

**INTENTIONS TO LEAVE THE WORKPLACE: THE ROLE OF UNFULFILLED
PROMISES**

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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 (fifth edition)* of the American Psychological Association (APA) were followed in this mini-dissertation. This practice is in line with the policy of the Programme in Industrial Psychology of the North-West University (Potchefstroom Campus) to use APA style in all scientific documents as from January 1999.

The mini-dissertation is submitted in the form of one research article.

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TABLE OF CONTENTS

	Page
List of Tables	iv
List of Figures	iv
Annexure A	iv
Summary	v
Opsomming	vii

CHAPTER 1: INTRODUCTION

1.1	Problem statement	1
1.2	Research objectives	4
	1.2.1 General objective	4
	1.2.2 Specific objectives	4
1.3	Research methodology	7
	1.3.1 Literature review	7
	1.3.2 Empirical study	8
	1.3.3 Research design	8
	1.3.4 Participants	8
	1.3.5 Measuring battery	9
	1.3.6 Data collection and statistical analysis	10
	1.3.7 Ethical measures	12
1.4	Division of chapters	12
1.5	Chapter summary	12
	References	13

CHAPTER 2: RESEARCH ARTICLE

CHAPTER 3: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

3.1	Conclusions	46
3.2	Limitations of this research	47
3.3	Recommendations	48
	3.3.1 Recommendations for the organisation	48
	3.3.2 Recommendations for future research	49
3.4	Conclusion	52
	References	54

LIST OF TABLES

Table	Description	Page
	Research article	
Table 1	Characteristics of the Participants	26
Table 2	Descriptive Statistics and Alpha Coefficient	28
Table 3	Product-Moment Correlation Coefficients between the dimensions	30
Table 4	Differences in the Psychological Contract between the two different groups (those who have worked abroad and those who have worked in their home country)	33
Figure	Description	Page
Figure 1	Dimensions used in the questionnaire	10
Figure 2	Categories of talented workers	21
Figure 3	Dimensions and examples of the items used in the questionnaire in this research	27
Annexure A	Questionnaire	55

SUMMARY

Topic: Intentions to leave the workplace: The role of unfulfilled promises.

Key terms: Globalisation of work, virtual talented workers, retention of talented workers, Psychological Contract, Intention to leave, Perceived promises.

Due to globalisation and the resulting work mobility, organisations experience difficulty in retaining virtual talented workers. As retention of these workers is important in order to build and maintain a sustainable workforce, organisations need guidelines on how to retain these talented workers. In this study the focus is on organisations in the Enterprise Resource Planning (ERP) world.

One way of developing guidelines about the retention of these talented workers would be to conduct research regarding the so called Psychological Contract – a subjective, unwritten Contract – between organisations and their virtual talented employees.

Understanding the Psychological Contract is a focal point in retaining these talented workers, as past employment relationships, based on mutual commitment between the employers and the talented workers, are no longer the norm in the marketplace. The general objective of this research is to determine the extent to which the perception and experience of breach and violation of the Psychological Contract impact on the retention of the virtual talented worker. In order to measure certain aspects pertaining to the Psychological Contract of the talented workers in the ERP industry the Psycones Questionnaire was implemented.

The research method consisted of a brief literature review and an empirical study. A survey design was used, involving an availability sample ($N = 90$) of talented workers in the ERP industry.

The statistical analysis was conducted with the aid of the SPSS program. The statistical method employed in the study consisted of descriptive statistics, Cronbach alpha coefficients and Pearson product-moment correlation coefficients. The t-test was used to determine the significance of differences between talented workers whose work environment is in their home country and those who have worked abroad.

It became evident in this study that talented workers in the ERP industry would terminate their employment with the organisation if they experienced a violation of the Psychological Contract.

Results indicated that there are no statistically significant differences between the groups who work abroad or have worked abroad and those who have only been employed in their home country, as both groups comprise workers who possess specialised skills and whose knowledge and services are in high demand. The talented workers who have been exposed to international work experience do, however, believe that they can obtain employment more readily elsewhere than those workers who have only worked in their country of origin. Both groups will therefore leave the organisation, but the group that has worked abroad even more readily if the job features or the work environment do not align with their value system.

Recommendations for future research were also made.

OPSOMMING

Onderwerp: Die intensie om die werkopset te verlaat: Die rol van on vervulde beloftes.

