

**Employees' work outcomes associated with the
psychological contract within private training
institutions**

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REMARKS

The reader is reminded of the following:

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

This dissertation is submitted in the form of a research article.

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TABLE OF CONTENTS

	Page
List of Tables	vi
List of Diagrams	vii
Summary	viii
Opsomming	ix

CHAPTER 1: INTRODUCTION

1.1	PROBLEM STATEMENT	1
1.2	RESEARCH OBJECTIVES	7
1.2.1	General Objective	8
1.2.2	Specific Objectives	8
1.3	RESEARCH METHOD	8
1.3.1	Literature Review	8
1.3.2	Research Design	9
1.3.3	Study Population	9
1.3.4	Measuring Instruments	10
1.3.5	Statistical Analysis	11
1.4	ETHICS STATEMENT	12
1.5	CHAPTER DIVISION	13
1.6	CHAPTER SUMMARY	13
	REFERENCES	14

CHAPTER 2: RESEARCH ARTICLE 17

CHAPTER 3: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

3.1	CONCLUSIONS	55
3.1.1	Conclusions regarding the specific theoretical objectives	55

3.1.2	Conclusions regarding the specific empirical objectives	57
3.2	LIMITATIONS OF THE RESEARCH	58
3.3	RECOMMENDATIONS	58
3.3.1	Recommendations for the participating organisations	58
3.3.2	Recommendations for future research	59
3.4	CHAPTER SUMMARY	60
	REFERENCE	61

LIST OF TABLES

Research Article

	Page
Table 1 <i>Characteristics of the Participants in the Study Population (N=218)</i>	30
Table 2 <i>Descriptive Statistics, Inter-Item Correlation Coefficients of the measuring instrument for employees working within private training institutions.</i>	33
Table 3 <i>Cronbach Alpha Coefficients</i>	34
Table 4 <i>Pearson product moment correlation coefficients between Job Satisfaction, Health and Well-being, and Organisational Commitment.</i>	35
Table 5 <i>Regression Analysis - Job Satisfaction and Impact: Organisational Commitment</i>	36
Table 6 <i>Regression Analysis – Health and Well-being and Impact: Organisational Commitment</i>	37
Table 7 <i>Frequency table of the variable job satisfaction</i>	38
Table 8 <i>Frequency table of the variable health and well-being</i>	39
Table 9 <i>Frequency table of the variable organisational commitment</i>	42

LIST OF DIAGRAMS

	Page
Chapter 1	
Diagram 1: <i>Conceptual model (PSYCONES)</i>	6
Chapter 2	
Diagram 2: <i>A simplified model of the psychological contract</i>	22

SUMMARY

TITLE: Employees' work outcomes associated with the psychological contract within private training institutions.

KEY WORDS:

Psychological contract, perceptions, expectations, employees' work outcomes, employee attitude, Human Resources activities, health, well-being, job satisfaction, commitment, performance.

Workplace change is caused by the utilization of new technology, changing legislation, globalization and competitive markets. Employees are exposed to new management techniques as well as altered Human Resource policies and activities which consequently lead to an altered employment relationship. The psychological contract plays a major role in the relationship between an employee and employing organisation. The aim of this study was to determine employees' work outcomes associated with the psychological contract within private training institutions. The research method included a comprehensive literature review and an empirical study. The measuring instrument the Psychological Contract of Employment Survey (PSYCONES) "*Questionnaire on the perceptions of work*" was used to attain the research objectives. Through target sampling 218 employees participated in the study. The SSPS programme was utilized for statistical analysis and it was found that no significant relationship between job satisfaction, health, well-being and organisational commitment existed. There was a correlation found between job satisfaction and health and well-being. Regression analysis indicated that variance in job satisfaction and organisational commitment is practically significant but not statistically significant. The same type of analysis indicated that health and well-being did not have a significant amount of predictive value with regard to organisational commitment. Relatively high levels of job satisfaction, health, well-being and organisational commitment were confirmed for workers in private training institutions.

OPSOMMING

TITEL: Werknemers se werksuitkomste wat verband hou met die psigologiese kontrak in privaat opleidings instansies.

SLEUTELWOORDE:

Psigologies kontrak, persepsies, verwagtinge, werknemers se werksuitkomste, werknemer houding, menslike hulpbronne aktiwiteite, gesondheid, welstand, werkstevredeneid, organisatoriese verbintenis.

Werkplek verandering word veroorsaak deur die gebruik van nuwe tegnologie, verandering in wetgewing, globale interaksie en kompeterende markte. Werknemers word blootgestel aan nuwe bestuurs tegnieke sowel as veranderde menslike hulpbron aktiwiteite en beleide wat lei tot 'n veranderde indiensneming verband. The psigologiese kontrak speel 'n groot rol in die verband tussen 'n werknemer en die indiensnemende organisasie. Die doel van hierdie studie was om die verband te bepaal tussen werknemers se werksuitkomste en die psigologiese kontrak. Die navorsingsmetode het ingesluit 'n volledige literatuur studie asook 'n empiriese studie. Die meetinstrument die "Psychological Contract of Employment Survey (PSYCONES) - *Questionnaire on the perceptions of work*" was gebruik om die doelwitte te bereik. Deur die teiken proef tegniek te gebruik het 218 werknemers deelgeneem aan die studie. Die SPSS program was gebruik vir statistiese ontleding en dit is gevind dat daar geen beduidende verband tussen werkstevredeneid, gesondheid, welstand en organisatoriese verbintenis bestaan nie. 'n Verband is wel gevind tussen werkstevredeneid, gesondheid en welstand. Regressie-analise dui aan dat die variansie in werkstevredeneid en organisatoriese verbintenis prakties sinvol is, maar nie statisties sinvol is nie. Dieselfde tipe ontleding dui aan dat daar geen sinvolle beduidende voorspellingswaarde teenoor gesondheid, welstand en organisatoriese verbintenis is nie. Die vlakke van werkstevredeneid,

gesondheid, welstand en organisatoriese verbintenis is gevind as betreklik hoog vir werknemers in private opleidings instansies.

CHAPTER 1

INTRODUCTION

This study focuses on employees' work outcomes i.e. organisational commitment, job satisfaction, employee health and well being, associated with the psychological contract within private training institutions.

In this chapter the problem statement, research objectives and the research method are discussed. Thereafter the chapter divisions are laid out.

1.1 PROBLEM STATEMENT

The dramatic climate change in the workplace is caused by various factors, such as globalization, increased use of technology and new management techniques, competitive markets, and changing legislation (Loring, 2003). As a result organisations are restructuring. This in turn gives rise to the altered employment relationship in which the psychological contract plays a major role (Hilltop, 1996).

In the early 1960's the term "psychological contract" was first used, but became more popular during the 1990's. According to Chartered Institute of Personnel and Development (CIPD) research (2006) the psychological contract can be defined as "...the perceptions of the two parties, employee and employer, of what their mutual obligations are towards each other". These obligations will often be unofficial and vague, and may be seen as 'promises' or 'expectations'. Thomas, Zuber & Hammond (2002) describe the psychological contract as a collective understanding of informal agreements between the employer and employee.

In contrast with the formal written contract, the psychological contract is based on employee perceptions; therefore the interpretation of the terms and conditions of the obligations of the contract differs amongst employees (Kickul, Lester &

Belgio, 2004). The way in which the parties to the employment relationship perceive the reality of a situation, is pertained in the psychological contract, this affect how employees daily behave at the workplace. While the formal contract focuses more on economic factors (Thomas, et al., 2002).

Perceptions can be defined as: "...the unique way in which each person sees, organises, and interprets things" (Newstrom & Davis, 1997).

According to research done by CIPD (2006) the psychological contract has three influencing factors, namely:

- i. Individual characteristics
- ii. Organisational climate and context
- iii. Human Resource policies and practices.

Secondly the research also indicates that the psychological contract is built on the three pillars of:

- i. Fairness
- ii. Trust
- iii. Delivery of the deal between organisations and employees.

Consequently the outcomes refer to:

- i. Employee attitudes relating to job satisfaction and commitment
- ii. Employee behaviour relating to job performance and intention to quit.

Niehoff and Paul (2001) are of the opinion that the employment relationship is governed by the "psychological contract", each party's beliefs about what it is entitled to receive, and obligated to give, in exchange for the other party's contribution. These beliefs are shaped by the way certain Human Resources activities are executed, including employment and recruiting; training and development; compensation; benefits; employee services; employee and

community relations; personnel records; health and safety and strategic planning (Grobler, Warnich, Carrell, Elbert, & Hatfield, 2002).

