire offers participants the option to supply their classification of job, type of contract (permanent or temporary), gender, age, tenure, qualification, hours of work per week, supervision and union membership” (Pretorius, 2012, p. 14).

The **Employment Contract Scale (ECS)** was designed to measure the psychological contract and the social contract. As mentioned by Edwards and Karau (2007, p. 67) a “four-item scale was developed for the social contract in order to measure employees’ beliefs about the ideal employment relationship and a four-item scale was developed for the psychological contract in order to measure employees’ belief about their actual relationship with their employer”. The 8-items questionnaire summarises both the social contract and the psychological contract dimensions of the employment relationship. Studies on the test-retest reliability of the ECS conducted by Edwards and Karau (2007) appear to confirm the stability of the ECS scales over time. Cronbach Alpha coefficients for the social contract ranging from 0.72 to 0.87 and 0.81 to 0.84 for the psychological contract were found in three different studies, namely for management students in the United States, undergraduate students of the Midwestern State university and practising managers who were enrolled in an Executive MBA course presented in Singapore.

RESEARCH PROCEDURE

Statistical analysis

“The analysis was carried out with the IBM SPSS 20 Program (SPSS, 2012). The reliability and validity of the ECS were assessed by means of Cronbach alpha coefficients, mean inter-item correlations and their distribution scales” (Arbuckle, 1999 as cited by Keyser, 2010, p. 27). Trochim (2006) further explains that together with simple graphics analysis, descriptive statistics form the basis of virtually every quantitative analysis of data. Descriptive statistics were utilised to analyse data, including means, standard deviations, skewness and kurtosis. Cronbach’s alpha and inter-item correlation coefficients were utilised to assess the internal consistency of the measuring items and determine the validity and reliability of the questionnaires. Skewness can be measured by standardising the difference between the mean and the mode, that is, $sk = \frac{\mu - \text{mode}}{\sigma}$ (Pearson, 1895). Population modes and sample modes, can be estimated by the difference between the mean and the mode being three times the difference between the mean and the median (Stuart & Ord, 1994), leading to the following estimate of skewness: $sk_{est} = \frac{3(M - \text{median})}{s}$. Many researchers use this measure but with the ‘3’ eliminated, that is, $sk = \frac{(M - \text{median})}{s}$ and the statistic then ranges from -1 to +1 so that absolute values above 0.2 indicate greater skewness (Hildebrand, 1986). The most commonly utilised measures of skewness may produce results such as a negative value when the shape of the distribution appears skewed to the right (Groeneveld & Meeden, 1984).

Steyn (2009) and Albright, Winston and Zappe (2000) criticise the sole use of statistical significance testing and recommend that effect sizes be established to determine the importance of a statistically significant relationship. De Beer (2010) explains that according to Field (2005), skewness and kurtosis is an indication of whether the data have been distributed normally when viewed by 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. When data is normally distributed, it should produce 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. A factor analysis is a technique with which to identify groups or clusters of variables (Field, 2005). The word construct usually relates to a concept with several underlying dimensions. This concept can be measured quantitatively through the identification of its various dimensions.

Pearson (1905) defined a distribution's degree of kurtosis as $\eta = \beta_2 - 3$, where $\beta_2 = \frac{\sum(X - \mu)^4}{n\sigma^4}$, is the expected value of the distribution of Z scores, which have been raised to the 4th power. β_2 is often referred to as "Pearson's kurtosis," and $\beta_2 - 3$ (often symbolised with γ_2) as "kurtosis excess" or "Fisher's kurtosis," even though it was Pearson who defined kurtosis as $\beta_2 - 3$. An unbiased estimator for γ_2 is $g_2 = \frac{n(n+1)\sum Z^4}{(n-1)(n-2)(n-3)} - \frac{3(n-1)^2}{(n-2)(n-3)}$. Pearson's product moment correlation coefficient was utilised to specify the relationship between variables (levels of statistical significance = $p < 0.05$: a cut-off point of 0.03 represents a medium effect and a cut-off of 0.50 represents a large effect).

In this research the differences in the social contract and the psychological contract of groups based on age, gender, hours of work per week, type of contract, union membership, qualification, tenure, classification of job and supervision were determined by means of MANOVA. MANOVA tests whether mean differences among groups for a combination of dependent variables are likely to have occurred by chance (Tabachnick & Fidell, 2001). In MANOVA, a new dependent variable that maximises group differences was created from the set of dependent variables. One-way analysis of variance (ANOVA) was subsequently performed on the newly created dependent variable. Wilks' Lambda was utilised to test the significance of the effects. Wilks' Lambda represents the ratio of error variance to total variance for each variant (Field, 2005). If an effect was significant in MANOVA, ANOVA was utilised to discover which dependent variables were affected. Because multiple ANOVAs were utilised, a Bonferroni-type adjustment was made for the inflated type 1 error. Tukey tests were conducted to indicate which groups differed significantly from other groups.

RESULTS

Construct validity

Table 4 indicates a simple principal component analysis that was carried out on 8 items of the ECS for private security employees in the Vaal Triangle. An analysis of the eigenvalues (>1.00) indicates that three factors could be extracted, which explains **57.46 %** of the total variance. Loadings under 0.40 were replaced by zeros. Labels are suggested for each factor in a footnote (see Table 4).

Table 4

Factor loadings, Communalities (h^2) and percentage variance for the ECS items

Item	F ₁	F ₂	h^2
1. The ideal organisation should expect employees to switch jobs frequently.	0.47	0.00	0.48
2. The ideal organisation should provide long-term job security for its employees.	0.83	0.00	0.73
3. The ideal organisation can be trusted to take care of its employees.	0.84	0.00	0.73
4. Employees should be trusted to fulfil their work responsibilities.	0.45	0.00	0.22
5. My organisation realises that I may switch jobs frequently.	0.00	0.79	0.71
6. My organisation provides me with long-term job security.	0.73	0.00	0.53
7. I trust my organisation to take care of me.	0.00	-0.48	0.60
8. I will leave my job if I get a better offer.	0.00	0.43	0.21
Percentage of total variance			57.46

a Factor labels: F1 Social Contract F2 Psychological Contract

As indicated by the ECS, all factors were internally consistent and well defined variables. The variables were also reasonably well defined by this factor solution. Communality values, as reported in Table 4, tend to be moderate to high. A cut-off point of 0.40 was used for the inclusion of a variable in the interpretation of a factor. Factor 6 loaded wrongly on the social contract. Items loading on the first factor relate to the social contract, and deals with the ideal organisation. The second factor appears to address the psychological contract and deals with perceptions of the employee towards the employer. The scree plot illustrated that two factors could be extracted (see Figure 1).

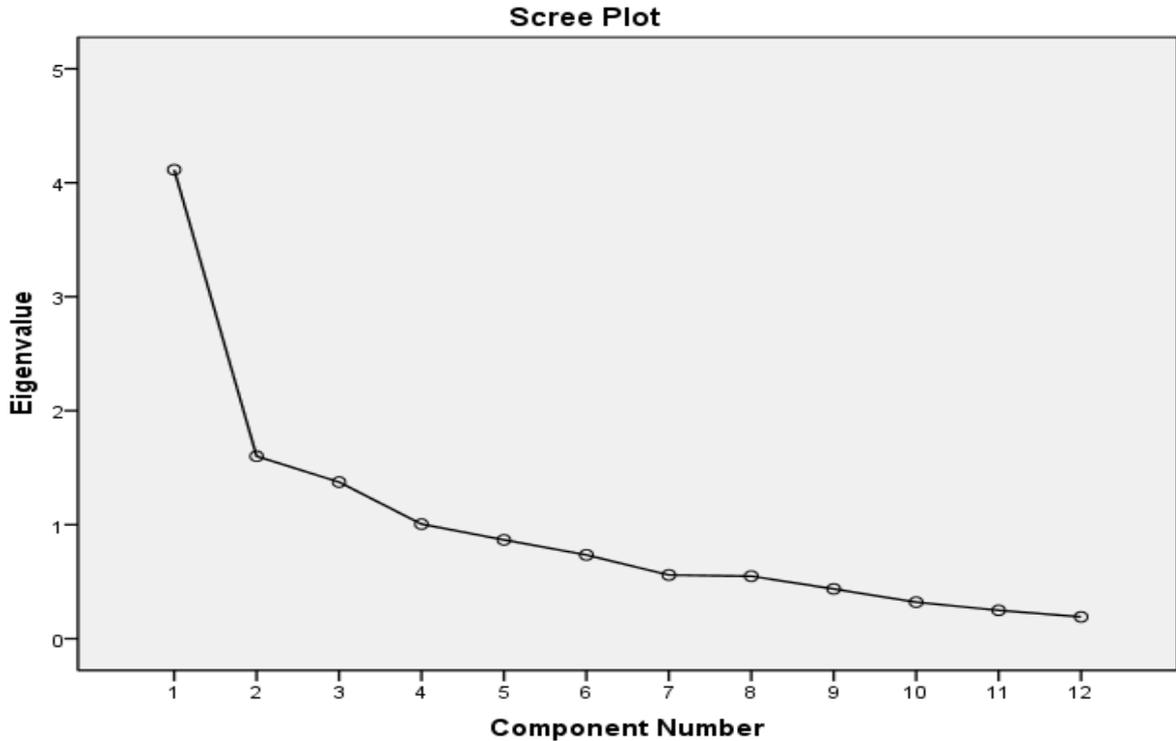


Figure 1. Scree plot of the Employment Contract Scale (ECS)

Descriptive statistics

The descriptive statistics for the two factors of the ECS are reported in Table 5. It is evident that the scores on the scales were reasonably normally distributed. The skewness and kurtosis do not exceed the critical values: skewness > 2 and kurtosis > 7 (West, Finch, & Curran, 1995).

The alpha coefficient for the ECS was 0.70. It is notable that the alpha coefficients for the ECS were 0.70 and that the alpha coefficients of the two extracted dimensions were acceptable according to the guidelines of 0.70 (Cronbach, 1951; Nunnally & Bernstein, 1994) and indicated that the ECS was internally consistent.

Table 5

Descriptive Statistics of the ECS

Item	Mean	SD	Skewness	Kurtosis
1. The ideal organisation should expect employees to switch jobs frequently.	2.29	1.26	-0.14	-1.09
2. The ideal organisation should provide long-term job security for its employees.	4.15	1.10	-1.50	1.73
3. The ideal organisation can be trusted to take care of its employees.	4.12	1.05	-1.40	1.63
4. Employees should be trusted to fulfil their work responsibilities.	3.87	1.20	-1.17	0.98
5. My organisation realises that I may switch jobs frequently.	2.96	1.03	-0.35	-0.28
6. My organisation provides me with long-term job security.	3.65	1.04	-0.87	0.72
7. I trust my organisation to take care of me.	3.84	1.10	-1.25	1.30
8. I will leave my job if I get a better offer.	3.46	1.11	-0.14	-0.62

Next, MANOVA (multivariate analysis of variance) was utilised to determine the relationship between scores of the ECS and various demographic characteristics such as classification of job, type of contract, gender, age, tenure, qualification, hours of work per week, supervision/supervising employees and union membership. These demographic variables were analysed for statistical significance, using Wilks' Lambda. The relationship between the social contract and the psychological contract and those demographic variables that revealed statistically significant differences were further analysed using ANOVA. Lastly, Tukey's HSD tests were conducted.