Sleutelbegrippe: Globalisering van werk, virtuele talentvolle werkers, retensie van talentvolle werkers, psigologiese kontrak.

As gevolg van globalisering en die invloed daarvan op werksmobilititeit ervaar organisasies al hoe meer probleme om hulle talentvolle virtuele werkers te behou. Aangesien retensie van talentvolle werknemers belangrik is om 'n standvastige arbeidsmag op te bou benodig organisasies riglyne oor hoe hulle te werk moet gaan met betrekking tot retensie van talentvolle werknemers. In hierdie studie is op organisasies in die Ondernemingsbronnebeplanning (Enterprise Resource Planning (ERP))-bedryf gefokus.

Ten einde riglyne te ontwikkel ten opsigte van die retensie van talentvolle werkers moet navorsing gedoen word aangaande die psigologiese kontrak – 'n subjektiewe, ongeskrewe kontrak – tussen organisasies en hul werknemers. Daar blyk egter 'n tekort te wees aan navorsing met betrekking tot die psigologiese kontrak in soverre dit van toepassing is op virtuele talentvolle werkers.

Begrip van die psigologiese kontrak is die kernfokus om talentvolle werkers te behou aangesien die psigologiese kontrak, wat voorheen gegeld het en wat gebaseer was op wedersydse toewyding tussen werkgever en werknemer, nie meer die norm in die werksomgewing is nie.

Die algemene doelstelling van hierdie navorsing was om te bepaal in watter mate die persepsie dat die kontrak verbreek is, 'n impak sou hê op die retensie van die talentvolle werker. Ten einde hierdie psigologiese kontrak met die talentvolle virtuele werknemers te meet is die Psycones-vraelys as meetinstrument gebruik.

Die navorsingsmetode het bestaan uit 'n kort literatuuroorsig en 'n empiriese studie. 'n Opname-ontwerp is gebruik, waarby 'n beskikbaarheidsteekproef ($N = 90$) van werknemers in die ERP- bedryf betrokke was.

Die statistiese analise is uitgevoer met behulp van die SPSS-program. Die statistiese metodes wat in die studie gebruik is, het bestaan uit beskrywende statistiek, Cronbach alpha-koëffisiënte en die Pearson produk-moment-korrelasie-koëffisiënte. Die t-toets is gebruik om

die belangrikheid van die verskille tussen twee werksgroepe uit te lig (die werkers wie se werksomgewing in hulle tuisland was en dié wat vir tydperke oorsee gewerk het).

Dit was duidelik in hierdie studie dat talentvolle werkers in die ERP-bedryf wat 'n verbreking van die psigologiese kontrak ervaar, sou bedank as hulle sou ervaar dat die psigologiese kontrak verbreek is.

Resultate het aangedui dat daar nie statistiese beduidende verskille tussen die groep was wat by tye oorsee gewerk het en dié wat nog slegs in hulle land van herkoms gewerk het nie, aangesien beide groepe bewus is daarvan dat hulle oor skaars vaardighede en kennis beskik. Die groep wat wel internasionaal gewerk het, was oortuig dat hulle makliker werk elders sou kon bekom as die groep wat nog nie in die buiteland gewerk het nie. As die werksomgewing nie 'n kwaliteit-werksomgewing is nie en die kenmerke van die omgewing nie ooreenstem met die twee groepe se waardestelsels nie, sal albei groepe egter bedank, hoewel dit geblyk het dat die groep wat internasionaal gewerk het, dit meer geredelik sal doen.

Aanbevelings vir verdere navorsing is gemaak.

CHAPTER 1

1. INTRODUCTION

This mini-dissertation focuses on understanding the Psychological Contract of virtual talented workers in the Enterprise Resource Planning (ERP) industry in an effort to retain them.

Chapter 1 contains the problem statement, research objectives and research methodology employed. The chapter commences with a problem statement, presenting an overview of relevant research conducted with regard to talent management, the Psychological Contract and its relation to retention. This is linked with this research project and its research objectives. A discussion of the research methodology follows, with details regarding the empirical study, research design, participants, measuring instruments and statistical analyses. It concludes with a chapter summary comprising an overview of this mini-dissertation.