The social exchange theory suggests that employees are motivated to strive for a fair and balanced exchange with their organisation. This theory can be used as a framework to understand the impact of the psychological contract on employee attitudes. It is implied that commitment form part of the exchange agreement between employees and the organisation (Cheung, 2005).

The author holds a similar view as that of Cheung (2005), who describes employees' work outcomes as: "...organisational commitment, organisational citizenship behaviour and work performance". Concepts also included are job satisfaction and employee health and well-being.

As the psychological contract is open to violation it is imperative that employers understand the psychological contract and how it influences employee behaviour and attitudes towards their job and the organisation (Knights & Kennedy, 2005). When perceived promises are not being met, a breach in the psychological contract occurs. As pointed out by Willems, Janvier & Henderickx (2004) this inherently leads to decreased job satisfaction and lower levels of organisational commitment. The research done by Guest and Conway (2004) show that a positive psychological contract is the best guarantee of good performance outcomes.

Knights and Kennedy (2005) defines job satisfaction as: "...an attitudinal variable that reflects how people feel about their jobs. It emphasized the specific task environment where the employee performs his / her duties and reflects the more immediate reactions to specific tangible aspects of the work environment".

Organisational commitment is defined as: "...a psychological state that binds the individual to the organisation" (Castaing, 2005). Knights and Kennedy (2005)

describe it as: "...a strong identification with and involvement in the organisation".

There are three types of commitment:

- i. Affective commitment refers to the emotional state of an employee, i.e. attachment to, identification with and involvement in the organisation.
- ii. Continuance commitment refers to the awareness of the costs of resigning.
- iii. Normative commitment reflects the obligation to continue employment with the organisation.

According to Portwood & Miller (2005) job satisfaction and evaluations on employee work behaviour are positively correlated with the measure of organisation contract compliance. Lines of communication should be kept open for employees to represent their feelings regarding the psychological contract and a clear distinction should be made between realistic and unrealistic expectations. Research done through the PSYCONES project, by Issakson, Claes, de Witte, Mohr, Kraus, Schalk, Peiro, & Gues (2003) indicates that organisational commitment relates strongly with supervisory and organisational support, and a positive correlation between the number of promises made and fulfilled by the employer.

Research done by Lambert, Schurer & Cable (2003) suggests that job satisfaction more strongly relates to delivered inducements (e.g. pay, recognition and training) than to promised inducements. Montes (2005) agrees by stating that individuals indicated stronger feelings of violation when they were promised a lot compared to when they were promised little.

According to Rousseau (2004) psychological contracts should be consistent in terms of promises, expectations and obligations. Due to the changing business conditions, organisations are forced to change; therefore the psychological contract should also be flexible enough to allow the company to adapt (e.g. changing markets or technological changes).

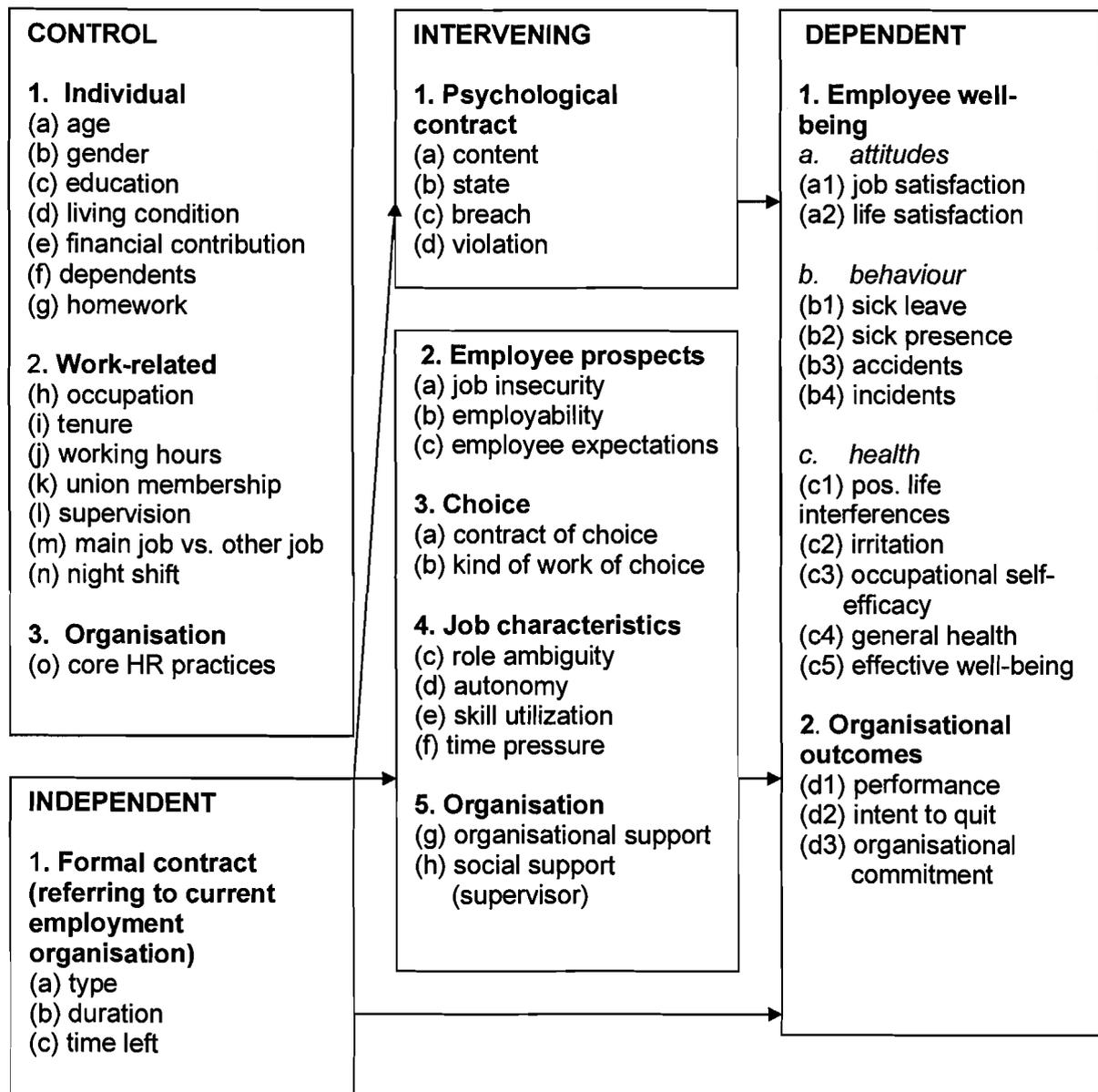
Overall the psychological contract is a complex web of exchanges between the employer and employee. Many employers simply don't know how the psychological contract shape the beliefs the employees hold, and how a breach in or fulfillment of the contract can affect employee work behaviour, which in return impacts business performance.

Hence, what will be done and how the relevant parties will do it is determined by the psychological contract. When the parties' expectations match each other, consequently performance is likely to be of a good quality and satisfaction levels increase. Values and loyalty is a necessity in order to maintain trust and commitment (Wikipedia, 2006).

A range of possible paramount variables, in addition to the psychological contract affects the employment relationship (Issakson, 2002). These variables are reflected in diagram 1.

Diagram 1

Conceptual model (PSYCONES)



Research done into the psychological contract and associated employee work outcomes could be beneficial for the participating private training institutions as Lambert, et al. (2003) indicate that the type of relationship that develops between employees and employers is fundamental to organisational success and survival

as well as employee well-being. The research done could offer insights into the psychological contract and how it affects overall job satisfaction and organisational commitment amongst employees.

This study will concentrate on the psychological experiences on different employees' work outcomes (job satisfaction, health and well-being and organisational commitment) in terms of the psychological contract.

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

- i. How are job satisfaction and the psychological contract, and the relationship between these constructs conceptualised in the research literature?
- ii. How are organisational commitment and the psychological contract, and the relationship between these constructs conceptualised in the research literature?
- iii. What Human Resources activities do employees view as important in creating a positive employment relationship?
- iv. What is the current state of the psychological contract within private training institutions?
- v. How satisfied and committed do employees overall feel within private training institutions and what is the level of employee well being?

1.2 RESEARCH OBJECTIVES

The research objectives are formulated on the basis of the research questions specified above.

1.2.1 General Objective

With reference to the above formulation of the problem, the general objective of this research is to determine employees' work outcomes associated with the psychological contract within private training institutions.