Partial eta squared (η^2) was utilised in addition to statistical significance to determine the practical significance of results. A partial eta squared (η^2) >0.09 (explaining 9 % of the variance) represents a medium effect. The results of these comparisons are reported in Table 6.

Table 6

MANOVAS – Differences in ECS Levels of Demographic Groups

Variable	Wilks' Lambda	F	df	p	η^2
Age	0.91	1.43	10.00	0.17	0.05
Gender	0.98	1.58	2.00	0.21	0.02
Hours of work per week	0.96	1.08	6.00	0.37	0.02
Type of contract	0.93	1.79	6.00	0.10	0.03
Union membership	0.99	1.05	2.00	0.35	0.01
Qualifications	0.94	2.28	4.00	0.06	0.03
Tenure	0.96	3.34	2.00	0.00*	0.95
Classification of job	0.85	2.46	14.00	0.00*	0.85
Supervision	0.99	0.19	2.00	0.83	0.00

$\eta^2 > 0.25 = \text{large effect}$

* *Statistically significant difference: p < 0.05*

Table 6 illustrates that in an analysis of Wilk's Lambda values, no differences regarding ECS levels could be found for age, gender, hours of work per week, type of contract, union membership, qualification and supervision.

However, Table 6 indicates that there was a significant effect of classification of job and tenure on the combined dependent variable, ECS. This was a large effect (Cohen, 1988) where 8.5 % (classification of job) and 9.6 % (tenure) of the variance is explained. The differences in means of the sub-dimensions of the psychological and the social contract between demographic groups are reported in Tables 6–8. Table 7 indicates differences of the ECS factors for different classification of jobs.

Table 7

Differences between ECS Scores of Classification of job

Factor	(1)	(2)	(3)	(4)	(5)	(6)	p	η^2
Social contract	14.46	15.12	16.66	15.72	17.00	16.15	0.00*	0.09
Psychological contract	10.28	10.43	10.62	10.40	7.00	8.84	0.31	0.04

1= unskilled blue collar employee; 2= Skilled blue collar employee; 3= lower level white collar employee; 4= intermediate white collar employee or supervisor; 5= Upper white collar employee 6= Management or director

**Statistically significant difference: p < 0.05*

Analysis of each individual dependent variable, using a Bonferroni adjusted alpha level of 0.0125, indicated that there were statistically significant differences between the levels of the social contract and classification of job. A practically significant difference exists between the upper white-collar employees who experienced more encounters with the social contract than the unskilled blue-collar employees. The management or directors also experienced fewer encounters with the social contract than the upper white-collar employees did.

Table 8

Differences between ECS scores of tenure

Factor	(1)	(2)	P	η^2
Social contract	14.96	16.76	0.02*	0.04
Psychological contract	10.30	10.29	0.98	0.00

1= less than 5 years tenure 2= more than 5 years tenure

In Table 8 it is evident that employees with 5 or more years of tenure experienced more encounters with the social contract than those with less than 5 years of tenure.

The results of the hypotheses testing for this study, gathered from the literature review and the empirical analysis, are reported in Table 9.

Table 9

Results of Hypotheses Testing

Hypothesis	Finding
1	Accepted. The social contract and the psychological contract, as measured by the ECS, have acceptable levels of internal consistency for each of its subscales.
2	Accepted. The social contract and the psychological contract, as measured by the ECS are a two-dimensional construct (social contract and psychological contract).
3	Not accepted. Younger employees did not experience higher levels of the social contract than older employees did.
4	Accepted. No gender differences are experienced in the social and psychological contracts of employees.
5	Not accepted. Employees did not experience differences in longer hours of work in both the social and psychological contracts.
6	Not accepted. No difference regarding ECS levels could be found regarding the type of contract.

Table 9 continued

Results of Hypotheses Testing

7	Not accepted. High union membership exists in both the social and the psychological contract.
8	Not accepted. Employees with higher levels of qualifications did not experience more encounters with the psychological contract than those with lower levels of qualifications.
9a	Not accepted. In the case of the psychological contract there was no difference found, but it was found in the case of the social contract.
9b	Not accepted. No differences was found between employees who are temporarily employed are less likely to have longer tenures than their permanently employed counterparts.
10	Not accepted. No difference was found between blue-collar employees and white-collar (classification of job) employees in their experience of the psychological contract. Statistically significant differences between the levels of the social contract and classification of job were however found.
11	Not accepted. Employees in supervisor positions did not experience more encounters with the social contract than employees in non-managerial positions.

DISCUSSION AND CONCLUSION

The objective of this study was to determine the construct validity and internal consistency of the ECS as well as to determine whether differences exist between variables in terms of their scores on the social contract and the psychological contract.

The measurement of the social and psychological contracts may vary considerably across different research contexts for two reasons. Firstly, measurement of the content of these contracts may vary significantly across research contexts. Secondly, the symbolic meanings of these contracts may also vary across variables, individuals, situations and contexts. Therefore, it is important that the researcher clearly defines the meaning of the social or psychological contract that is applicable to his or her research. Thirdly, the individual, organisational and contextual factors may impact the formation of the social contract and the psychological contract.

Demographical analysis indicated no practical significant differences with regard to age, gender, hours of work, type of contract, union membership, qualification and

supervision. Significant differences were found between the ECS and classification of job and tenure. Furthermore, with regard to tenure and the psychological contract as measured by the ECS, results indicated that participants who had worked for the organisation for 5 years and longer scored higher levels on the social contract than those who had worked there for less than 5 years. Hence, it is also important to focus on other industries in South Africa as well as across nations.

Factor analysis of the ECS resulted in two factors. The original hypothesised ECS model consisted of two factors, one representing the social contract and the other the psychological contract. This finding corresponds with the study of Edwards and Karau (2007) who claim that the ECS has a two-factor structure, with the social contract and the psychological contract as separate, yet correlated dimensions. The internal consistency of the ECS scale was acceptable and the Cronbach alpha for the two-factor social contract and the psychological contract was acceptable. The first factor, or social contract, consisted of 4 items and the second factor or psychological contract also consisted of 4 items in the ECS (8 items in total). In this study item 6, did not load on the psychological contract but on the social contract. This item was deleted. Based on the results, *hypothesis 1*, which states that ECS, has two-dimensional structure, consisting of the social contract and the psychological contract scale, is accepted.

Reliability analysis confirmed sufficient internal consistency of the subscales. The observed correlations were found to be comparable with the values reported in previous research by Edward and Karau (2007). This is an indication that the questionnaire's level of reliability is acceptable. Therefore, it appears that the ECS is a useful instrument to use in research and practice. Considering future research, researchers may want to reconsider the dimensions of the social contract and the psychological contract. Future research may also benefit from cross-validating the ECS dimensions in different countries. Multiple cultural settings will offer an increasing variety in the psychological contract and therefore strengthen the validity of the ECS and the two dimensions thereof. Future research may lead to questions on how the social and psychological contracts differ from each other. It is suggested, given that the ECS proved to be reliable and valid, that future research focuses on the reliability and validity of the ECS in other occupational settings. It is also

recommended that larger samples with more powerful sampling methods be utilised to enable the generalisation of the findings to other similar groups. The usage of adequate methods such as structural equation modelling and equivalence analysis is recommended.

To conclude, assessing the ECS by examining the differences between the social contract and the psychological contract offers the potential to study employment relations across people and settings. This approach in the study allowed for an understanding of the variety of employment relations due to formal contract characteristics and employment relations practices.

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CHAPTER 3

RESEARCH ARTICLE 2

THE RELATIONSHIP BETWEEN THE EMPLOYMENT, THE SOCIAL AND THE PSYCHOLOGICAL CONTRACTS, REGARDING EMPLOYABILITY, JOB INSECURITY, JOB SATISFACTION, LIFE SATISFACTION AND THE INTENTION TO QUIT FOR EMPLOYEES IN A PRIVATE SECURITY ORGANISATION IN THE VAAL TRIANGLE

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**THE RELATIONSHIP BETWEEN THE EMPLOYMENT, THE
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ABSTRACT

The objectives of this study was to conceptualise and explain if the social contract and the psychological contract could be considered a contract within the employment relationship and to determine the relationship between the social contract and the psychological contract regarding employability, job insecurity, job satisfaction, life satisfaction and intention to quit of employees in a private security organisation in the Vaal Triangle. Furthermore to determine if employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the social contract or/and the psychological contract.

Theoretical perspectives revealed that the social contract and the psychological contract could be considered a contract within the employment relationship in South Africa. Pearson product moment correlation indicated that a practically significant relationship exists with a medium effect between the social contract and the psychological contract and a negative relationship exists with intention to quit. A statistically significant effect exists between the psychological contract, employability and job satisfaction. A practically significant relationship exists with a medium effect between the psychological contract and life satisfaction. Multiple regression analysis indicated that job satisfaction and intention to quit predicted the social contract, and that job satisfaction and life satisfaction only predict the psychological contract, but no relationship exists between the psychological contract, employability and intention to quit.

The existence of an employment relationship between the employer and the employee is as old as labour itself (Bendix, 2001; Keyser, 2010). Splider (1994) explains that the employment relationship is institutionalised through the process of employment contracting, which runs the entire spectrum from the strictly legal to the purely psychological. Keyser (2010, p. 44) further mentions that “according to Landis and Grosset (2007), employment relationships and labour law in South Africa are governed by the South African Constitution Act 108 of 1996 (South Africa, 1996) as well as the global and local socio-economic forces as indicated in Section 3 of the Labour Relations Act 66 of 1995 (South Africa, 1995).” Therefore, private and public sectors are all subordinate to the Constitution’s Chapter 2: Bill of Rights. It is therefore evident that there is a connection to employment relations in terms of Section 23 of the Constitution (Nel, Kirsten, Swanepoel, & Poisat, 2011).

Human Rights are a new social contract that shares responsibilities for human rights and related ethical responsibilities by the employer. Employers view their profit maximisation as their primary obligation to narrowly define their social and ethical responsibilities. They would regard themselves as having a limited number of informal obligations that include obligations owed by the employer to his or her employees and the reciprocal obligations of employees to their employer (Cragg, 2000). A lack of research exists on the existent social contract between the employer and the employee within the South African context.

A contract between the parties within an employment relationship lays down reciprocal obligations that include economic, legal, social and psychological dimensions that change over time (Keyser, 2010; Pesqueux, 2012). Berg (2007) mentions that employees within the private security industry draw most of their powers from the law of contract, law of property and labour legislation; the main piece of legislation being the Private Security Industry Regulation Act 56 of 2001 (South Africa, 2001). The employment relationship is described as a social exchange relationship where two parties, the employer and the employee, are co-operating to achieve mutual benefits (Shore & Tetrick, 1994).

The implicit social contract of today is different to the implied expectations or obligations of the past (Kochan, 1999). Kochan and Shulman (2007) explain that the implicit social contract that governed the employment relationship for years and the

norm that hard work, loyalty and good performance will be rewarded with fair and increasing wages, dignity and security, has broken down and is being replaced by a norm in which employers award primacy to stock price and short-term gains, often at the expense of employees. Researchers' views on the employment contract and the social contract require updating, because if there was an "implicit employment contract", it is changing dramatically and the expectations between the employer and the employee are changing as well (Eaton, 2000).