1.1 PROBLEM STATEMENT

Globalisation in the world of work has become an irreversible trend. As a result of this globalisation, workers who excel at their work (talented workers) can be recruited from anywhere in the world (Matthews, 1998). Gandossi and Kao (2004), for example, refer to a survey of approximately 500 leading finance and human resource organisations that indicated that 45% of these organisations' talented workers are currently employed in countries other than their home countries or country of origin. This can be ascribed to the rapid development of technology, which has not only created a virtual world within globalisation, but empowers organisations to make use of talented workers anywhere in the world. By means of this virtual world a broader pool of talented workers are gained by an organisation, as the virtual world is not limited to a specific geography (Parrish, 1997) and organisations can hire the best talented workers in the world. These talented workers enable an organisation to keep its competitive edge, as it is through these workers that an organisation's business strategies are realised (Veldsman, 2006).

Organisations therefore tap increasingly into the global market for virtual talented workers (Note: in this study the term "talented workers" will be used interchangeably with "virtual talented workers"). These are workers who possess knowledge and skills that not only enable them to continue to compete internationally, but that also keep the companies

employing them financially afloat (Birt, Wallis, & Winternitz, 2004; Gandossi & Kao, 2004; Phelps, 2003). For this reason organisations should not only try to recruit the best workers, but should also make a concerted effort to retain the talented workers to build a sustainable workforce (Sheppard, 2004). This scenario is also applicable to South Africa where companies have to compete globally to stay afloat economically. This implies that organisations could tender for international projects. With the knowledge and expertise of their talented workers, the relative weaker currency of the Rand against other major currencies and subsequently lower cost of labour, South African companies could have an edge in winning tenders or doing consultancy work in overseas countries. If companies, however, want to continue to compete internationally they have to ensure that talented workers who have the ability to work internationally, are retained (Kaye & Jordan-Evans, 2005).

The retention of these talented workers has, however, become a problem. According to HRFocus (2004) there is an increased talented worker mobility which can be ascribed to an improved business climate. This increased mobility is exacerbated in South Africa by the Employment Equity Act (Act number 55 of 1998) dealing with the appointment of workers from previously disadvantaged groups. It entails the appointment, training, promotion and retention of the designated groups (including Africans, Coloureds, Asians, women and people with disabilities) to ensure equitable representation in all occupational categories and levels in the workplace. Employers have to complete and submit a report (five year plan) to the Department of Labour with regard to relevant strategies (Grobler, Wärnich, Carell, Elbert, & Hatfield, 2002). Consequently the designated groups are targeted by organisations that want to ensure that they adhere to the Employment Equity Act. This results in more mobility of workers between organisations as they seek and are offered better opportunities. Workers who are passed over for appointments and promotion, due to the Employment Equity Act (Act number 55 of 1998), will be ready to move elsewhere.

It is therefore imperative for organisations to understand what experiences and perceptions virtual talented workers have of their employers' obligations, in order to retain them as talented workers and increase their commitment to the organisation. This indicates that there is an exchange relationship involved between the employer and the talented worker in which each party has expectations about mutual promises and obligations. This relationship is usually referred to as the Psychological Contract (Levinson, Price, Munden, Mandl, & Solley (cited by Linde, 2007, p. 16). The Psychological Contract is reciprocal in that the employer also participates in and

contributes to the experiences and the perceptions of the worker in the workplace. The Psychological Contract, however, has changed because of the transformation taking place in workplaces. It can be said that “the rules of the game have changed” (Othman, Arsahad, Hashim, & Mdlsa, 2005, p.326). The significance of these changes is that, if the talented worker perceives (cognitively) that the organisation has failed to uphold its end of the Psychological Contract by not fulfilling its promises, a breach of Contract occurs (Hellgren, 2003; Morrison & Robinson, 1997). This can result in a talented worker leaving the organisation.

The question prevails whether understanding the experience and perceptions of the Psychological Contract between talented virtual workers and organisations will help to build and retain a sustainable engaged workforce for future projects. Although previous research was conducted with regard to the Psychological Contract, no research has been conducted where a comparison was made between the experiences and perceptions of virtual talented workers about employers’ obligations in the home country and the host country in order to:

- understand the Psychological Contract with virtual talented workers working on projects.
- understand if the Psychological Contract is experienced and perceived differently by those in the home and those in the host country.
- develop guidelines for organisations in terms of the Psychological Contract with virtual talented workers in order to retain them.