1.2.2 Specific Objectives

The specific objectives are:

- i. To conceptualise job satisfaction and the psychological contract, and the relationship between these constructs from literature.
- ii. To conceptualise organisational commitment and the psychological contract, and the relationship between these constructs from literature.
- iii. To establish the importance of certain HR activities in promoting the employment relationship from literature.
- iv. To determine the current state of the psychological contract within private training institutions.
- v. To determine the levels of job satisfaction, well being and commitment of employees within private training institutions.

1.3 RESEARCH METHOD

The research method used in this article consists of a literature review and an empirical study.

1.3.1 Literature Review

In the literature review, the focus is on previous research that has been done on employees' work outcomes (job satisfaction, health and well-being and organisational commitment) and the psychological contract. An overview is given

on the conceptualisation of these constructs in the literature, and on the findings in terms of the relationship between these constructs.

The writer will make use of the following databases:

- i. Internet / electronic media
- ii. Books
- iii. Publications
- iv. Journals
- v. Articles

1.3.2 Research Design

An empirical study will be undertaken to determine aspects pertaining to certain behavioural aspects associated with the psychological contract that may be prevalent in private training institutions.

A survey design will be used to reach the research objectives. The design can be used to assess various expectations and behavioural aspects amongst employees, a propos of the psychological contract, in private training institutions. More specifically the survey design will research the “psychological contract” as a possible intervening factor affecting employees’ work outcomes.

The purpose of this survey design used, is to find a support base for the theoretical remarks and statements made elsewhere in this dissertation.

1.3.3 Study Population

Target sampling will be used as a strategy for obtaining systematic information. Strydom, Fouche and Delpont (2004) defines target sampling as “a purposeful, systematic method by which controlled lists of specified populations within

geographical districts are developed and detailed plans are designed to recruit adequate numbers of cases within each of the targets”.

Reasons for submitting private training institutions to the empirical study are:

- i. Various private training institutions, in the education and training services will be represented.
- ii. Distribution and collection of questionnaires can be done more effectively and provides certain economic benefits related to time and costs involved;
- iii. The possibility of personal follow up and contact with respondents could lead to a rather high response ratio.

The sample size will amount to approximately two hundred and fifty ($N = 250$), without taking into consideration non-response. This study population will include workers from all occupational levels ranging from skilled blue-collar workers to managers or directors.

1.3.4 Measuring Instruments

The Psychological Contract of Employment Survey (PSYCONES) “*Questionnaire on the perception of work*” will be used in the empirical study.

In the first part of this cross-sectional survey design, the first part of the questionnaire focuses on various aspects pertaining in the employee’s current job and employment contract. The second and largest part of the PSYCONES questionnaire focuses on employee attitudes towards the job and organisation, health and well-being. Lastly, the third part of the questionnaire summarizes the biographical information such as, the participants’ age, gender, family status, financial contribution, dependents, shopping and education.

The questionnaire consists of 36-items, arranged along various frequency scales, including a 3-point, 5-point, 6-point and 7-point frequency scale.

1.3.5 Statistical Analysis

The statistics in this research are primarily descriptive as the questions in the survey design are formulated with the purpose of reaching the objectives of the research. The analysis undertaken in this study, allows the writer to make certain recommendations, which could possibly enhance employee well-being, job satisfaction and organisational commitment, employee-employer relationships, and create a more positive workplace.

The SPSS programme (SPSS Inc, 2003) will be utilized for statistical analysis, in concurrence with:

- i. Descriptive statistics for example means, standard deviations, skewness and kurtosis will be used to analyse the data;
- ii. Cronbach's alpha and inter-item correlation coefficients will be used to assess the internal consistency of the measuring items (Clark & Watson, 1995);
- iii. Pearson product moment correlation coefficients will be used to specify the relationship between variables (level of statistical significance = $p < 0.05$; a cut-off point of 0.30 represents a medium effect and a cut-off point of 0.50 represents a large effect). The sole use of statistical significance testing is criticized by Steyn (2002), and it is recommended that effect sizes be established to determine the importance of a statistically significant relationship;
- iv. Multiple regression analysis will be used to determine the percentage of variance in the dependent variable that is predicted by the independent variables;
- v. The square of the correlation coefficient signifies the proportion of variance in any two variables, which is predicted by variance in the other.

1.4 ETHICS STATEMENT

As the study involves individuals, the research will be conducted in a professional manner and certain ethical guidelines will be followed.

- i. Voluntary consent will be obtained before participation in the research study.
- ii. The rights and welfare of human respondents involved in the research will be protected.
- iii. The identities and interests of those involved will be protected.
- iv. Confidentiality of information provided is guaranteed.
- v. Principles that will guide the research: autonomy; benefit, non-harmfulness; justice.

1.5 CHAPTER DIVISION

Chapter 1: Introduction, problem statement and objectives

Chapter 2: Article: *Employees' work outcomes associated with the psychological contract within private training institutions.*

Chapter 3: Conclusions, limitations and recommendations.

1.6 CHAPTER SUMMARY

This chapter summarizes the main objective of the research study. The problem statement clarifies the motivation behind the study. Study objectives are specified, consisting of general and specific objectives. The research method including the literature review, empirical study, research design, study population, measuring instruments, statistical analysis and an ethics statement have been discussed. The chapter was concluded by providing an indication of the chapter divisions.

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CHAPTER 2
RESEARCH ARTICLE

TITLE – RESEARCH PROPOSAL

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ABSTRACT

The primary purpose of this research is to determine employees' work outcomes associated with the psychological contract within private training institutions. The measuring instrument that was used included the Psychological Contract of Employment Survey (PSYCONES) "Questionnaire on the perception of work". A cross-sectional survey design was conducted amongst 250 employees within private training institutions. A response rate of 218 completed questionnaires were obtained. Results demonstrated no significant relationship between job satisfaction, health, well-being and organisational commitment. There was a correlation found between job satisfaction and health and well-being. Regression analysis indicated that variance in job satisfaction and organisational commitment is practically significant but not statistically significant. Regression analysis indicated that health and well-being did not have a significant amount of predictive value with regard to organisational commitment. Relatively high levels of job satisfaction, health, well-being and organisational commitment were confirmed for employees working within private training institutions.

OPSOMMING

Die hoofdoelstelling van hierdie navorsing was om die verband te bepaal tussen werknemers se werksuitkomst en die psigologiese kontrak. Die meetinstrument wat gebruik is, sluit in die "Psychological Contract of Employment Survey (PSYCONES) "Questionnaire on the perception of work". 'n Dwarssneeopnameontwerp is gebruik. Deelnemers aan die navorsing was 250 werknemers in private opleidingsinstansies. Terugvoer van 218 vraelyste is ontvang. Resultate dui op geen beduidende verband tussen werkstevredenheid, gesondheid, welstand en organisatoriese verbintenis nie. 'n Verband is wel gevind tussen werkstevredenheid, gesondheid en welstand. Regressie-analise dui aan dat die variansie in werkstevredenheid en organisatoriese verbintenis prakties sinvol is, maar nie statisties sinvol is nie. Regressie-analise dui aan dat daar geen sinvolle beduidende voorspellingswaarde teenoor gesondheid, welstand en organisatoriese verbintenis is nie. Die vlakke van werkstevredenheid, gesondheid, welstand en organisatoriese verbintenis is gevind as betreklik hoog vir werknemers in privaat opleidingsinstansies.

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INTRODUCTION

There is a global expectancy that public organisations should change and become more “modernized” (Castaing, 2005). According to Loring (2003) this change in the workplace is caused by the utilization of new technology, changing legislation, globalization, and competitive markets. Employees are exposed to new management techniques as well as altered Human Resource policies and activities. As a result an increasing number of organisations are restructuring, consequently this leads to an altered employment relationship in which the psychological contract plays an imperative role (Hilltop, 1996). It is noted that the psychological contract should be flexible enough to allow the organisation to adapt to this forced change (Rousseau, 2004).

In South Africa the consequent organisational restructuring and re-engineering presented numerous challenges. This has served to contribute to South African employees’ job insecurity and anxiety (Probst & Brubaker, 2001). Literature suggests that perceptions of job insecurity might have detrimental consequences for employee job satisfaction (Davy, Kinicki & Scheck, 1997), increased negative health outcomes (Hellgren & Sverke, 2003) and lead to lower levels of organisational commitment (Preuss & Lautsch, 2003).

Individuals hold work-related attitudes, of which job satisfaction and organisational commitment can be regarded as most important. Makin, Cooper, & Cox (2002) further argue that attitudes are more responsive to the organisational environment than the individual experiences. In terms of the psychological contract individuals differ with regards to the work-related attitudes they hold.