Different authors maintain that this employment relationship now focuses on a new employment contract (Gilbert, 1996; Levine, Belman, Charness, Groshen, & O'Shaughnessy, 2002; Sonnenberg, 2006), a new social contract (Kochan, 1999; Kochan & Shulman, 2007; Edwards & Karau, 2007) and a new psychological contract (Sparrow, 1996; Stone, 2001). Daniel (2009) maintains that these dramatic changes have developed over time in terms of who works, how work is carried out, and the conditions of employment. The public and organisational policies and practices governing work and the employment relationship (originally put in place in the 1930s to fit the industrial economy and workforce of that time) have not kept pace with these dramatic changes. The social contract that governed work for many years has therefore long disappeared from the employment relationship (Kochan & Shulman, 2007; Time, 2008).

Researchers disagree on whether these changes in the employment relationship are influencing the social contract or the psychological contract (Edwards & Karau, 2007). A great deal of focus has lately fallen on the "new social contract" or "changing employment relationship". The traditional approach was an assumption of job security and it was assumed that lifetime employment was an option available to an employee (Rappaport, 1996). These changes have led to a focus on a new social contract (Iles, 1997; Thomas, Au, & Ravlin, 2003).

In the context of South Africa and in other countries like the Czech Republic (Kirovavo, 2010), the concept of a social contract or a psychological contract, both the traditional (old) and new types, are not widely known by practitioners and scholars. Cappelli (1999) argues that a new deal and new beliefs did come about globally because of the changes in working conditions. Millward and Brewerton (2000) explain that the new deal between the employer and the employee includes no

job security, high pay for high performance, flexible work arrangements, expected performance/results, income-related to performance-related pay and little trust. The employment contract and the psychological contract between the employer and the employee have become more transactional and less relational, and loyalty is no longer a guarantee for on-going employment. Employees are thus expected to take primary responsibility for their own employability rather than relying on the organisation to direct and maintain their careers (Clarke & Patrickson, 2008). Cappelli (1999) avers that employers are seen to provide resources and opportunities for employees to develop within the organisation, thereby giving employees some sort of security.

Given that under the new employment contract employers are now demanding employability rather than merely loyalty and hard work, who becomes responsible for maintaining individual employability? Some argue that employability is primarily an individual responsibility. Paternalistic approaches to career progression have been replaced by individual responsibility for career management (Bridges, 1994). Under the new contract, employability becomes largely an individual responsibility rather than a corporate responsibility.

Studies conducted by different researchers elaborate on the idea of a social contract between employers and organisations by highlighting the social distinction and stratification of the labour relationship between the employer (organisation) and the employee in order to substantiate social contracts and their emergence and dynamics (Bourdieu, 1984; Schulze, 1992; Florida, 2002; Devine, Savage, Scott, & Crompton, 2005). Modern societies are open to the transgression of class boundaries, as more lifestyles become a decisive determinant of employees' preferences and aspirations (Devine et al., 2005). Studies on social contracts relating to job classification are however limited.

Haunschild (2011) posits that future research could examine the relevance of a shared lifestyle in other professions, work communities, industries or employment relationships. Furthermore, current changes to the lifestyle of employees as well as the changing workplace require further attention. The changing workplace effects not only the social contract but also the psychological contract. Current psychological contracts appear to be different from the contracts of the 1950s and 1960s. Employers and employees realise that lifetime job security can no longer be guaranteed and

employees have to be more self-reliant (De Meuse & Tornow, 2007). Berg (2007) posits that the treatment of security employees by their employers is a contentious issue, as government officials have frequently commented on the poor treatment of security guards in terms of long hours, low pay and job instability.

By focusing on the psychological contract, emphasis is placed on the importance of balancing both individual and organisational concerns about careers (Atkinson, 2002). This positions the discussion to move to the concept of employability (Sieber, 2008). Employability is the capacity and willingness of employees to remain attractive to the labour market by anticipating changes in the task and work environment and reacting to them (De Grip, van Loo, & Sanders, 2004).

Daniel (2009) further states that not too long ago working for a corporation was significantly defined by promises which included that the employer would provide the employee with lifetime job security, fair compensation, cost free health care and a secure retirement plan. Employees, in return, promised their long-term loyalty and reliability to report to work each day and to do the work of the organisation. This unspoken understanding between employers and employees formed the “implicit social contract” of the work relationship (Kochan & Shulman, 2007). The question that could now be asked is whether this is still the case or whether the labour laws that are incorporated into the employment contract governing the workplace fulfil the need for job security. Bendix (2010) argues that individuals’ perceptions of work differ. The attitude that individuals hold towards their jobs, that is the extent to which they feel positively or negatively about their job, is defined as job satisfaction (Bhuiyan & Menguc, 2002). The development of negative thoughts and the intention to quit by the employee may be influenced not only by the characteristics of the individual, but also by those of the organisation as well as the job of the employee (Rosin & Korabik, 1991; De Beer, 2010; Pretorius, 2012).

The question can now be asked whether job satisfaction affects life satisfaction and whether it could be linked to the intention to quit. To answer this question, previous research indicates that job satisfaction could be influenced by personality dispositions (Weitz, 1952). The research conducted by Weitz (1952) indicates that people who were not satisfied with their job also complained more about their life in general. Further research even revealed that if job satisfaction influences life satisfaction (Hart,

1999), there might be some kind of disposition to view things in a more positive or more negative way. It appears that changes in the workplace inherently exert a positive influence on job satisfaction and intention to quit. This result confirms the findings of Semmer, Baillod, Stadler and Gail (1996), who noticed that job satisfaction reaches its lowest level shortly before a potential change of job. An indispensable factor to understanding job satisfaction is “quality of life”, or life satisfaction (Ghiselli, La Lopa, & Bai, 2001). There is however inadequate research linking the psychological contract, job satisfaction and life satisfaction to the intention to quit (Ghiselli et al., 2001), especially within the private security industry.

The pertinent question now is whether labour relations in South Africa will keep up with the constant changes experienced within the Private Security Industry and whether the employees will experience job satisfaction as well as life satisfaction and if not will they experience an intention to quit. The differences between what the employee believes has been promised by the organisation and what is actually delivered, play a major role in shaping the individual’s attitudes and behaviours in psychological contract theory and research (Robinson, 1996). Researchers disagree on whether these changes are impacting the social contract or the psychological contract (Edwards & Karau, 2007).

The general objective of this study was to establish the relationship between the employment, social and psychological contracts of employees and specific outcomes (employability, job insecurity, job satisfaction, life satisfaction and intention to quit) within a private security organisation in the Vaal Triangle. Furthermore, questions such as whether the social contract and the psychological contract could be considered as contracts within the employment relationship, requires a research response on how the new employment, social and psychological contracts impact employability, job insecurity, job satisfaction, life satisfaction and intention to quit.

Old and new types of employment contracts within the employment relationship and outcomes

During the 1990s, the media announced the death of the “old” employment contract which promised to exchange hard work for employment security and in its place proclaimed the birth of a new implicit contract (Levine et al., 2002). Levine et al.

(2002) argues that the evidence of any large-scale shift from the old to the new model is suggestive, but not conclusive. Since the mid-1980s, a number of business scholars, journalists and labour economists have written about a "new employment contract" with lower employee-employer commitments to the extent that if this new contract is generally accepted, it could influence the degree to which various actions are considered to be fair.

The private security industry witnessed a growth in the number of temporary and fulltime employees who require specialised knowledge and experience within the sectors (Minnaar, 2005), thereby underscoring the need to remain employable (Kinnunen, Mäkikangas, Mauno, Siponen, & Nätti, 2011). Employability remains a concept which lacks research, while the prevalence of temporary employment, especially, has received little attention (Kinnunen et al., 2011). Therefore, it is important to examine temporary as well as permanent employability.

Employability related negatively to the outcomes for fixed-term contract employees and temporary agency employees, and this relationship was not significant for permanent employees. Job insecurity related negatively to the outcomes for permanent employees and temporary agency employees. This relationship was not significant for fixed-term contract employees (De Cuyper, Notelaers & De Witte, 2009).

One of the most critical factors affecting job insecurity is the formal employment contract (Kinnunen & Nätti, 1994; Sverke, Gallagher, & Hellgren, 2000; Näswall & De Witte, 2003). Job insecurity is exacerbated in temporary employment arrangements (Parker, Griffin, Sprigg & Wall, 2002). Job insecurity has been suggested to reflect the subjective counterpart of temporary employment (Büssing, 1999; Klandermans & Van Vuuren, 1999). Furthermore, job insecurity is assumed to mediate, that is, to account for the relationship between temporary employment and its outcomes, and is also considered to be the 'hidden beneath' type of contract (De Witte & Näswall, 2003). Little empirical effort has been made to validate this assumption.

Ahn (2005) maintains that permanent contracts provide higher job and life satisfaction. The type of contract and or the type of job also appears to affect life

satisfaction. Permanent contracts provide greater life satisfaction. Beugelsdijk and Frijns (2010) indicate that the type of employment contract and life satisfaction is significant. It could be inferred that participants who have an employment contract with unlimited duration, compared to participants who have an employment contract with limited duration or no employment contract at all, are significantly more satisfied with their lives.

The Corporate Leadership Council (1999) states that the link between “employee satisfaction” and “intention to quit” is weakening as, increasingly, highly satisfied employees leave their organisation for new opportunities because they are more employable.

Old and new psychological contracts and outcomes

The second part of the twentieth century witnessed a reversal in the paternalistic employment relationship and the emergence of a new psychological contract (Clarke, 2004). The psychological contract is changing and it is generally agreed that the “old” contract offered steady financial rewards, security and career structure in return for loyalty, commitment and trust in the organisation. In a study conducted by De Cuyper and De Witte (2006), it was established that temporary employment does not need to be problematic in terms of psychological outcomes. Its impact should not be assessed using the traditional permanent employment relationship as a reference.

The “new” or emerging contract emphasises employability, which according to many researchers and practitioners compensates for the loss of traditional rewards (Sharpe, 2002). This new psychological contract makes it clear that organisations cannot promise job security or promotion along the lines of a hierarchical progression and that “no job is safe from being reorganised, reengineered, recombined, flattened or just eliminated” (Navran, 1994, as cited by Maguire, 2002, p.4). Under this new contract there is a “decreased expectation of paternalistic human resource practices, the replacement of the concept of organisational worth with self-worth, the substitution of personal accomplishment for promotion as the route to growth and the decreased importance of tenure” (Maguire, 2002, p. 15).

Clarke (2004) explains that in the twenty-first century, written and psychological contracts have changed and so have the concepts of employability. A number of

academics believe that employability is a key feature of the “new” or emerging psychological contract. Pascale (1995) argues that employability is the mechanism with which to restore a healthier balance in the exchange between the employer and the employee. Employability is defined as “not a guarantee of continuity of continuous employment with one company, but a commitment to enhancing the skills and competencies of the employees so that they can protect and continuously improve their options for gainful employment” (Van Buren III, 2003, p. 135). Some authors suggest that when organisations spell out the rules, employers are more successful in gaining the acceptance of employees on the notion of employability (Sharpe, 2002; O’Reilly, 1994). Researchers (Early, 1996; Flinn, 1997; Ramsy, 1999) are optimistic that employees have accepted a new psychological contract based on employability and it does represent a way forward.