This mutually beneficial relationship and its range of perceived obligations, from the talented worker’s perspective, will be the fundamental motivation for conducting this research. The perceptions and experiences of virtual talented workers (working in the home country and abroad) with regard to their work and employer will be investigated, as well as emotions and affective reactions (such as intention to leave, job insecurity, lack of organisational commitment) when breach and violation of contract are perceived.

Against this background the problem statement is formulated as follows:

Unfulfilled promises (perceptions about breach and violation of the Psychological Contract) (lack of support, career limiting options and unreasonably high workload) result in a higher level of job insecurity, lack of organisational

commitment and intention to leave for those talented workers who have worked abroad.

In order to obtain the relevant information, the following secondary research questions were formulated:

- What are the expectations of virtual talented workers with regard to the employers' obligations?
- What are the expectations of virtual talented workers with regard to their obligations to their employers?
- To what extent do breach and violation of the Psychological Contract with virtual talented workers correlate with their intention to resign?
- What specific job features (fulfilled promises) do virtual talented workers need in order to feel that the Psychological Contract is mutually beneficial (with regard to career options, support from supervisors/organisations and fair work load)?
- Which unfulfilled promises will result in lack of organisational commitment, increased probability of leaving and job insecurity?
- Do virtual talented workers who have worked abroad experience the Psychological Contract differently to talented workers who have only worked in their home country?
- Is there a difference in talented workers who have worked abroad and those who have not in their beliefs with regard to finding alternative employment?

1.2 RESEARCH OBJECTIVES

The research objectives are divided into a general objective and specific objectives.

1.2.1 General objective

The general objective of this research is to determine the extent to which the perceptions and experiences of breach and violation of the Psychological Contract impact on the retention of the virtual talented worker.

1.2.2 Specific objectives

The specific objectives of this research are to:

- determine the expectations of virtual talented workers regarding the employer's obligations;
- determine the expectations of virtual talented workers regarding their obligations to the employer;
- determine whether the breach and violation of the Psychological Contract of the virtual talented workers correlate with their intention to leave the organisation;
- identify the specific job features (fulfilled promises) that virtual talented workers need, to feel that the Psychological Contract is mutually beneficial;
- determine the correlation between unfulfilled promises with the lack of organisational commitment, intention to leave and job insecurity;
- determine whether virtual talented workers who have worked abroad experience a difference in their Psychological Contract and a higher level of intention to leave the organisation than talented workers working in their home countries;
- make recommendations for organisations and for future research

The following hypotheses are identified in addition to these objectives:

- H₁: The respondents experience a higher level of employer's obligations, than obligations to the employer.
- H₂: The respondents who have worked on projects abroad experience a higher level of breach and violation of the Psychological Contract
- H₃: The respondents who have worked abroad display higher levels of job insecurity, lack of organisational commitment and intention to leave than their counterparts based in the home country.
- H₄: Lack of support from both the organisation and the supervisor could result in job insecurity, lack of organisational commitment and the intention to leave.
- H₅: Respondents who have been exposed to international work experience believe more readily that they can obtain work elsewhere, than those who have only worked in their home country.

Relationship between variables

Pearson product-moment correlation coefficients will be computed to determine the relationships between the variables. One way regression analysis will be conducted to study the interaction effects between the following variables:

- High workload and lack of support and its relationship to lack of organisational commitment and intention to leave;
- Lack of support and its relationship to job insecurity, lack of organisational commitment and intention to leave;
- Career limiting options and its relationship to job insecurity, lack of organisational commitment and intention to leave;
- High workload and career limiting options and its relationship to lack of organisational commitment and intention to leave;

The following hypothesis was formulated with regard to the correlations:

H₄: Lack of support from both the organisation and the supervisor could result in job insecurity, lack of organisational commitment and the intention to leave.

Differences between the talented workers who worked in their home country and those who worked abroad

The *t*-test will be used to determine the differences between the two groups. The central task is to compare the experiences and perceptions of the two groups regarding the Psychological Contract and to determine whether there were any differences with regards to:

- Higher level of violation of contract breach and violation from respondents who have worked abroad
- Higher level of intention to leave from respondents who have worked abroad on projects.