Cheung (2005) affirms that organisational commitment, organisational citizenship behaviour and work performance are part of the term ‘work outcomes’. For the

purpose of this study concepts also included are job satisfaction and employee health and well-being.

Psychological contract

The term “psychological contract” was more readily used from the 1990's onwards and currently depicts a collective understanding of informal agreements between the employer and employee (Thomas, et al., 2002). According to the CIPD (2006) the psychological contract can be defined as:

“... the perceptions between two parties, employer and employee, of what their mutual obligations towards each other are”.

These obligations can often be unofficial and vague and may be seen as ‘promises’ or ‘expectations’. The expectations included in the psychological contract are set forth by the written employment contract, together with other verbal or tacit influencing factors (Rousseau, 2004). It has been noted from literature that employee perceptions form the basis of the psychological contract (Kickul, Lester & Belgio, 2004). Newstrom & Davis (1997) describe perceptions held by individuals as a distinctive manner to see, organize and interpret objects.

Perceptions on the reality of a situation, held by the parties in the employment relationship, influence daily workplace behaviour (Thomas, et al., 2002). Workplace behaviour includes the way people interact with each other and the relationships they have with each other. How people expect to be treated by others form part of inter-personal perception, which sequentially influence interaction (Makin, et al., 2002).

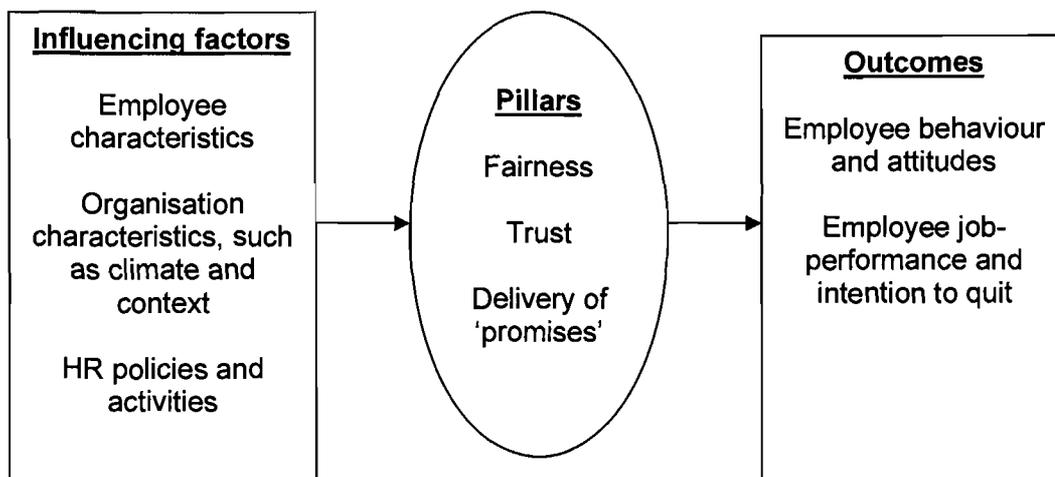
Niehoff, et al., (2001) state that the employment relationship is governed by the psychological contract, which in his opinion can be described as each party's beliefs about what it is entitled to receive, and obligated to give, in exchange for

the other party's contribution. These beliefs are shaped by the way certain Human Resource policies and activities are implemented (Grobler, et al., 2002).

Research done by CIPD (2006) pertaining to the psychological contract, indicate the following:

Diagram 2

A simplified model of the psychological contract



From Author: B.van Rooyen (2006).

In review of the above model the following can be concluded:

- i. The extent to which employers implement Human Resource policies and activities influence the state of the psychological contract.
- ii. The state of the psychological contract reflects employees' sense of fairness, perception of trust and belief that the employer will deliver induced promises.
- iii. The more positive the psychological contract, the greater job satisfaction and organisational commitment (Guest & Conway, 2004).

Job satisfaction

Three decades ago, Locke (1976) defined job satisfaction as:

“...a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences”. Holland and De Ceiri (2006) hold the same opinion although they regard good employment conditions as important for job satisfaction. Knights and Kennedy (2005) describes job satisfaction as an attitude that reflects how people feel about their jobs. Focus is placed on the working environment and immediate reactions to tangible aspects are reflected. Another explanation of job satisfaction is the extent to which people like their job (Hirschfield, 2000). From the literature above it is clear that the concept of job satisfaction has passed into everyday usage.

Associations of job satisfaction relates with several variables (Yousef, 2000). Various studies have been done with some global measures of job satisfaction and others used as a multi-dimensional approach. For example, to agree or disagree with ‘I find real enjoyment in my job’ is a global measure item (Agho, Price, & Mueller, 1992). While the Job Descriptive Index (JDI) measures five aspects of job satisfaction as a multi-dimensional approach (Makin, et al., 2002).

According to Portwood and Miller (2005) job satisfaction and evaluations on employee work behaviour are positively correlated with the measure of organisation contract compliance. Makin, et al. (2002) points out that in general those jobs with high levels of pay, good supervisors, and interesting work are likely to produce an increase in job satisfaction. Research done by Lambert, et al. (2003) suggests that job satisfaction more strongly relates to delivered inducements, such as pay, recognition and training, than to promised inducements.

However Arvey, Carter and Buerkley (1991) found that there is a consistent relationship between age and job satisfaction. For example the level of job

satisfaction for men rises until middle age, levels off, and then rises again from the mid 50's. While women's level of job satisfaction rises fairly constant with age. Overall, influencing factors include age-related rewards and values.

It is clear that lines of communication should be kept open for employees to express their feelings pertaining to the psychological contract and a lucid distinction should be made between realistic and unrealistic expectations (Portwood & Miller, 2005). Montes (2005) expresses that feelings of violation amongst employees increase when they are promised a lot compared to when they were promised little.

From an employer's view an important question one may ask is: 'Does high levels of job satisfaction correlate strongly with higher performance?'. Unfortunately research indicates no significant relationship between these two constructs (Arvey et al., 1991; O'Reilly, 1991). But in a more optimistic light, a strong link exists between job satisfaction and organisational citizenship behaviour (Makin, 2002). Organisational citizenship behaviour is described as employee behaviour that goes beyond that which is formally required by the organisation's contractual obligations (Coyle-Shapiro and Kessler, 2003). Thus, an employee who is satisfied with their job is more likely to be a better ambassador for the organisation.

To conclude, the Met Expectations Theory clearly state that unmet job expectations lead to low job satisfaction and low job satisfaction causes newcomers to quit (Paul, Niehoff, & Turnley, 2000). Thus, psychological contracts should be consistent in terms of promises, expectations and obligations (Rousseau, 2004). It has been showed that the psychological contract influence employees' work outcomes, in that the fulfillment of the psychological contract consequently lead to greater job satisfaction, intent to stay with the organisation and trust in the organisation (Ho, 2005).

Organisational Commitment

Castaing (2005) defines organisational commitment as:

“...a psychological state that binds the individual to the organisation”.

Knights and Kennedy (2005) describe organisational commitment in terms of the individual's involvement in and identification with the organisation. While Bagriam (2003) view organisational commitment as a psychological bond between employees and their employing organisation. The Organisational Commitment Questionnaire (OCQ) reflects this single-dimensional concept through the following items:

- i. Strong belief and acceptance of the organisation's goals;
- ii. Willingness to exert effort on behalf of the organisation;
- iii. A desire to maintain membership of the organisation (Makin, et al., 2002).

It is apparent from the items listed above that there are three types of organisational commitment, namely:

- i. Affective commitment refers to the emotional state of an employee and the extent of identification with the organisation;
- ii. Continuance commitment refers to the awareness of the cost of resigning and the need to continue work with the organisation;
- iii. Normative commitment reflects the obligation to continue employment with the organisation. This obligation is influenced by society's norms about the extent to which employees ought to be committed to the organisation (Knights and Kennedy, 2005; Makin, et al., 2002).

The social exchange theory can be used as a framework to understand the impact of the psychological contract on employee attitudes, including commitment, and suggests that employees are motivated to strive for a fair and balanced exchange with their organisation (Cheung, 2005). According to the social exchange theory a person receiving a benefit, over and above normal

organisational benefits, feel an obligation to repay it in some way. Promissory signals can also include such organisational practices as recruiting policies, training programs, performance review and incentive systems (Rousseau, 2001).

According to research done by Isaksson (2002), by means of the PSYCONES questionnaire, it is permanent employees who report great levels of organisational commitment as well as high levels of self-reported performance. While psychological contract violations lead to reduced job satisfaction and organisational commitment (Turnley and Feldman, 1999).

Gilbert (2001) suggested that, employees who have high organisational commitment are more likely to make their work a higher priority and are consequently more absorbed in their work.