The new psychological contract between the employer and the employee now includes expectations of employability, training, human capital development and networking opportunities. Guest (2004) articulates that it appears that newer and more flexible forms of employment may fragment the workplace. According to Herriot (1992), ideal employees of the 1990s are going to welcome adventure and exploration. Researchers such as Sorohan (1994) and Cascio (1998) explain that during the 90s the employee experienced an increased workload and stress in the workplace, and therefore less job security and commitment. They furthermore explain that the new psychological contract appeared as a result of the shift from an employment relationship and contract that was all about employment security to an employment relationship and contract that is now all about employability.

Employability could constitute a new form of job security. It involves a new mutual psychological contract where employers provide self-development for vulnerable employees (i.e., all employees) and employees take advantage of those opportunities (Bagshaw, 1997). Employability forms a key part of the new psychological contract (Atkinson, 2002). Although both the popular business press and academic literature discuss the components of the new psychological contract, few studies have attempted to investigate the relationship between the work experiences of employees and their adoption of beliefs or perceptions congruent with the relational components of the new psychological contract. Employers cannot promise job security or promotion in

terms of the new psychological contract. Navran (1994) posits that a new psychological contract is formed between employers and employees because they have a new understanding of their mutual obligations, expectations of job security and promotional opportunities.

Satisfaction may be influenced by perceptions of fairness in the new psychological contract as well as the level of agreement with the new psychological contract (Cavanaugh & Noe, 1999). Research indicates that if an employee's expectations and promises of the new psychological contract are not realised, there is an intention to quit. Expectations and promises about careers, which relate to individuals' career behaviour and career assistance that they believe their employers will (or will not) provide, form part of the psychological contract (Herriot & Pemberton, 1997; Cavanaugh & Noe, 1999). Hall and Moss (1998) explain that downsizing global competition has also altered the old psychological contract in such a manner that employees believe that even if they do good work, they could still lose their jobs. When the psychological contract is characterised as being short-term (temporary) due to the employee's obligation to the employer, the intention to quit is strong (Maharaj, Ortlepp, & Stacey, 2008).

In a study conducted by Maharaj et al. (2008) as cited by De Beer (2010, p. 38) it was established that "the stronger the employees' beliefs were that the future relationship with their organisation was not promising, the stronger was their intention to quit" the organisation. De Beer (2010) posits that employee turnover is determined by an individual's intention to quit. As mentioned by Keyser (2010, p. 58), the findings of different researchers indicate that "violations of the psychological contract are negatively associated with trust and employees' intention to stay" with their employer (Robinson & Rousseau, 1994; Coyle-Shapiro & Kessler, 2000; Lo & Ayree, 2003). Violations of the psychological contract may concern aspects of the psychological contract when an employee views job insecurity as a violation of the psychological contract (Borg & Elizur, 1992; Isaksson, Bernhard, Claes, De Witte, Guest, Krausz, Peiro, Mohr, & Schalk, 2003).

The intention to quit is explained by Tett and Meyer (1993) as the employees' conscious and deliberate conduct to leave the organisation. When employees feel dissatisfied with their job and their employer, they have a tendency to quit their job

(Larwood, Wright, Desrochers, & Dahir, 1998); however, Lee and Mowday (1987) did not provide such correlations between job dissatisfaction and intention to quit. If employees are intending to quit their job, they will be less likely to believe that they are obligated to meet the expectations they believe the organisation has of them under the terms of the psychological contract. A high intention to quit suggests a low commitment to the employment relationship (Cable, 2008). Table 1 compares the ‘old’ and the ‘new’ psychological contract, illustrating the importance of duration over time in order to sustain the psychological contract. This table was adapted from Sparrow (1996) and Stone (2001).

Table 1

Old and New Psychological Contract Style

	Old psychological contract	New psychological contract
Security	Job security	Employability security
Training	Firm specific training	General/transferable training
Skilling	Deskilling	Up skilling
Opportunities	Promotional opportunities	Networking opportunities
Supervision and control	Command supervision	Micro-level job control
Rewards/Pay	Pay and benefits linked to job tenure Paid on level, position and status	Market-based pay Paid on contribution
Procedures	Collective bargaining	Dispute resolution procedures for individual fairness claims
Change environment	Stable, short term focus	Continuous change
Culture	Paternalism, time served, exchange, security for commitment	Those who perform get rewarded and have contract development
Motivational currency	Promotion	Job enrichment, competency development
Promotion basis	Expected, based on time served and technical competence	Less opportunity, new criteria, for those who deserve it
Mobility expectations	Infrequent and on employer’s terms	Horizontal, used to rejuvenate organisations, management process
Redundancy/tenure guarantee	Job for life if employee performs	Lucky to have a job, no guarantee
Responsibility	Instrumental employees, exchange promotion for more responsibility	To be encouraged, balanced with more accountability, linked to innovation
Status	Very important	To be earned by competence and credibility
Personal development	The organisation’s responsibility	Individual’s responsibility to improve ‘employability’
Trust	High trust possible	Desirable, but expect employees to be more committed to project or profession

Old and new social contracts and work-outcomes

Various social, economic and legal developments in the workplace have given rise to a new social contract, which has, in part, brought about an increase in the use of alternative dispute resolution (ADR) and/or conflict management systems. The emerging social contract in the latter part of the twentieth century and the first part of the twenty-first century can be characterised as the result of various legal and economic developments (Travis, in press). In the workplace the employer is obliged to provide a framework in which the employee will work; this framework is based on explicit values, goals and a mission-oriented structure and it provides a picture of the entire system and where the employee fits into that system (Kilpatrick, 1999).

Travis (in press) further mentions that traditional social contract theory has been modified through legislation, which encouraged the rise of unionism and provided employees with rights and privileges they had not previously enjoyed. Kochan and Shulman (2007) posit that a social contract for improved labour relations is based on the complementarity of interests between labour and capital. Hard work, loyalty and good performance are the core values on the part of the employee. On the part of the employer hard work, loyalty and good performance should be rewarded with a living wage, decent benefits, safety and dignity (Angula, 2011).

Womack (in press) mentions that the old, albeit inferred, social contract in the workplace ensured employee continuity, compensation and opportunities for advancement, that is, if the employee was loyal, punctual, honest, and if he or she performed assigned duties with some degree of proficiency. At a time, when each business year was primarily an incremental advancement of the previous year, the promise of continuity was easy for employers to keep. The post-war sellers' market years of the 50s, 60s and 70s provided employers with a dependable workforce and employees with implied lifetime employment. However, in the 80s and 90s all that began to change.

Chilton and Orlando (1996) explain that the years of complacency under the old social contract between employers and employees had also created high-cost labour systems with insufficient incentives for producing quality goods or providing quality services. Chilton and Orlando (1996) also mention that in many work environments, the old

contract required that blue collar and clerical employees simply follow orders. Though this old contract between the employer and the employee was never universally followed, it did provide a characterisation from which most employer-employee relationships were formed.

Thottam (2004) argues that without a social contract binding the employer and employee, long-term jobs have become an illusion. Job insecurity is defined by Greenhalgh and Rosenblatt (1984, p. 438) as a “perceived powerlessness to maintain desired continuity in a threatened job situation”. Eaton (2000, p. 27) avers that the social contract is “an implicit one, only to the extent that employees feel that the employer is loyal to them, and sometimes not even with that. Insecurity is a stress producer”.

Roehling (1997) explains that the psychological contract is viewed as an extension of the social contract. In the context of the employment relationship, the social contract entails “beliefs about exchange, reciprocity, good faith, and fair dealing” (Morrison & Robinson, 1997). The focus of the social contract falls on how the reciprocal relationship between the employer and the employee has been conducted thus far and how it should be conducted in the future. The social contract refers to the terms and conditions that govern the executions of the psychological contract.

Lansbury (2004) suggests that there are three pillars to the new social contract with the first pillar being access to employment for all who are able and willing to seek work, the second pillar being the entitlement of citizens to education and training, and the third pillar of the social contract is economic security in retirement. Lansbury (2004) explains that these three pillars are required for the new social contract in the current century and should be restored in the workplace. The question now arises how and whether security employees experience life satisfaction at their workplace through the social contract. Employees on their side should value work as a way of self-expression, satisfaction and contribution to the general welfare of the country. Work should be regarded as a fulfilment and a source of human dignity and personal growth (Angula, 2011).

Teague and Thomas (2008) argue that a stronger social contract at work exists. Consequently, this leads to a significant growth of employment legislation across

advanced economies, which has afforded employees a greater range of individual employment rights.

In Table 2, the differences between the old and the new social contract style are explained and a discussion follows.

Table 2

Old and New Social Contract Style

	Old social contract	New social contract
Employability	Levering (1988): Employees saw employability as a cynical concept aimed at making them feel good about being expendable.	Maxwell, Briscoe & Temin (2000): The new social contract encourages employees to be self-employed and earn their employment rather than rely on employers to secure their employment.
Job insecurity	Kochan and Shulman (2007): The norm that hard work, loyalty, and good performance will be rewarded with fair and increasing wages, dignity, and security.	Kochan and Shulman (2007): A norm in which employers give primacy to stock price and short term gains often at the expense of employees.
Job satisfaction	Mills (1996): Careers used to be thought of primarily in terms of climbing a ladder of positions within a single company.	Weidenbaum (1995): New social contracts are formed to govern the workplace in order to increase job satisfaction.
Life satisfaction	Hibbard (2008): The social contract as described by Hobbes gave different rights and obligations to individuals' mind and life with profound consequences for the social contract.	Uhde (2009): Social security (not being unemployed) is of high importance for overall life satisfaction.
Intention to quit	Bartol (1979): A significant opposite relationship between career commitment and actual turnover was found, indicating that the less commitment an individual has to their career the more likely he or she is to consider other opportunities.	MacDermid and Weiss (2001): The work world has become less predictable.

This shifting social contract is viewed as being undermined by members of older age-cohorts who have experienced the shift from an old social contract that was supportive of work and life balance to a new social contract that seems opposed to balancing work and life in an equitable manner (Rubin, 1995; Capelli, Bassi, Katz, Knoke, Osterman, & Useem, 1997).

Pascal (1995, p. 21) explains that “a new social contract predicted on employability is the sound of one hand clapping...We must probe more deeply into the challenges

facing both society and the individual if we are adequately to address the void which the loss of job security creates. To be sure, employability becomes more important as employment security becomes less certain". As mentioned by Hilltrop (1996), employees must ensure that they receive training to make them more employable and decrease job insecurity if they become redundant or decide to leave the organisation.

Findings from different research indicate that job insecurity can be experienced at a personal level or attributed externally (Ferrie, 2001; Sverke, Hellgren, & Näswall, 2006). The Chartered Institute of Personnel and Development referred to as CIPD (2005) found that although job security cannot be guaranteed, employees should be assisted in obtaining skills and competencies to enhance their employability.