The following hypotheses are formulated in this regard:

H₁: The respondents experience a higher level of employer's obligations, than obligations to the employer.

H₂: The respondents who have worked on projects abroad experience a higher level of breach and violation of the Psychological Contract, than those who have only worked in their home country.

H₃: The respondents who have worked abroad display higher levels of job insecurity, lack of organisational commitment and intention to leave.

- H₅ Respondents who have been exposed to international work experience believe that they can obtain work more readily elsewhere than those who have only worked in their home country.

1.3 RESEARCH METHODOLOGY

The research methodology constitutes a literature review and an empirical study to achieve its goals. Results obtained will be presented in the format of a research article. As separate chapters were not designated for a literature review, this section focuses on aspects relevant to the empirical study.

1.3.1 Literature review

The literature review will focus on previous research done on virtual talent management. The following will be used as data bases:

- Library catalogues
- Internet: various search engines
- International Industrial Psychology, Applied Psychology and IT Journals
- National popular Human Resource Management Journals

The following sources will, however, be used as main sources of relevant literature:

Conferences focusing on retention and talent management, such as the 2nd Annual Succession Planning and Talent Management Conference (AMC, 2006) and Employee retention workshop (Ripple Training Conference, 2005). These presentations enlightened the researcher about best practises and trends in talent management, work engagement, organisational commitment, career management, Psychological Contract and retention.

Linde's (2007) four articles compiled in his book "Employment Relations, the Psychological Contract and WorkWellness in the Higher Education Sector in South Africa" will be used to obtain information on the contract and Psychological Contract, as well as breach and violation of the Psychological Contract.

The Psycones Report (Kerstin, 2002) and Psycones Questionnaire (Kerstin, 2002), developed by the National Institute of Working Life in Sweden (Kerstin, 2002), will be used to obtain information about the Psychological Contract.

An overview is subsequently given of the Psychological Contract, talent management and retention.

1.3.2 Empirical study

The empirical study consists of the research design, a brief description of the participants, data collection and statistical analyses.

1.3.3 Research design

A quantitative research design will be used to obtain the desired research objectives.

In the research design the independent variable will be the Information Technology (IT) project which could be abroad or in the home country. The Psychological Contract (content, state and features) is indicated as the mediating component. The experience and perception of the Psychological Contract will impact on the talented worker's perception on employment prospects (job security/employability), organisational and supervisory support (or lack thereof), workload, which in turn would lead to negative work related attitudes, namely intention to quit and lack of organisation commitment. Further focus will also be on the role of the workplace – in South Africa and abroad – as the moderator to the Psychological Contract and intention to leave.

1.3.4 Participants

A purposeful/availability sample of talented workers working in the ERP industry (field of IT) will be taken. This is a unique environment and the participants are drawn according to availability. The sample consists of two groups: those who work abroad and those who have worked on projects in the home country (SA).

Thus the researcher endeavours to target a sample of 100 participants (talented workers in the virtual domain, divided more or less equally between those working on projects in the home country and those who have worked on projects abroad). The sample consists of females and males.

1.3.5 Measuring battery

A short biographical questionnaire was developed to gather information about the demographical characteristics of the participants. This includes information about employment type, contract period, gender, marital status, hours at work, impact of traffic congestion and national/international work experience.

The Psycones Questionnaire (Psychological Contracts across Employment situations) (Kerstin, 2002) – developed as a measuring instrument to measure the Psychological Contract across countries and race within the workplace – will be completed by the participants.

The Psycones features questions designed to assess cognitive and physical components of the Psychological Contract; it is not restricted to human service professions, but can be applied to any occupational group. The questionnaire is selected for this study on account of its reported acceptable internal consistency (Kerstin, 2002). The Psycones self-administering questionnaire includes the following constructs (Kerstin, 2002):

Contract expectation

Violation of the Psychological Contract

Employment prospects:

- Job insecurity
- Employability
- Workload
- Perceived organisational support
- Perceived supervisory support

Work related attitudes:

- Organisational commitment
- Intention to quit (Note: this phrase will be used in the study as it is the way intention to resign is denoted in the Psycones Questionnaire)

These constructs are seen as interrelated and exerting reciprocal influence.