Health and well-being

With regards to work-related health, research done by utilizing the PSYCONES questionnaire, indicate that permanent employees reveal high levels of irritability, work-related anxiety and work-related depression. However it is found that permanent employees show marginally great levels of self-efficacy (Isaksson, 2002).

According to Williams (2004) variable investigation has largely been limited to attitudes such as job satisfaction and organisational commitment, where as the use of health and well-being outcomes have been very rare. Research done by Aronsson and Goransson (1999) confirm that permanent employees reported high occurrences of headaches, feelings of fatigue and slight depression. On the other hand, research done by Quinlan, Mayhew & Bohle (2000), show a link between temporary employment and poor work-related health. A possible explanation for this could include a lack of training and supervision as well as a lack of access to information and materials.

An important factor associated with lower levels of stress and well-being includes having a various Human Resource policies and practices in place (Palmer, 2000).

Human Resource Practice

Human Resource practices are described as structural signals regarding the organisation's intentions toward its workers. Sets of Human Resource practices that operate simultaneously in high involvement workplaces increase the likelihood that workers will have a common understanding of their psychological contract with their employer (Rousseau, 2001). Human Resource policies are described as guides to management's thinking, help management achieve the organisation's Human Resource objectives, and help define acceptable and unacceptable workplace behaviour (Grobler, et al., 2002).

According to Guest and Conway (2002) previous research has shown a strong relationship between the implementation of Human Resource policies and practices and the state of the psychological contract and improvements in the psychological contract. In general, it is derived that Human Resource practices influence employee performance and attitudes largely through the psychological contract (Willems, et al., 2004).

Employers have found it in their own best interests to develop practices that respect equal opportunities and employment rights through professionalised Human Resource practices (Wikipedia, 2006).

Employees working at various private training institutions were targeted in this research. The sample derived from the entire population included workers from all levels, ranging from skilled blue-collar level workers to managers and directors. The lowest level employees are of a literacy level adequate enough to allow for the valid completion of the questionnaires.

OBJECTIVES

The general objective of the study is to determine employees' work outcomes associated with the psychological contract within private training institutions.

The following specific objectives are proposed:

- i. To conceptualise job satisfaction and the psychological contract, and the relationship between these constructs from literature.
- ii. To conceptualise organisational commitment and the psychological contract, and the relationship between these constructs from literature.
- iii. To establish the importance of certain HR activities in promoting the employment relationship from literature.
- iv. To determine the current state of the psychological contract in private training institutions.
- v. To determine the levels of job satisfaction, health and well being and organisational commitment of employees within private training institutions.

AIM OF THE STUDY

The general objective of this research is to determine employees' work outcomes associated with the psychological contract within private training institutions.

METHOD

Research design

A cross-sectional survey design was used to reach the research objectives. The design can be used to assess various expectations and behavioural aspects amongst employees, a propos the psychological contract, within private training institutions. More specifically the survey design researched the "psychological contract" as a possible intervening factor affecting employees' work outcomes.

Participants

The population of 250 employees working at various private training institutions was targeted for this research. A response rate of 218 (87.2%) was obtained. The study population included workers from all occupational levels ranging from skilled blue-collar workers to managers or directors.

The biographical characteristics of the study population are detailed in Table 1.

Table 1 indicates that 67.4% males and 32.6% females participated in this study. The majority of participants 50.4% are in the 36 to 45 years age groups and 44.5% had a Degree as level of education. The majority of the study population have been employed by the organisation for periods of between 11 and 20 years.

Table 1*Characteristics of the Participants in the Study Population (N=218)*

Item	Category	Frequency	Percentage
Gender	Male (1)	147	67.4
	Female (2)	71	32.6
	Total	218	100
Age	24 years and younger (1)	3	1.4
	25 – 35 years (2)	56	25.7
	36 – 45 years (3)	110	50.4
	46 – 55 years (4)	38	17.5
	56 – and older (6)	11	5
	Total	218	100
Qualification	Grade 10 –12 (1)	21	9.6
	Diploma (2)	65	29.8
	Degree (3)	97	44.5
	Post-graduate Degree (4)	35	16.1
	Total	218	100
Tenure	Less than 1 year (1)	30	13.8
	2 – 5 years (2)	33	15.1
	6 – 10 years (3)	32	14.7
	11 – 20 years (4)	76	34.8
	Longer than 21 years (5)	47	21.6
	Total		100

Measuring instrument

The following cross-sectional survey design was utilized as an instrument used in this study:

- i. The Psychological Contract of Employment Survey (PSYCONES)
"Questionnaire on the perception of work".

The first part of the questionnaire focuses on various aspects pertaining to the employee's current job and employment contract.

The second and largest part of the PSYCONES questionnaire focuses on employee attitudes towards the job and organisation, health and well-being.

Lastly, the third part of the questionnaire summarizes the biographical information such as, the participants' age, gender, family status, financial contribution, dependents, shopping and education.

The questionnaire consists of 36-items, arranged along various frequency scales, including a 3-point, 5-point, 6-point and 7-point frequency scale.

Statistical analysis

The statistical analysis is carried out with the SPSS programme (SPSS, 2003), making use of descriptive statistics, Cronbach's alpha and inter-item correlations coefficients, Pearson product-moment correlation coefficient and multiple regression analyses.

Descriptive statistics were used to analyse data, including means, standard deviations, skewness and kurtosis. Cronbach's alpha and inter-item correlation coefficients were used to assess the internal consistency of the measuring items

(Clark & Watson, 1995). Thus, the validity and reliability of the measuring instrument were determined.

Pearson Product Moment Correlation Coefficients were used to specify the relationship between variables. Effect sizes were computed to assess the practical significance of relationships between variables in this study. The level of statistical significance are set at $p < 0.01$, while a cut-off point of 0.30 is set for the practical significance of correlation coefficients, which represents a medium effect, a cut-off point of 0.05 represents a large effect. The sole use of statistical significance testing is criticised by Steyn (2002), and it is recommended that effect sizes be established to determine the importance of a statistically significant relationship. The reporting of effect sizes are encouraged by the American Psychological Association (APA) in their Publication Manual (APA, 1994).

Multiple regression analysis was used to determine the percentage of variance in the dependent variable (organisational commitment) that is predicted by the independent variables (job satisfaction, health and well-being). The square of the correlation coefficient signifies the proportion of variance in any two variables, which is predicted by variance in the other.

RESULTS

A component analysis was done to determine the construct validity of the components of the questionnaire. Descriptive statistics, Cronbach alpha coefficients and inter-item correlation coefficients of the (PSYCONES) "Questionnaire on the perception of work" for employees working in private training institutions are reported in Table 2 and 3.

Table 2

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

Measuring instrument	Mean	SD	Skewness	Kurtosis	Inter-item <i>r</i>
Age	40.18	8.236	0.451	0.146	0.094
Gender	1.42	0.437	0.381	-1.583	-0.054
Family status	1.92	0.470	-0.083	1.482	0.095
Financial contribution	2.30	0.928	0.114	-0.729	0.120
Dependents	3.91	1.612	1.450	5.758	-0.083
Shopping	1.59	0.579	0.772	0.149	0.001
Education	3.52	0.901	-0.239	0.523	0.100
Job satisfaction	3.093	0.477	0.460	0.295	-0.026
Health & well-being	3.016	0.469	0.044	1.647	0.024
Organisational commitment	3.983	0.592	-0.276	-0.323	1

The information reflected in Table 2 indicates that the scores on all the subscales have a normal distribution (skewness and kurtosis smaller than one). With the

exception of the subscale: 'Dependents' that has a skewness and kurtosis larger than one, as well as the subscale: 'Family status' that has a kurtosis larger than one.

The inter-item correlation coefficients for each subscale were determined in relation to organisational commitment. The analysis indicates that the 'Age, Family status, Financial contribution and Education' subscales correlate with the 'Organisational commitment' subscale. While the 'Gender and Dependent' subscale shows negative correlations with organisational commitment. The above mentioned subscales all exceed the cut-off point of 0.05.

No inter-item correlations were found between the subscales 'Shopping, Job Satisfaction and Health and Well-being' and the subscale 'Organisational commitment', as the correlations fell well below the cut-off point of 0.05.

Table 3

Cronbach Alpha Coefficients.

Cronbach's Alpha α	Cronbach's Alpha Based on Standardized Items	N of Items
0.753	0.878	187

An acceptable Cronbach alpha coefficient was obtained for the whole of questionnaire, as all the measuring scales were above 0.70 cut -off point (Nunnally & Bernstein, 1994). Thus it was found that there is a measure of internal consistency within the measuring instrument (Clark & Watson, 1995).