Thottam (2004) explains that without a social contract binding the employer and employee, long-term jobs have become an illusion. Job insecurity is defined by Greenhalgh and Rosenblatt (1984, p. 438) as a "perceived powerlessness to maintain desired continuity in a threatened job situation". Eaton (2000) avers that the social contract is an implicit one, only to the extent that an employee feels that the employer is loyal to them, and sometimes not even with that insecurity is a stress producer.

Certain researchers in the behavioural sciences such as Pearce (1998) define job insecurity with a more objective approach. Pearce (1998, p. 34) defines job insecurity as "an independently determined probability that employees will have the same job in the foreseeable future".

Relationship and differences between the employment contract, the social contract and the psychological contract

In previous research, "differences were measured to establish or distinguish between two forms of employment contracts; the social contract and the psychological contract" (Edwards & Karau, 2007, p. 67). Further research is needed to shed light on several facets relevant to the definition of employment contracts and the implications of employment contracts for organisational behaviour. Nonetheless, the research of Edwards and Karau (2007, p. 67) does "provide evidence for the existence of two distinct forms of employment contract; the social contract and the psychological contract". In the research conducted by Edwards and Karau (2007, p. 74), it is suggested that the "ECS as well as the conceptual articulation of the distinctions

between social and psychological contracts, can facilitate future research that could lend insight into a host of managerial situations relevant to perceptions of employment contracts. Furthermore, future use of the ECS could create further insight into the causes and consequences of peoples' perceptions of appropriate employment relationships".

Social contracts are the expectations and obligations that employees, employers and their communities and societies have for work and employment relationships (MacDermid & Weiss, 2001). Researchers reason that these expectations and obligations, of all the different parties involved in the employment relationship, are the start of a new social contract because now the employer is obliged to provide a framework in which the employee will work and this framework is not only based on implicit values and goals but this framework is also a mission-orientated structure (Kilpatrick, 1999). This provides a picture for the employee where he or she fits into the system. Previously an employee was promised employment security but today employees should expect to learn new skills and remain competitive in the labour market (Kochan, 1999). The social contract encompasses employees' ideas and expectations such as the right to a decent job and good working conditions, the right for employees to have some say in their workplace and the right to be able to bargain collectively (Baird, 2007). The social contract has changed because the old bond between the employer and the employee has largely disappeared (Mills, 1996). The employer no longer provides job security to employees and therefore, no loyalty, but instead, there is pay for performance; education, which may make an employee attractive to other companies; and careers based on shifting from employer to employer.

The earliest work defined psychological contracts as the shared perceptions between employers and employees regarding what each party owed the other in the employment relationship (Argyris, 1960, Schein 1965). More recent work has defined the psychological contract as an individual's perception of what he/she owes the employer and the inducements the individual believes that he/she is owed in return (Rousseau, 1989).

Edwards and Karau (2007) define a psychological contract as the employment relationship between an organisation and an individual employee regarding the

obligations that each party has to the other. They also state that the employee's beliefs about the psychological contract develop, in part, from either explicit or implicit promises made by the employer at the time of recruitment as well as during continuing interactions between the employer and the employee.

Rousseau and Greller (1994) explain that the psychological and implied employment contracts differ in terms of the level of existence (individual versus relational) and the degree of subjectivity in interpretation (highly subjective versus objectively derived). A formal employment contract only partially reflects the obligated exchanges between the employer and according to Spindler (1994), the employee and does not address all aspects of the employment relationship. McFarlene-Shore and Tetrick (1994) argue that the inability of a formal contract to fully reflect the employment relationship gives rise to the formation of informal contracts. Rousseau (1989) distinguishes between two forms of informal employment contracts, namely the implied contract and the psychological contract.

In Table 3, the differences are explained between the employment contract, the social contract and the psychological contract.

Table 3

Employment, social and psychological contract differences

Contract Characteristics	Employment Contract	Social Contract	Psychological Contract
Purpose:	Nagel, Boraine, De Villiers, Lombard, Lotz, Prozesky-Kuscke and Van Jaarsveld (2007); Venter, Levy, Holtzhausen, Conradie, Beneman and Dworzanowski-Venter (2011): Framework that gives effect to labour rights between two parties (employer and employee).	Hobbes, Locke and Rousseau cited in Kochan (2000): Rights and responsibilities of the state to its citizens and the citizens to each other.	Rousseau (1989): Beliefs individuals hold regarding terms and conditions of the exchange agreement between themselves (employer and employee).
Contract formation:	Nagel et al. (2007): Contract based on a legal relationship between the employer and the employee on individual and collective labour levels in respect of the rendering of service under authority.	White (2007): While the scope of rights is consistently expanding, the principle of protecting individual rights through individuals willingly granting authority to the state remains a foundational element to the social contract.	Rousseau (1995): Contract based on implicit terms between the employer and the employee constructed through the employees' unvoiced expectations and subjective feelings.

Table 3 continued

Employment, social and psychological contract differences

Contract Characteristics	Employment Contract	Social Contract	Psychological Contract
Compliance:	<p>Acts in South Africa:</p> <ul style="list-style-type: none"> * The Constitution of South Africa Act 108 of 1996 (South Africa, 1996). * Basic Conditions of Employment Act 75 of 1997 (South Africa, 1997). * Labour Relations Act 66 of 1995 (South Africa, 1995). * Private Security Industry Regulations Act 56 of 2001 (South Africa, 2001). 	<p>White (2007):</p> <p>Codification of rights and obligations among citizens and between government and citizens.</p>	<p>Van de Ven (2004):</p> <p>Reduction of insecurity.</p>

Objectives of this article

- Objective 1: To conceptualise and explain if the social contract and the psychological contract could be considered a contract within the employment relationship;
- Objective 2: To determine the relationship between the employment, social and psychological contracts regarding employability, job insecurity, job satisfaction, life satisfaction and intention to quit for employees in a private security organisation in the Vaal Triangle;
- Objective 3a: To determine if employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the social contract; and
- Objective 3b: To determine if employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the psychological contract.

METHOD

Research design

“A cross-sectional survey design was utilised to describe the information on the population” at the time of the survey (Pretorius, 2012, p. 13). Shaugnessy and Zechmeister (1997) as cited by Keyser (2010, p. 91) explain that “this design can also

be utilised to evaluate interrelationships among variables within a population. They further explain that this design is also ideal to describe and predict functions associated with correlative research”.

Participants

Within the private security industry in the Vaal Triangle, a population of 297 employees were targeted for this research. “A response rate of 217 (73 %) was obtained. The studied population included security guards, control room operators, administration employees, technical assistants, cleaners, the sales department, the fire department, the armed response unit, CCTV operators, supervisors and directors” (Pretorius, 2012, p. 13).

Descriptive information of the sample is reported in Table 4.

Table 4

Compilation of Study Population (N=217)

Item	Category	Frequency	Percentage
Classification of job	Unskilled blue collar employee (1)	117	53.9
	Skilled blue collar employee (2)	17	7.8
	Lower level white collar employee (3)	19	8.8
	Intermediate white collar employee or supervisor (4)	5	2.3
	Upper white collar employee, middle management/executive (5)	1	0.5
	Management or director (6)	4	1.8
	Missing response	54	24.9
	Total	217	100.00
Type of contract	Permanent employee	11	5.1
	Temporary employee	147	67.7
	Missing response	59	27.2
	Total	217	100.0
Gender	Female (1)	46	21.2
	Male (2)	112	51.6
	Missing responses	59	27.2
	Total	217	100.00
Age	19- 25 years (1)	25	11.5
	26 - 30 years (2)	30	13.8
	31 - 35 years (3)	35	16.1
	36 – 40 years (4)	29	13.4
	41 – 45 years (5)	29	13.4
	46 years and older	11	5.1
	Missing responses	58	26.7
	Total	217	100.0

Table 4 continued
Compilation of Study Population (N=217)

Item	Category	Frequency	Percentage
Tenure	Less than 5 year (1)	137	63.1
	More than 5 years (2)	16	7.4
	Missing Responses	64	29.5
	Total	217	100.0
Qualification	Grade 9 and below (1)	91	41.9
	Grade 10 – 12 (2)	62	28.6
	Further education (Diploma, degree) (3)	6	2.8
	Missing response	58	26.7
	Total	217	100.0
Hours of work per week	1-20	13	6.0
	21-40	18	8.3
	41-60	126	58.1
	61 and more	3	1.4
	Missing response	57	26.3
	Total	217	100.0
Supervision employees	Yes	104	47.9
	No	58	26.7
	Missing response	162	74.7
	Total	55	25.3
Union membership	Yes	38	17.5
	No	122	56.2
	Missing response	57	26.3
	Total	217	100.0

Table 4 indicates that the majority of employees fell between the *ages* of 31 to 40, totalling 29.5 % of the participants. More *males* (51.6 %) than *females* (21.2 %) participated in the research. On *management* level there were 1.8 % participants in the research, while 53.9 % were unskilled blue-collar employees. More *part-time* (67.7 %) than *full-time* (5.1 %) employees participated in this research. In terms of *qualification*, the majority of the participants (41.9 %) have Grade 9 and below, 28.6 % have Grade 10–12, while 1.4 % has diplomas. A further 1.4 % has a postgraduate degree. Furthermore, Table 4 indicates that 63.1 % of the participants have tenures of less than a year at the security organisation and 7.4 % of the employees have tenures of more than 5 years. Table 4 also indicates that the majority of employees (58.1 %) work between 41 to 60 hours a week. Non-union membership was indicated by 56.2 % of the employees. The majority of employees (74.7 %) did not respond to questions relating to supervision.

Measuring instruments

The following questionnaires were used in the empirical study, namely the biographical questionnaire, the Employment Contract Scale (ECS) (Edwards & Karau, 2007) and employability, job insecurity, job satisfaction, life satisfaction and intention to quit scales.

A *Biographical questionnaire* was developed to gather information concerning the demographic characteristics of the participants. This questionnaire offered participants the option to supply their classification of job, type of contract (permanent or temporary), gender, age, tenure, qualification, hours of work per week, supervision and union membership (Pretorius, 2012, p. 14).

The *Employment Contract Scale* (ECS) of Edwards and Karau (2007) was utilised to measure the psychological contract and social contract. The questionnaire consisted of 12 items. The first six items measured the psychological contract and the last six items measured the social contract. Studies on the test-retest reliability of the ECS developed by Edwards and Karau (2007) appear to confirm the stability of the ECS scales over time. Coefficients for the social contract ranging from 0.72 to 0.87 and 0.81 to 0.84 for the psychological contract were found in three different studies conducted on management students in the United States, undergraduate students of the Midwestern State University and practising managers enrolled in an Executive MBA course in Singapore.

The *Employability Scale* (ES) of De Cuyper and De Witte (2005) was utilised in the Psycones Project (2006) to measure employability. The questionnaire consists of five items. Statements such as: “I am confident that I could quickly get another job” and “I am optimistic that I will find another job if I look for one” were used within the questionnaire. The Cronbach alpha coefficient ranging between 0.70 and 0.81 was measured in the Psycones project (2006).

The *Job insecurity* (JIS) measure was utilised with its 11 items relating to perceived job insecurity. These 11 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”. An example of job insecurity would be “I am sure I can keep my job” and an example of job insecurity items would be “I feel insecure about the future of my job”.

The *Job Satisfaction Questionnaire* (JSQ) of Price (1997) was utilised to measure the perceived job satisfaction of the participants. Statements such as “I am not happy with my job”, “I am often bored with my job”, “I find enjoyment in my job” and “Most days I am enthusiastic about my job” were used within the questionnaire. In responding to these statements the widely used Likert-type scale, varying from 1 (Strongly disagree) to 5 (Strongly agree) was utilised. In a study of Fotinatos-Ventouratos and Cooper (2005) items on job satisfaction are reported to have yielded a Cronbach alpha coefficient of 0.85.

The *Life Satisfaction Scale* (LSS) (Guest & Conway, 1998) was utilised to measure life satisfaction. The scale consists of six items. In responding to these statements the widely used Likert-type scale, varying from 1 (Strongly disagree) to 5 (Strongly agree) was utilised. The statements in this questionnaire reflected on “Your life in general”, “Your family life”, “Your state of health and well-being” and “Your leisure time”. In the Psycones project (2005) a Cronbach alpha coefficient between 0.81 and 0.85 was measured.

The *Intention to Quit Scale* (ITQ) was measured by using the questionnaire by Price (1997). In this four-item scale, statements such as “These days I often feel like quitting” were utilised. In responding to these statements the widely used Likert-type scale, varying from 1 (Strongly disagree) to 5 (Strongly agree) were utilised. Cronbach alphas ranging from 0.79 to 0.82 were found (Isaksson, 2002). In South Africa, in a study conducted by De Beer (2010), the ITQ was also measured by using Price (1997) and a Cronbach alpha of 0.67 was measured. Another South African study conducted by Du Plooy (2009) also measured a Cronbach alpha of 0.67.

Statistical analysis

The statistical analysis is carried out with the Statistical Package for the Social Sciences version 20 (SPSS, 2012) and the Amos program (Arbuckle, 2006). “Descriptive statistics, (means, standard deviations, skewness and kurtosis) are computed to describe the data and inferential statistics are utilised to analyse the data”

(Pretorius, 2012. p. 16). Cronbach alpha coefficients are utilised to assess the internal consistency of the measuring instrument (Clark & Watson, 1995). “Pearson product-moment correlation coefficients are calculated to specify the relationship between the variables” (De Beer, 2010, p 14). In terms of statistical significance, it was decided to set the value at a 99 % confidence interval level ($p \leq 0.01$). Effect size is used in addition to statistical significance to determine the practical significance of correlation coefficients. Cohen (1988) and Steyn (2002) explain that a cut-off point of 0.30, which represents a medium effect, was set for the practical significance of a correlation coefficient.

“Multivariate analysis of variance (MANOVA) is used to determine the significance of difference between the social and the psychological contracts of demographic groups. MANOVA tests whether mean differences among groups on a combination of dependent variables are likely to have occurred by chance” (Tabachnick & Fidell, 2001 as cited by Keyser, 2010, p. 27). Because multiple ANOVAs are used, a Bonferroni type adjustment is made for the inflated Type 1 error. A Turkey test is conducted to indicate which groups differ significantly when ANOVAs are conducted.

Multiple regression analysis is carried out to assess the contribution of the independent variables towards job insecurity, organisational commitment, job performance and intention to quit. Tabachnick and Fidell (2001) argue that the correlation between an independent variable and a dependent variable reflects a variance shared with the dependent variable. However, some of the variances might be predictable from other independent variables. A regression analysis is used to determine the percentage variance in the dependent variable that is predicted by the independent variables (Cohen, 1988).

RESULTS

Descriptive statistics, alpha coefficients and Pearson correlations

In Table 5 the descriptive statistics, alpha coefficients and correlations of the social contract, the psychological contract, employability, job satisfaction, life satisfaction and intention to quit are reported. Furthermore, the results in Table 5 indicate

acceptable Cronbach alpha coefficients varying from 0.67–0.86, which were obtained for the scales.

Table 5

Descriptive Statistics, Alpha coefficients and Pearson correlations between the scales

Test and subscales	Mean	SD	α	1	2	3	4	5	6	7
1. Type of Employment contract	1.93	0.26	-	-	-	-	-	-	-	-
2. Social contract	15.06	2.65	0.67	0.10	-	-	-	-	-	-
3. Psychological contract	10.25	1.66	0.71	0.12	0.38**	-	-	-	-	-
4. Employability	13.10	3.47	0.75	-0.17*	0.04	0.19**	-	-	-	-
5. Job insecurity	3.22	0.62	0.73	-0.03	0.02	0.42*	-0.04	-	-	-
6. Job satisfaction	15.17	3.15	0.67	-0.07	0.07	0.26**	0.21**	0.21**	-	-
7. Life satisfaction	26.60	7.69	0.86	-0.09	0.10	0.32**	0.00	0.00	0.28**	-
8. Intention to quit	10.46	3.27	0.83	0.01	-0.32**	0.11	0.22**	0.22**	0.30**	-0.05

* Statistically significant $p \leq 0,01$

† Correlation is practically significant $r \geq 0,30$ (medium effect)

†† Correlation is practically significant $r \geq 0,50$ (large effect)

As evidenced in Table 5, a negative statistically significant relationship exists between type of contract and employability. Furthermore, a practically significant relationship exists with a medium effect between the social contract and the psychological contract and a negative relationship exists with intention to quit. A statistically significant effect exists between the psychological contract, employability and job satisfaction. A practically significant effect exists with a medium effect between the psychological contract and life satisfaction. A statistically significant effect exists between employability, job satisfaction and intention to quit. Positive statistically significant relationships exist between job insecurity, job satisfaction and intention to quit. A statistically significant effect exists between job satisfaction and life satisfaction. A practically significant relationship with a medium effect exists between life satisfaction and intention to quit.

Multiple regression analysis

Four standard multiple regression analyses using the enter method were performed. The first analysis assessed the contribution that employability (step 1), job insecurity (step 2), job satisfaction (step 3), life satisfaction (step 4), and intention to quit (step 5) had on the social contract of employees.

Table 6

Multiple Regression Analyses with Social Contract as Dependent Variable and Independent Variables

Model		Unstandardised		Standardised	<i>t</i>	<i>P</i>	<i>F</i>	<i>R</i>	<i>R</i> ²	ΔR^2
		Coefficients		Coefficients						
		B	SE	Beta						
1	(Constant)	14.65	0.88		16.62	0.00*	0.20	0.04	0.00	-0.01
	Employability	0.03	0.07	0.04	0.45	0.66				
2	(Constant)	14.44	1.36		10.64	0.00	0.12	0.04	0.00	-0.01
	Employability	0.03	0.07	0.04	0.45	0.65				
	Job insecurity	0.02	0.09	0.02	0.21	0.84				
3	(Constant)	13.76	1.59		8.68	0.00	0.31	0.08	0.01	-0.01
	Employability	0.02	0.07	0.02	0.23	0.82				
	Job insecurity	-0.02	0.10	-0.02	-0.18	0.86				
	Job satisfaction	0.01	0.13	0.08	0.83	0.41				
4	(Constant)	13.28	1.65		8.07	0.00	0.52	0.12	0.01	-0.01
	Employability	0.02	0.07	0.02	0.28	0.78				
	Job insecurity	-0.03	0.10	-0.03	-0.31	0.76				
	Job satisfaction	0.08	0.14	0.05	0.57	0.57				
	Life satisfaction	0.04	0.03	0.09	1.08	0.28				
5	(Constant)	13.84	1.53		9.07	0.00	5.84	0.40	0.16	0.13
	Employability	0.10	0.07	0.12	1.55	0.12				
	Job insecurity	0.21	0.10	0.19	2.07	0.04*				
	Job satisfaction	0.15	0.13	0.10	1.19	0.23				
	Life satisfaction	-8.31	0.03	0.00	-0.03	0.99				
	Intention to quit	-0.50	0.10	-0.46	-5.17	0.00*				

* $p < 0.01$

As observed in Table 6, the entry of employability in the first step of the regression analysis produced no statistically significant relationship with the social contract. In Model 2, even adding employability and job insecurity did not predict the social contract.

Adding the variables employability, job insecurity and job satisfaction to Model 3 and employability, job insecurity, job satisfaction and life satisfaction to Model 4 also produced no statistically significant relationship with the social contract.

Model 5 accounts for 16 % of the variance in the psychological contract. More specifically, it seems that the individual predictors, job insecurity ($\beta = 0.21$; $t = 2.07$; $p < 0.04$) and intention to quit ($\beta = -0.50$; $t = -5.17$; $p < 0.00$) predict the social contract.

Table 7

Multiple Regression Analyses with Psychological Contract as Dependent Variable and Independent Variables

Model		Unstandardised Coefficients		Standardised Coefficients	<i>t</i>	<i>P</i>	<i>F</i>	<i>R</i>	<i>R</i> ²	ΔR^2
		B	SE	Beta						
1	(Constant)	9.01	0.53		16.96	0.00	5.51	0.19	0.34	0.03*
	Employability	0.09	0.04	0.19	2.35	0.02*				
2	(Constant)	5.64	0.74		7.66	0.00	21.55	0.47	0.22	0.21*
	Employability	0.10	0.04	0.20	2.86	0.01*				
	Job insecurity	0.29	0.05	0.43	6.03	0.00*				
3	(Constant)	5.24	0.86		6.09	0.00	14.63	0.47	0.22	0.21*
	Employability	0.09	0.04	0.19	2.53	0.01*				
	Job insecurity	0.27	0.05	0.40	5.01	0.00*				
	Job satisfaction	0.07	0.07	0.07	0.92	0.36				
4	(Constant)	4.52	0.87		5.19	0.00	13.89	0.52	0.27	0.25*
	Employability	0.10	0.04	0.20	2.75	0.01*				
	Job insecurity	0.25	0.05	0.37	4.73	0.00*				
	Job satisfaction	0.02	0.07	0.02	0.23	0.82				
	Life satisfaction	0.05	0.02	0.22	3.05	0.00*				
5	(Constant)	4.63	0.87		5.35	0.00	11.95	0.53	0.28	0.26
	Employability	0.12	0.04	0.23	3.13	0.00*				
	Job insecurity	0.30	0.06	0.44	5.08	0.00*				
	Job satisfaction	0.03	0.07	0.04	0.44	0.66				
	Life satisfaction	0.05	0.02	0.19	2.59	0.01*				
	Intention to quit	-0.10	0.06	-0.15	-1.83	0.07				

* $p < 0.01$

As evidenced in Table 7, the entry of employability in Model 1 of the regression analysis produced a statistically significant relationship with the psychological contract. In Model 2, by adding employability and job insecurity, the model accounts for 22 % of the variance in the psychological contract. Encapsulated in Model 2, it seems that significant predictors of the psychological contract are employability ($\beta = 0.10$; $t = 2.86$; $p < 0.01$) and job insecurity ($\beta = 0.29$; $t = 6.03$; $p < 0.00$). Model 2 indicates that employees regard their employability as a means to safeguard their job with not only their current employer, but also with future employers.

Model 3 accounts for 22 % of the variance in the psychological contract. More specifically, it seems that the individual predictors, employability ($\beta = 0.09$; $t = 2.53$; $p < 0.01$) and job insecurity ($\beta = 0.27$; $t = 5.01$; $p < 0.00$) predict a positive psychological contract. Adding job satisfaction ($\beta = 0.07$; $t = 0.92$; $p < 0.36$) did not predict a psychological contract. Model 3 therefore indicates that because of employees' employability, job satisfaction is implied.