Subsequently, the correlation coefficients between job satisfaction and organisational commitment for employees working within private training institutions were analysed. The results are reported in Table 3.

Table 4

Pearson product moment correlation coefficients between Job Satisfaction, Health and Well-being, and Organisational Commitment.

Item	1	2	3
1. Job Satisfaction	1	-0.047	-0.152*
Sig. (2-tailed)		0.533	0.047
N	187	177	172
2. Organisational Commitment	-0.047	1	0.022
Sig. (2-tailed)	0.533		0.780
N	177	182	169
3. Health and well-being	-0.152*	0.022	1
Sig. (2-tailed)	0.047	0.780	
N	172	169	187

*Correlation is statistically significant $p \leq 0,05$

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

***Correlation is practically significant $r \geq 0,50$ (large effect) (Cohen, 1988)

Table 4 demonstrates no practically significant correlation coefficient was found between the job satisfaction scale and the organisational commitment scale, but there is a negative statistical significant relationship between the two scales. This implies that high levels of job satisfaction will not always be associated with high levels of organisational commitment and vice versa.

No practically significant correlation coefficient was obtained between the health and well-being scale and organisational commitment scale, but there is a statistical significant relationship between the two scales. Therefore, good health and well-being will not necessarily be coupled with high organisational commitment and neither scales affect the levels in one another significantly.

It is evident from table 4 that the correlation between job satisfaction and health and well-being is significant (in a negative direction) at the 0.05 level (2-tailed). Next, a series of multiple regression analysis were performed to test whether job satisfaction predicted organisational commitment, and whether health and well-being predicted organisational commitment.

Table 5

Regression Analysis – Job Satisfaction and Impact: Organisational Commitment

ANALYSIS OF VARIANCE					
Dependent variable: Organisational Commitment					
R: 0.47	Source of variation	df	Sum of squares	Mean square	
R ² : 0.002	Regression	1	0.137	0.137	
Adjusted R ² : -0.003	Residual	61.535	175	0.352	
Standard Error: 0.59298	F = 0.390 p = 0.533				
VARIABLE IN THE EQUATION					
INDEPENDENT VARIABLE	B	SEB	Beta	t	p
(Constant)	4.177	0.298	14.030	0.000*	
Job Satisfaction	-0.059	0.095	-0.047	-0.625	0.533

*Statistically significant difference $p < 0,01$

**Practically significant $r \geq 0,30$ (medium effect)

*** Practically significant $r \geq 0,50$ (large effect) (Cohen, 1988)

The regression analysis reflected in Table 4 indicates that job satisfaction did not contribute towards the variance in organisational commitment. A R-value of 0.47 was obtained, which falls above the practical significance cut-off point (0,30), suggesting that the model is practical significant to a medium effect, but the model was not found to be statistically significant (F = 0.390, p = 0.533). An adjusted R² of -0.003 (negative correlation) was obtained, suggesting that job satisfaction predicted -0.3% of the variance in organisational commitment.

Accordingly, job satisfaction did not have significant predictive value with regard to organisational commitment.

Thus, table 4 demonstrates that –0.3% of the variance in the organisational commitment subscale is explained by the subdimension of job satisfaction. Suggesting that job satisfaction does not hold significant predictive value with regard to organisational commitment.

Table 6

Regression Analysis – Health and Well-being and Impact: Organisational Commitment.

ANALYSIS OF VARIANCE						
Dependent variable: Organisational Commitment						
R: 0.022	Source of variation	df	Sum of squares	Mean square		
R^2 : 0.000						
Adjusted R: -0.006	Regression		1	0.028		0.028
Standard Error: 0.60142	Residual		167	60.406		0.362
F = 0.078 p = 0.780						
VARIABLE IN THE EQUATION						
INDEPENDENT VARIABLE	B	SEB	Beta	t		p
(Constant)	3.910	0.306		12.789		0.000*
Health & Well-being	0.028	0.101	0.022	0.028		0.780

*Statistically significant difference $p < 0,01$

**Practically significant $r \geq 0,30$ (medium effect)

*** Practically significant $r \geq 0,50$ (large effect) (Cohen, 1988)

From Table 5, it is evident that health and well-being did not have a significant amount of predictive value with regard to organisational commitment, thus the model was not statistically significant ($F = 0.078, p = 0.780$). An adjusted R^2 of –0.006 (negative correlation) was obtained, suggesting that health and well-being

predicted a negative percentage of the variance in organisational commitment. A R-value of 0.022 was obtained, which falls below the practical significance cut-off point (0,30) and the model was not found to be practically nor statistically significant.

In conclusion, table 5 demonstrates that -0.6% of the variance in the organisational commitment subscale is explained by the subdimensions of health and well-being. Suggesting that health and well-being does not hold significant predictive value with regard to organisational commitment. The levels of job satisfaction, health and well-being and organisational commitment are reflected in tables 7, 8 and 9.

Table 7*Frequency table of the variable job satisfaction.*

Item	Variable	Value label	Frequency	Percent
Q21e	Job Satisfaction (I am not happy with my job)	1. Strongly disagree	81	37.2
		2. Somewhat disagree	56	25.6
		3. Neither agree nor disagree	37	17.0
		4. Somewhat agree	31	14.2
		5. Strongly agree	13	6.0
Q21h	Job Satisfaction (I am often bored with my job)	1. Strongly disagree	77	35.3
		2. Somewhat disagree	63	28.9
		3. Neither agree nor disagree	40	18.4
		4. Somewhat agree	19	8.7
		5. Strongly agree	19	8.7
Q22K	Job Satisfaction (Most days I am enthusiastic about my job)	1. Strongly disagree	2	0.9
		2. Somewhat disagree	14	6.4
		3. Neither agree nor disagree	29	13.3
		4. Somewhat agree	117	53.7
		5. Strongly agree	56	25.7
Q23i	Job Satisfaction (I find enjoyment in my job)	1. Strongly disagree	11	5.0
		2. Somewhat disagree	12	5.6
		3. Neither agree nor disagree	32	14.6
		4. Somewhat agree	108	49.6
		5. Strongly agree	55	25.2
Total for each question			218	100

From table 7 the following highest scores were obtained: 62.8% of the sample population are generally happy with their employment, 64.2% are not bored with their work. Then it was found that 79.4% of respondents are generally enthusiastic about their work and 74.8% of respondents find enjoyment in their current occupation.

To conclude it is clear that the level of job satisfaction in private training institutions is relatively high.

Table 8

Frequency table of the variable health and well-being.

Item	Variable	Value label	Frequency	Percent
Q29a	General health (Your health is)	1. Poor	2	0.9
		2. Fair	22	2.0
		3. Good	66	30.3
		4. Very good	79	36.2
		5. Excellent	49	22.5
Q29b	General health (Get sick easier than other people)	1. Definitely false	106	48.6
		2. Mostly false	58	26.9
		3. Not false, not true	42	19.3
		4. Mostly true	8	3.7
		5. Definitely true	4	1.8
Q29c	General health (As healthy as anybody else)	1. Definitely false	10	4.6
		2. Mostly false	17	7.8
		3. Not false, not true	49	22.5
		4. Mostly true	89	40.8
		5. Definitely true	53	24.3
Q29d	General health (Expect my health to get worse in the near future)	1. Definitely false	100	45.9
		2. Mostly false	48	22.0
		3. Not false, not true	49	22.5
		4. Mostly true	16	7.3
		5. Definitely true	5	2.3
Q29e	General health (My health is excellent)	1. Definitely false	7	3.2
		2. Mostly false	12	5.5
		3. Not false, not true	38	17.4
		4. Mostly true	92	42.2
		5. Definitely true	69	31.7

Item	Variable	Value label	Frequency	Percent
Q24a	Affective well-being (Tense)	1. Rarely or never	26	11.9
		2. Not often	40	18.4
		3. Sometimes	90	41.3
		4. Rather often	45	20.6
		5. Very often or always	17	7.8
Q24b	Affective well-being (Calm)	1. Rarely or never	11	5.0
		2. Not often	21	9.7
		3. Sometimes	52	23.8
		4. Rather often	95	43.6
		5. Very often or always	39	17.9
Q24c	Affective well-being (Uneasy)	1. Rarely or never	43	19.7
		2. Not often	80	36.7
		3. Sometimes	66	30.3
		4. Rather often	20	9.2
		5. Very often or always	9	4.1
Q24d	Affective well-being (Cheerful)	1. Rarely or never	9	4.1
		2. Not often	15	6.9
		3. Sometimes	50	22.9
		4. Rather often	103	47.3
		5. Very often or always	41	18.8
Q24e	Affective well-being (Worried)	1. Rarely or never	22	10.1
		2. Not often	41	18.8
		3. Sometimes	98	45.0
		4. Rather often	35	16
		5. Very often or always	22	10.1
Q24f	Affective well-being (Enthusiastic)	1. Rarely or never	5	2.3
		2. Not often	15	6.9
		3. Sometimes	54	24.7
		4. Rather often	99	45.5
		5. Very often or always	45	20.6
Q24g	Affective well-being (Depressed)	1. Rarely or never	49	22.5
		2. Not often	52	23.8
		3. Sometimes	69	31.7
		4. Rather often	29	13.3
		5. Very often or always	19	9.7