In Model 4, by adding employability, job insecurity, job satisfaction and life satisfaction, the model accounts for 27 % of the variance in the psychological contract. More specifically, it seems that the individual predictors, employability ($\beta = 0.10$; $t = 2.75$; $p < 0.01$), job insecurity ($\beta = 0.25$; $t = 4.73$; $p < 0.00$) and life satisfaction ($\beta = 0.05$; $t = 3.05$; $p < 0.00$) only predict a positive psychological contract. The results in Model 4 emphasises that due to the employability of the employee and the job satisfaction that is experienced, no job insecurity is experienced.

Model 5 accounts for 28 % of the variance in the psychological contract. More specifically, it seems that the individual predictors, employability ($\beta = 0.12$; $t = 3.13$; $p < 0.00$), job insecurity ($\beta = 0.30$; $t = 5.08$; $p < 0.00$) and life satisfaction ($\beta = 0.05$; $t = 2.59$; $p < 0.01$) predict a positive psychological contract. Adding job satisfaction ($\beta = 0.03$; $t = 0.44$; $p < 0.66$) and intention to quit ($\beta = -0.1$; $t = -1.83$; $p < 0.07$) did not predict a psychological contract. Model 5 therefore indicates that the employability of an individual employee and job security spill over to life satisfaction.

The results of the literature review, the empirical analyses, and the study are reported in Table 8.

Table 8

Results of Objective Testing

Objective	Finding
<p>Objective 1: To conceptualise and explain if the social contract and the psychological contract could be considered as contracts within the employment relationship.</p>	<p>Kirovavo (2010) explains that the concept of social contract and psychological contract for both the traditional (old) and new types (new deal and beliefs) are not widely known by practitioners and scholars in countries such as South Africa and the Czech Republic. Cappelli (1999) argues that the new psychological contract developed because of the changes in working conditions globally in terms whereof the employment contract and the psychological contract between the employer and the employee have become more transactional and less relational. Loyalty is no longer a guarantee of on-going employment, but opportunities are developed within the organisation to give employees some sort of security. Employees are thus expected to take primary responsibility for their own employability rather than relying on the organisation to direct and maintain their careers (Clarke & Patrickson, 2008).</p>

Table 8 continued

Results of Objective Testing

Objective	Finding
<p>Objective 2: To determine the relationship between the employment, social, and psychological contracts regarding employability, job insecurity, job satisfaction, life satisfaction and intention to quit for employees in a private security organisation in the Vaal Triangle.</p>	<p>A practically significant relationship exists with a medium effect between the social contract and the psychological contract and a negative relationship exists with intention to quit. The employee therefore feels no intention to quit as the employee is satisfied that reciprocal agreements between the employer and the employee are sustained by the psychological and the social contract.</p> <p>A statistically significant effect exists between the psychological contract, employability and job satisfaction. A practically significant relationship exists with a medium effect between the psychological contract and life satisfaction.</p>
<p>Objective 3a: To determine if employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the social contract.</p> <p>Objective 3b: To determine if employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the psychological contract.</p>	<p>This objective is partially accepted because in Table 7 it appears that the individual predictors, job insecurity and intention to quit predict only the social contract.</p> <p>This objective is partially accepted because Model 4 indicates that job satisfaction and life satisfaction predict the psychological contract, but no relationship exists between the psychological contract, employability and intention to quit.</p>

DISCUSSION

The main objective of this study was to investigate the relationship between the employment, the social and the psychological contracts. This study serves as an initial step towards assessing the role of the social contract and the psychological contract on employability, job insecurity, job satisfaction, life satisfaction and intention to quit.

The theoretical perspective revealed that the social contract and the psychological contract could be considered as a contract in South Africa. Previous research has indicated that when the employer does not fulfil his or her obligations within the reciprocal employment relationship, the employee is unwilling to exert more effort than the minimum required as stipulated within the employment contract (Herriot, Manning, & Kidd, 1997). In these instances, employees also experienced decreased job satisfaction (Linde & Schalk, 2005), decreased motivation, decreased organisational commitment (Ivanchevich & Matteson, 2002), increased turnover, increased employee litigation, increased unionisation (Rousseau, 1989) and increased absenteeism (Isaksson, 2006). In the South African context, this comes as no surprise as the purpose of the labour law is to guarantee the obligations of the employer as basic conditions of employment, which the South African government applies through the social contract. Another view supports a renaissance in the field of labour law through the introduction of a greater variety of instruments (such as the psychological

contract and the social contract) that are fitted to the different situations where work is performed by employees at the request of employers and it is therefore suggested that in order to assess the future of the employment contract it is necessary to understand its past and all the sources that influence it (Van Jaarsveld, 2009).

Pearson product moment correlation was utilised to determine the relationship between the employment contract, the social contract, the psychological contract, employability, job insecurity, job satisfaction, life satisfaction, and intention to quit. A practically significant relationship exists with a medium effect between the social contract and the psychological contract and a negative relationship exists with intention to quit. The employee therefore feels no intention to quit as the employee is satisfied that a reciprocal agreement between the employer and the employee is sustained by the psychological and the social contract. A statistically significant effect exists between the psychological contract, employability and job satisfaction. A practically significant relationship exists with a medium effect between the psychological contract and life satisfaction. Fulfilment of the employer's obligations is strongly associated with the employee's life satisfaction because employees experience their psychological contract as being fair as it spills over to their life satisfaction. These findings agree with Isaksson (2002), who indicated that a positive relationship exists between expectations of the psychological contract extension and life satisfaction and they found no other association with other controlling variables.

By using multiple regression analysis it was found that the individual predictors' job satisfaction and intention to quit predicted the social contract, and that job satisfaction and life satisfaction only predict the psychological contract, but no relationship exists between the psychological contract, employability and intention to quit.

As in any research, the limitations of this study need to be acknowledged. Firstly, the sample size limits the generalisability of the results. Larger sample sizes, a diversity of industries and equal representation of gender as well as organisational levels should improve the value of the research.

The reliance on self-reports, lack of social desirability and the cross-sectional design may limit the conclusions. The concept of a social contract in the unique South African business environment needs to be explored further. The cross-sectional design

makes it difficult to prove causal relationships between constructs. Longitudinal research is needed to assess issues of the strength and duration of the relationship between leader empowering behaviour and employee attitudes. Self-report measures were exclusively relied upon. It must however be acknowledged that a self-report questionnaire has limitations. One of the limitations is that the motivation of the respondents could influence the results.

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CHAPTER 4

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

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

4.1 CONCLUSIONS

Bendix (2010) posits that employment relations of one country cannot merely be copied and used by another country due to different cultures, values and traditions. Writing on future issues of employment relations might be subject to a large degree of conjecture considering that South Africa has undergone a dramatic social change since 1994, much of which has been reflected in the labour arena (Venter, Levy, Holtzhausen, Conradie, Bendeman & Dworzanowski-Venter, 2011).

There are certain limitations or gaps in the employment relationship via the employment contract that can only be filled by the new social contract and the new psychological contract, because psychological contracts are the beliefs employees hold regarding terms and conditions of the exchange agreement between themselves and their organisations. Filling the gaps between the employment contract and all that applies to the working relationship reduces uncertainty, shapes behaviour and gives employees a feeling about what happens to them in the organisation (Van de Ven, 2004). The notion of a new psychological contract as a consequence of economic, political and social changes is however a feasible one (Van de Ven, 2004).

Contemporary and future value research may be conducted on the basis of exploring new relevant features to include employees in the private security industry as well. Well-developed employment relations should be clearly defined in psychological, economic and legal dimensions (Marsden, 2004).

The rights and obligations of both employers and employees only serve as a further protection in the form of a written employment contract for both parties. The psychological contract between the two sides of employment will have a far-reaching impact on employees' attitudes and behaviours, and employees will act better in line

with organisations and organisational performance and development (Li, Zhang, Restubog & Huang, 2012).

The new social contract can fill the gaps within the employment contract by building respect for fundamental human values in the private sector and this requires an organisational and governmental partnership. It should be clear that governmental and organisational regulation is required to protect the workplace and the employees. The new social contract needs to ensure a significant role for employees in monitoring the adherence of organisations to the codes they adopt. This cooperation should be based on private sector/employee partnerships whose goal it is to work together for the benefit of all stakeholders (Cragg, 2000).

In this research, the focus fell on the changing employment relations in the private security industry with a focus on the role of the employment, social and psychological contracts.

Chapter 1 examined the problem statement and the research objectives, which include the general objective and specific objectives. The general objective of this study was to establish the relationship between the employment contract, the social contract and the psychological contract of employees within a private security organisation in the Vaal Triangle.

Edwards and Karau (2007) distinguish between two types of contracts in the employment relationship, namely the social contract and the psychological contract. They focus on the employees' perceptions of not only the employment relationship that exists today in organisations, but also on the employees' perceptions of the social contract and the psychological contract. Therefore, they believe that the social contract and the psychological contract are driven by individual ideologies and perceptions.

In this study, the following questions were answered in Chapter 1, 2 and 3:

- What is the legal view on the social contract and the psychological contract and how did these contracts developed over time?

- How are the old and the new employment, social and psychological contracts and the relationship between these constructs, conceptualised in the literature?
- Is the Employment Contract Scale (ECS) a reliable and valid scale on which to measure the social contract and the psychological contract for employees in a private security organisation in the Vaal Triangle?
- What are the differences and relationships between the types of employment, social and psychological contracts for employees in a private security organisation in the Vaal Triangle?
- What are the relationships between the employment, the social and the psychological contracts and employability, job insecurity, job satisfaction, life satisfaction and intention to quit for employees in a private security organisation in the Vaal Triangle?
- Do employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the social contract as well as the psychological contract?
- Does the current law in South Africa answer these questions or is there a need for the law to evolve?

Kelly (1998) explains that industrial relations are increasingly known as employment relations and that it is not a discipline but a field of study comprising contributions from across the social sciences, including economics, sociology, psychology, law and politics.

The employment relationship is made up of different types of contracts, namely the employment contract, the social contract and the psychological contract (Rousseau, 1995). Hakim (1994) explains that the employment relationship consists of a social contract, and Kissler (1994) posits that the psychological contract has been created through changes in the employment relationship. “Employees are prepared to use the law” (Grahl & Teague, 2009, p. 4) and therefore, the social contract has important legal dimensions that require new strategies in order to ensure compliance and enforcement of employment legislation.

Pesqueux (2012) also attempts to answer these questions by reasoning that the concept of the contract is about will, agreement, obligation, promise, commitment, staying true to one's commitments, cooperation, sanction and bond.

Within the employment relationship, the employment contract is based on defined or undefined time periods (Grogan, 2009). The psychological contract accounts for the perceived promises that employees believe their organisation has made to them and the social contract refers to the expectations and obligations employers and employees have for their work and the employment relationship (Grahl & Teague, 2009).