Item	Variable	Value label	Frequency	Percent
Q24h	Affective well-being (Contented)	1. Rarely or never	13	6.0
		2. Not often	28	12.8
		3. Sometimes	106	48.6
		4. Rather often	50	23
		5. Very often or always	21	9.6
Q24i	Affective well-being (Gloomy)	1. Rarely or never	31	14.2
		2. Not often	39	17.9
		3. Sometimes	107	62.4
		4. Rather often	30	13.8
		5. Very often or always	11	5.0
Q24j	Affective well-being (Relaxed)	1. Rarely or never	15	6.9
		2. Not often	21	9.6
		3. Sometimes	103	47.3
		4. Rather often	59	27
		5. Very often or always	20	9.2
Q24k	Affective well-being (Miserable)	1. Rarely or never	51	23.4
		2. Not often	79	36.2
		3. Sometimes	59	27.1
		4. Rather often	19	8.7
		5. Very often or always	10	4.6
Q24l	Affective well-being (Optimistic)	1. Rarely or never	7	3.2
		2. Not often	11	5.1
		3. Sometimes	66	30.2
		4. Rather often	88	40.4
		5. Very often or always	46	21.1
Total for each question			218	100

Table 8 reflects the level of health and well-being amongst the sample of respondents. General health levels seem to be reasonably high as 58.7% of respondents described their health as very good to excellent. Most respondents, 75.5% felt that they do not get sick easier than other people, 65.1% feel as healthy as anybody else, 67.9% expect their health to stay unchanged in the near future and 73.9% of respondents describe their health as excellent.

Affective well-being covers "...specific facets of satisfaction, alienation from work, job attachment, job tension, depression, burnout, involvement and job morale" (Warr, 1990). The research signifies that most employees within private training institutions are calm, cheerful, enthusiastic, content, relaxed and optimistic, although they tend to be tense to a large effect. According to Williams (2004) a content employee is a happy employee.

Table 9

Frequency table of the variable organisational commitment.

Item	Variable	Value label	Frequency	Percent
Q21a	(It would please me to know my work contribute to the good of the organisation)	1. Strongly disagree	2	0.9
		2. Somewhat disagree	11	5.1
		3. Neither agree nor disagree	15	6.8
		4. Somewhat agree	84	38.6
		5. Strongly agree	106	48.6
Q22j	(I would be reluctant to change to another employer even if the organisation is not doing well)	1. Strongly disagree	30	13.8
		2. Somewhat disagree	17	7.8
		3. Neither agree nor disagree	78	35.7
		4. Somewhat agree	57	26.2
		5. Strongly agree	36	16.5
Q22n	(I feel as though I am making an effort, not just to myself but for the organisation as well)	1. Strongly disagree	0	0
		2. Somewhat disagree	2	0.9
		3. Neither agree nor disagree	19	8.7
		4. Somewhat agree	101	46.4
		5. Strongly agree	96	44.0
Q23a	(I am proud to tell people who I work for)	1. Strongly disagree	13	6.0
		2. Somewhat disagree	9	4.1
		3. Neither agree nor disagree	27	12.4
		4. Somewhat agree	74	33.9
		5. Strongly agree	95	43.6
Total for each question			218	100

The results obtained from of table 9 indicates that 87.2% of the respondents in the sample would feel pleased to know their work contributes to the good of the organisation, 42.7% would feel unwilling to find another job even if their current organisation is doing poorly. The majority of respondents, 90.4% feel they are making an effort towards the organisation they are working for, while 77.5% are proud to tell other people where they work.

An overall conclusion can be made that most employees within private training institutions show high levels of organisational commitment. From the abovementioned results, a discussion will follow integrating the data.

DISCUSSION

The objectives of this research were to determine employees' work outcomes associated with the psychological contract, with work outcomes being the relationship between organisational commitment, job satisfaction and health and well-being. It was furthermore the aim to determine the current state of the psychological contract within private training institutions. Lastly, it was intended to determine the levels of job satisfaction, health and well-being and organisational commitment of employees in private training institutions.

The empirical objectives of the study were reached by means of utilizing the PSYCONES questionnaire on the perception of work. The background variables are not presented in all the tables but are controlled for in all analysis.

Descriptive statistics were used to analyse the data and it was found that all the items, except for 'dependents' and 'family status', had a normal distribution. No predictive relationship was found between the subscales 'Job satisfaction and health and well-being' and the subscale 'Organisational Commitment', indicating that the level of job satisfaction or health and well-being experienced by an employee will not predict his / her intensity of organisational commitment. An acceptable Cronbach alpha coefficient for the whole of the questionnaire was obtained indicating a good level of internal consistency and confirmed the reliability of the measuring instrument.

The analysis of Pearson's correlations in this study indicated no practical significant relationship between the scales job satisfaction, health and well-being and the scale organisational commitment. There is however a negative statistical significant relationship between job satisfaction and organisational commitment and a positive statistical significant relationship between health and well-being and organisational commitment. A negative predictive relationship is found between job satisfaction scale and the health and well-being scale.

The regression analysis conducted demonstrates that organisational commitment, as a dependent variable, does not correlate with job satisfaction, as no statistical significant relationship is found. This corresponds with the findings of Buitenbach (2005) which indicated no practical significant relationship between organisational commitment and job satisfaction. This would suggest that employees within private training institutions do not experience higher levels of organisational commitment as their level of job satisfaction increases. It is found that job satisfaction negatively only predicts 0.3% of the variance in organisational commitment.

Conversely, job satisfaction and organisational commitment are not unrelated. Job satisfaction has a fairly strong positive influence on organisational commitment as shown by the empirical results reported by Mowday, Porter and Steers (1982). A consistent finding is that there is a positive association between job satisfaction and organisational commitment (Coyle-Shapiro and Kessler, 2000). According to Barkhuizen (2005), commitment to an organisation is found to relate positively to job satisfaction.

The regression analysis done between organisational commitment (dependent variable) and health and well-being demonstrates a negative correlation of 0.6%. This shows that the health and well-being scale predicts a small, insignificant statistical or practical value of the organisational commitment scale. Suggesting that employees, in private training institutions, with good health and well-being levels will not necessarily show high levels of organisational commitment. The research done by Barkhuizen (2005) indicates that the results and correlations found between organisational commitment and health and well-being remain "confusing and confounding".

To determine the current levels of job satisfaction, health and well-being and organisational commitment, frequency tables for these variables were drafted. The overall level of job satisfaction for employees working within private training

institutions is relatively high with a mean score of 70.3%. According to Robbins (2001) a person with a high level of job satisfaction, holds a positive attitude toward the job, while a person who is dissatisfied with his work, holds negative attitudes towards the job.

The mean level of health was found to be 68.2% and most employees hold positive affective well-being levels. A large number of employees are content with their current occupation and this increases employees' health, well-being, attitude and satisfaction (Williams, 2004). Lastly, the level of organisational commitment is 74.4% which can be seen as high. Dharmawardena (2005) states that studies done show that employees whose psychological contract is satisfied show high levels of organisational commitment.

In conclusion it can be said that although no significant relationships were found between job satisfaction, health and well-being and organisational commitment, the levels of these work outcomes amongst employees working within private training institutions, are reasonably high. This indicates an overall positive perception of work.

RECOMMENDATIONS

The results of this study indicate that further research is warranted. There might have been a misrepresentation in terms of the industry (employees working in private training institutions), suggesting that finding that no practical significant relationship exist between the variables job satisfaction, health, well-being and organisational commitment, might not be entirely valid. Stratified random sampling used within wider defined industries might ensure sufficient representation of different cultural groups, occupational categories, gender and people with various age differences.