Chapter 2: Article 1

Validation and variables impacting on the measurement of the Employment Contract Scale

Objective 1 of this study was to conceptualise employment, social and psychological contracts and the relationship between these constructs from literature. It is clear from literature review that a distinction can be made between the old and new employment, social, and psychological contract. Furthermore, limited questionnaires exist that measure both the social and psychological contract within the employment relationship. Only the ECS was found that measures both constructs. Edwards and Karau (2007) suggest combining the measurement of the social contract and the psychological contract by using the ECS because the ECS appears to provide an efficient measure of employment contracts that reliably distinguishes between social and psychological contracts. Edwards and Karau (2007, p. 76) also suggest that "future use of the ECS could create further insight into the causes and consequences of peoples' perceptions of appropriate employment relationships".

Different questionnaire exists that measure the psychological contract with regards to content and features as well as the state of the psychological contract.

Objective 2 was to evaluate the new employment relations (social and psychological contract) of a private security organisation in the Vaal Triangle and to assess variables (classification of job, type of contract, gender, age, tenure, qualification, hours of work per week, supervision/supervising employees and union membership) that influence employment, social and psychological contracts. By examining the

conceptualisation of these constructs through theory, Hypotheses 3 to 11 were set which led to the testing of objective one and two. MANOVA was used to determine the relationship between the ECS (the psychological contract and social contract) scores and various biographical characteristics. It was found that no difference was experienced between age, gender, hours of work per week, type of contract, union membership, level of qualification, classification of job supervision and the *psychological contract* and *social contract*). When analysing each individual independent variable using a Bonferroni adjusted alpha level of 0.0125, it was found that a practically significant difference exists between white collar employees who experienced more encounters with the social contract than the unskilled blue-collar employees. The management or directors also experienced fewer encounters with the social contract than upper white collar employees, because managers have direct control in the business decision making and directors are the owners of the businesses. The new South African Companies Act 71 of 2008 (South Africa, 2008) states that the primary objective of directors is to carry out their fiduciary duties. Therefore, the directors have a social responsibility towards their employees, which sets the tone for the social contract between them. It was also evident that when employees have worked for more than 5 years or are more experienced than employees who worked for less than 5 years, the social contract is more experienced.

Objective 3 was to assess the reliability and validity of the ECS. According to Hypotheses 1 and 2 of Article 1 it was found that firstly, measurement of the content of the social contract and the psychological contract might vary significantly across research contexts. Secondly, the symbolic meanings of the social and the psychological contracts may also vary across variables, individuals, situations and contexts. Therefore, it is important for researchers to clearly define the meaning of the social contract or the psychological contract that is applicable to their research. Thirdly, individual, organisational and contextual factors may affect the formation of the social contract and the psychological contract.

Factor analysis of the ECS resulted in two factors. The original hypothesised ECS model consisted of two factors, one representing the social contract and the other the psychological contract. This finding corresponds with the study of Edwards and Karau (2007) who confirmed that the ECS has a two-factor structure, with the social

contract and the psychological contract as separate, yet correlated dimensions. The internal consistency of the ECS scale was acceptable and the Cronbach alpha for the two factors, social contract and psychological contract, was accepted. Based on the abovementioned results it is therefore accepted that the ECS has a two-dimensional structure consisting of the social contract and the psychological contract scale.

Reliability analysis confirmed sufficient internal consistency of the subscales. The “observed correlations were found to be comparable” with the values reported in previous research by Edward and Karau (2007, p. 74). This is an indication that the questionnaire’s level of reliability is acceptable. Therefore, it appears that the ECS is a useful instrument to use in research and practice. Considering future research, researchers may wish to reconsider the dimensions of the social contract and the psychological contract.

Future research may also benefit from cross-validating the ECS dimensions in different countries. Multiple cultural settings will offer an increasing variety in the psychological contract and therefore strengthen the validity of the ECS and the two dimensions of the ECS. Future research could further lead to questions on how the social and the psychological contracts differ from each other.

To conclude, assessing the ECS by examining the differences between the social contract and the psychological contract offers the potential to study employment relations across people and settings. This approach, in this study, allowed for an understanding of the variety of employment relations due to formal contract characteristics and employment relations practices.

Chapter 3: Article 2

The relationship between the employment, the social and the psychological contracts regarding employability, job insecurity, job satisfaction, life satisfaction and intention to quit for employees in a private security organisation in the Vaal Triangle

In responding to the questions specified in this study, objectives were established. Objective 1 was to conceptualise and explain whether the social contract and the psychological contract could be considered as contracts within the employment

relationship. Kirovavo (2010) explains that the concept of the social contract and the psychological contract from both the traditional (old) and new types (new deal and beliefs) are not widely known by practitioners and scholars in countries such as South Africa and the Czech Republic. Cappelli (1999) argues that the new psychological contract developed because of the changes in working conditions globally in terms whereof the employment contract and the psychological contract between the employer and the employee have become more transactional and less relational. Moreover, loyalty is no longer a guarantee of on-going employment but opportunities are developed within the organisation to offer employees some sort of security. Employees are thus expected to take primary responsibility for their own employability rather than relying on the organisation to direct and maintain their careers (Clarke & Patrickson, 2008). In this study, it is therefore reasonable to argue that the legal employment contract, the social contract as well as the psychological contract all form part of the current employment relationship. Organisations must be advised that when an employer signs the employment contract with an employee, it is not the only contract that exists between the employer and employee in the employment relationship.

Objective 2 was to determine the relationship between the employment, the social and the psychological contracts regarding the work outcomes employability, job insecurity, job satisfaction, life satisfaction and intention to quit for employees in a private security organisation in the Vaal Triangle. In this study, it was found that a practically significant relationship exists with a medium effect between the social contract and the psychological contract and a negative relationship exists with intention to quit. The employee therefore feels no intention to quit, as the employees are satisfied that the reciprocal agreement between the employer and the employee are sustained by the social and the psychological contract. Furthermore, a statistically significant effect exists between the psychological contract, employability and job satisfaction. A practically significant relationship exists with a medium effect between the psychological contract and life satisfaction. Fulfilment of the employer's obligations is strongly associated with the employee's life satisfaction because employees experience their psychological contract as being fair as it spills over to their life satisfaction. These findings agree with those of Isaksson (2002), who indicated a positive relationship between the expectations of the psychological

contract extension and life satisfaction and they found no other association with other controlling variables.

Objective 3a was to determine if employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the social contract. This objective is partially accepted because it was found that the individual predictors, job insecurity and intention to quit, predict only the social contract.

Objective 3b was to determine if employability, job insecurity, job satisfaction, life satisfaction and intention to quit predict the psychological contract. This objective is partially accepted because it was found that job satisfaction and life satisfaction predict the psychological contract, but no relationship exists between the psychological contract, employability and intention to quit.

In this study, the models utilised, and set out in Chapter 1, examine the employment relationship from the dual perspective of the individual and the organisation. By using multiple regression analysis it was found that the individual predictors' job satisfaction and intention to quit predicted the social contract, and that job satisfaction and life satisfaction only predict the psychological contract, but no relationship exists between the psychological contract, employability and intention to quit.

4.2 LIMITATIONS OF THE STUDY

One of the main limitations of this study is the result of the choices that were made during the design of the research. The *first* limitation of the study was the use of a “cross-sectional design making it difficult to prove casual relationships between the constructs in the Vaal Triangle, which implies that the data might not be representative in a South African context” ((De Beer, 2010, p. 115). Longitude design is suggested for further and future research. Longitudinal data would allow for a better understanding of the true nature of the psychological contract and the social contract.

A *second* limitation was that no previous experience was taken into account in this study. A longitudinal design could also address these shortcomings.

Thirdly, another concern is the representativeness of the sample. The study only focussed on participants within the Vaal Triangle and the results may differ if a bigger sample group was utilised.

Fourthly, the results were obtained solely by self-reporting 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 and social contracts for employees will be better guaranteed” (De Beer, 2010, p. 116).

Lastly, the measuring instrument was presented in English and for further research it would be advisable to ascertain the main languages within the sample group and translate the questionnaires accordingly (English and language of preference). Translation of the measuring instrument could furthermore “improve the employee’s understanding of how the relationships between the psychological contract, the social contract, employability, job insecurity, job satisfaction, life satisfaction, intention to quit, and individual characteristics unfold over time and may provide additional clarification” (De Beer, 2010, p. 117).

4.3 RECOMMENDATIONS

4.3.1 Recommendations for the organisations

Reliability analysis confirmed sufficient internal consistency of the subscales. The observed correlations were found to be comparable with the values reported in previous research carried out by Edward and Karau (2007). This is an indication that the questionnaire’s level of reliability is acceptable. Therefore, it appears that the ECS is a useful instrument to use in research and practice. Considering future research, researchers may want to reconsider the dimensions of the psychological contract and the social contract.

In the researcher’s own voice, it is paramount that more researchers, scholars, industries and organisations should start to recognise the changing employment relationship and that researchers in die industrial/labour relations field not only focus on the management of the field but also do more research on the employment contract, the social contract and the psychological contract. It is also important that

the South African government and the statutory bodies take note of the changing employment relationship, more specifically the changing employment relationship in the private security industry, and open up a public debate to change legislation accordingly.

4.3.2 Recommendations for future research

Future research may also benefit from cross-validating the ECS dimensions in different countries. Multiple cultural settings will offer an increasing variety in the psychological contract and therefore strengthen the validity of the ECS and the two dimensions of thereof. Future research may lead to questions on how the social and psychological contracts differ from each other.

Researchers such as Edwards and Karau (2007, p. 74) have confirmed the “two-dimensional structure of the ECS, which consists of the social contract and the psychological contract scale”. Edwards and Karau (2007, p. 74) therefore suggested, given that the ECS proved to be reliable and valid, that “future research should focus on the reliability and validity of the ECS in other occupational settings. It is furthermore recommended that larger samples with more powerful sampling methods be utilised in future research. It is also recommended that larger samples with more powerful sampling methods be utilised to enable the generalisation of the findings to other similar groups. The usage of adequate methods such as structural equation modelling and equivalence analysis is also recommended.”

To conclude, assessing the ECS by examining the differences between the social contract and the psychological contract offers the potential to study employment relations across people and settings. This approach, in this study, allowed for an understanding of the variety of employment relations due to formal contract characteristics and employment relations practices.

4.4 CONTRIBUTION TOWARDS THE INDUSTRIAL/EMPLOYMENT RELATIONS FIELD

The current study has practical implications as a contribution towards the industry and or the employment relations field. Firstly, positive attitudes towards the job and the organisation (job satisfaction) are enhanced by the employer fulfilling the social and

the psychological contract. Furthermore, employers should be aware that employees, who regard not only their employment contract, but also the social and the psychological contract as fulfilled, are the employees that are unlikely to leave the organisation and even contribute to a higher degree towards the organisation. These employees feel urged, for instance, to work extra hours and be more flexible in the execution of their tasks (Coyle-Shapiro & Kessler, 2002).

The social contract and the psychological contract create upward as well as downward spirals, which not only spirals into the employment relationship, but into the employment contract as well. Therefore, employees feel highly obligated to contribute to their organisation. As a result, they put more effort into their work and consequently they have higher expectations from their employer. Employees with strong intentions to quit the organisation exert less effort and end up with lower expectations. Organisations may benefit more from their employees when they take a social contract and a psychological contract perspective in maintaining the employment relationship. Assessing the ECS by examining the differences between the social contract and the psychological contract offers the potential to study employment relations across people and settings.

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