The relationship between, and the causes of job satisfaction, health, well-being, and organisational commitment should be investigated in a wider variety of organisations, using larger samples, and by means of longitudinal studies. Such research will enrich the understanding of the causes of organisational commitment as well as possible means of improving organisational commitment. Further research needs to include more different outcome variables in order to fully assess the causes of organisational commitment and the consequences of various levels of job satisfaction, health and well-being. Confirmatory factor analysis should be utilized to determine the goodness-of-fit differences between the variables in use.

Employees within private training institutions show an above average level of health and well-being. Should these training institutions wish to increase this level, it is recommended by Williams (2004) that training programs be implemented to keep employees minds stimulated. Lawson and Syme (1996) report that employees with high levels of stress show low levels of commitment.

Linden, Sparrow and Wayne (2000) states that psychological empowerment increase both organisational commitment and job satisfaction, by means of participative management systems (Koh & Lee, 2001), job enrichment (Laage,

2003), granting employees the authority to significantly influence organisational outcomes (Menon, 2001), and implementing various skills development programs (Boren, 1994).

Quinn and Spreitzer (1997) found that the variable empowerment significantly relates to job satisfaction and organisational commitment could be improved by creating a psychological link between the employee and the organisation (Allen & Meyer 1996).

In conclusion, effective Human Resource policies and practices should be implemented to influence the psychological contract in a positive way, which in turn will have a positive effect on employees' work outcomes (CIPD, 2006). This is confirmed by Guest and Conway (2002) whose previous research has shown a strong relationship between the implementation of Human Resource policies and practices, and the state of the psychological contract. Psychological contract theory proposes the existence of multiple factors and people which influence the psychological contract within an organisation, that influence the way in which workers come to understand their exchange relationship with the employer. These include co-workers, managers, mentors, and recruiters, along with administrative and structural signals such as Human Resource practices (Rousseau, 2000).

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CHAPTER 3

CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

INTRODUCTION

In this chapter, the conclusion and limitations regarding the literature study and results of the empirical study are discussed. Shortcomings of the research are discussed and recommendations for the organisation and future research are made.

3.1 CONCLUSIONS

3.1.1 Conclusion regarding the specific theoretical objectives

In line with the specific objectives stated in Chapter 1, job satisfaction and the psychological contract, and the relationship between these constructs are conceptualised from literature.

Job satisfaction is defined as a pleasant and positive feeling that results from an employee's work or work experiences (Locke, 1976). It can also be seen as an attitude held by an employee pertaining to their current job (Knights & Kennedy, 2005). It was conceptualised from literature that job satisfaction correlates strongly with delivered age-related incentives (Arvey, et al., 1991) in terms of the psychological contract. Incentives could include training, promotions or even performance-related bonuses (Lambert, et al., 2003). Employees with higher job satisfaction levels will be a better ambassador for their employing organisation (Coyle-Shapiro and Kessler, 2003), whereas low levels of job satisfaction could lead to newcomers quitting their job (Paul, et al., 2000). It has been concluded by Ho (2005) that the psychological contract influences employee outcomes, in

that the fulfillment of the psychological contract consequently leads to greater job satisfaction.

The second specific objective was to conceptualise organisational commitment and the psychological contract, and the relationship between these constructs from literature.

From the literature review organisational commitment is defined by Castaing (2005) as a kind of psychological state that binds the individual and the employing organisation. Bagriam (2003) view it as a bond between the employee and the organisation. According to Makin (2002) affective, continuance, normative commitment are the three types of organisational commitment. The social exchange theory implies that if an employee receives a benefit, he / she will feel obligated to repay it in some way (Rousseau, 2001). This framework illustrates the impact of the psychological contract on employees' attitudes of organisational commitment (Cheung, 2005). Turnley and Feldman, (1999) concluded that psychological contract violations will lead to reduced organisational commitment.

The third specific objective was to establish the importance of certain HR activities in promoting the employment relationship from literature.

Rousseau (2001) describes Human Resource practices as structural signals regarding the organisation's intentions toward its employees. Human Resource policies and practices are perceived as guides to management's thinking, help management achieve the organisation's Human Resource objectives, and help define acceptable and unacceptable workplace behaviour (Grobler, et al., 2002). To conclude, Human Resource practices influence employee performance and attitudes largely through the psychological contract (Williams, et al., 2004), and implemented correctly Human Resource practice will have a positive effect on employees' work outcomes (CIPD, 2006).

3.1.2 Conclusion regarding the specific empirical objectives

The fourth specific objective was to determine the current state of the psychological contract within private training institutions.

This was done by investigating the relationships between job satisfaction, health, well-being and organisational commitment. The results of the regression analysis indicated that organisational commitment did not correlate with neither job satisfaction nor health and well-being. The analysis of Pearson's correlations shows that there was however a negative statistical significant relationship between job satisfaction and organisational commitment, and a positive statistical significant relationship between health and well-being and organisational commitment. A negative correlation was found between job satisfaction and health and well-being.

The last specific objective was to determine the levels of job satisfaction, health and well being and organisational commitment of employees within private training institutions.

Frequency tables were drafted for the variables job satisfaction, health and well-being and organisational commitment. The overall level of job satisfaction, health and well-being and organisational commitment for employees working in private training institutions were found to be relatively high, with average scores above 68%.

In conclusion no significant relationships were found between job satisfaction, health and well-being and organisational commitment, but the levels of these work outcomes amongst employees working within private training institutions were found to be reasonably high. An overall positive perception of work pertaining to the psychological contract prevails in private training institutions.

3.2 LIMITATIONS OF THE RESEARCH

The following limitations regarding the research were identified:

- i. The sample size, specifically the distribution of gender and cultural groups. No report was made of different cultural groups such as whites, Indians or blacks. Females were generally under-represented in this study.
- ii. Self-report measures were exclusively relied on which might have influenced the results, as participants may have doubted the confidentiality of their responses.
- iii. The ability to test causal assumptions is limited due to use of a cross-sectional survey design.
- iv. Affective commitment was the main construct used in this study, while normative and continuance commitment have been influence by job satisfaction and health and well-being.
- v. Not all the inter-item correlation coefficients were discussed in this study; the main focus was on the various item correlations with organisational commitment.

3.3 RECOMMENDATIONS

Recommendations are made with regard to organisations and future research.

3.3.1 Recommendations for the organisation

Organisations are restructuring and this in turn gives rise to the altered employment relationship in which the psychological contract plays a major role (Hilltrop, 1996). Due to these changing business conditions that are taking place, the psychological contract should be flexible enough to allow the company to

adapt (Rousseau, 2004). According to Issakson, et al. (2003) lines of communication should be kept open for employees to represent their feelings regarding the psychological contract. This could lead to a better understanding of what employees expect, which could in turn lead to organisational commitment, job satisfaction and good levels of health and well-being.

Linden, et al. (2000) stated that psychological empowerment increased both organisational commitment and job satisfaction, by means of participative management systems (Koh & Lee, 2001), job enrichment (Laage, 2003), granting employees the authority to significantly influence organisational outcomes (Menon, 2001), and implementing various skills development programs (Boren, 1994).

In conclusion, effective Human Resource policies and practices should be implemented to influence the psychological contract in a positive way, which in turn will have a positive effect on employees' work outcomes (CIPD, 2006). Rousseau (2000) confirmed that Human Resource practices and policies do influence the way employees understand and experience the exchange relationship within the psychological contract.

3.3.2 Recommendations for future research

It is anticipated that this study would contribute to future research and management insight in the relationship between and predictive value of job satisfaction, health, well-being and organisational commitment within the context of the psychological contract.

Stratified random sampling could be used within wider defined industries to ensure sufficient representation of different cultural groups, occupational categories, gender and people with various age differences. Longitudinal studies could be used to enrich the research done on the understanding of the causes of

organisational commitment as well as possible means of improving organisational commitment. An alternative measuring instrument could be used to include the assessment of normative and continuance commitment.

Future research could describe and analyse more of the inter-item correlations between the variables of the PSYCONES questionnaire on 'The perceptions of work', to indicate significant predictive relationships which were not discussed in this study. More outcome variables could be included in order to fully assess the causes of organisational commitment and the consequences of various levels of job satisfaction, health and well-being. Confirmatory factor analysis could be utilized to determine the goodness-of-fit differences between the variables in use.

3.4 CHAPTER SUMMARY

The central purpose of this study was to assess employees' work outcomes i.e. organisational commitment, job satisfaction and employee health and well being, associated with the psychological contract within private training institutions.

In this chapter conclusions regarding the specific objectives, categorised into theoretical and empirical, were made. The limitations of the research were pointed out and recommendations were made for private training institutions, as well as for future research. All theoretical and empirical objectives formulated for this research, have been attained.

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