The dimensions that will be used in this study on account of their relevance to the ERP environment, is summarised in Figure 1:

Figure 1

Dimensions used in the questionnaire (Psycones Questionnaire, Kirsten, 2002)

Items	Examples of Questions
Talented worker prospects (4 items)	I think my present employment Contract/assignment will be renewed when it expires.
Time pressure (4 items)	Are you pressed for time?
Employer obligations (15 items)	Ensure fair treatment (by managers and supervisors)
Emotions concerning Psychological Contract (6 items)	I feel (disappointed/violated/pleased)
Talented worker obligations (16 items)	Do you show loyalty (to your organisation or client?)
State of the Psychological Contract	To what extent do you trust senior management (to look after your best interests?)
Organisational commitment (5 items)	Even if this organisation or client was not doing well, I would be reluctant to change (to another employer or client).
Perceived organisational support (4 items)	My organisation or client I work for really cares (about my well being)
Job insecurity (4 items)	I feel insecure about the future of my job.
Intention to quit (4 items)	These days I often feel like quitting
Social support (4 items)	My supervisor is helpful in getting the job done
Employability (4 items)	I am confident that I could quickly get a similar job

The research will be executed within the field of the IT industry. The organisations concerned operate in a global market.

1.3.6 Data collection and statistical analysis

Access will be gained through contacts at both private and public organisations in South Africa. Permission will be acquired through the project managers in the ERP industry.

The gathered information will indicate:

- How these assignments met with respondents' expectations or how these assignments fell short of their expectations and therefore either impacted positively or negatively on retention.

- What job features (fulfilled promises) in their work environment is important to virtual talented workers to be committed to the organisation.

The survey will focus, inter alia, on uncovering experiences and perceptions with regard to the Psychological Contract that the talented virtual teams from SA (working on overseas assignments) see as beneficial to them and that could have a significant effect on organisational commitment and retention necessary for building a sustained workforce.

The knowledge that emerges from this empirical research will be used to develop guidelines to be used by organisations for building a sustainable workforce by means of work engagement (organisational commitment and productivity) and for retaining their virtual talented workers.

The data analysis will be done by means of SPSS for Windows (version 12.0) (SPSS Inc., 2003) and the following statistical analyses will be done:

Descriptive statistics

The statistical analysis will be conducted with the aid of the SPSS-program (SPSS Inc., 2003). Descriptive statistics (e.g. means, standard deviations, range, skewness, and kurtosis) and inferential statistics will be used to analyse the data associated with the various constructs to reach the objectives of this research.

In addition, Cronbach alpha coefficients will be used to determine the internal consistency (Eiselen, Uys, & Potgieter, 2002; Clark & Watson, 1995). The Pearson product-moment correlation coefficients will be used to examine the linear relationship between the variables. In terms of statistical significance, it was decided to set the value at a 95% confidence interval level at 0,05 (Eiselen, Uys, & Potgieter, 2002). Effect sizes (Steyn, 1999) will be used to decide on the practical significance of the findings. A cut-off point of 0,30 (moderate effect)(Cohen, 1988, Eiselen, Uys, & Potgieter, 2002) is set for the practical significance of correlation coefficients.

Hypothesised relationships will be tested empirically.

The *t*-test will be used to determine the significance of differences (in terms of intention to leave and obtaining work elsewhere) between the talented workers who work in their home country and those who have worked abroad (Eiselen, Uys, & Potgieter, 2002).

1.3.7 Ethical measures

During the research ethical measures will be adhered to by obtaining the consent of the participants, the international project leader, as well as the project leader of the talented virtual workers. The respondents will also be assured of confidentiality (Leedy, 1997).

1.4 DIVISION OF CHAPTERS

In this mini-dissertation, the chapters are presented as follows:

Chapter 1: Introduction

Chapter 2: Research article

Chapter 3: Conclusions, limitations and recommendations

1.5 CHAPTER SUMMARY

Chapter 1 focuses on the problem statement, research objectives and research method in this study. This was followed by a division of the subsequent chapters.

Chapter 2 focuses on the empirical study.

Chapter 3 focuses on the limitation of the study and recommendations

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CHAPTER 2

RESEARCH ARTICLE

THE INTENTION TO LEAVE THE WORKPLACE: THE ROLE OF UNFULFILLED PROMISES

ABSTRACT

The general objective of this research was to determine the extent to which the perception and experience of breach and violation of the Psychological Contract impacts on the retention of the virtual talented worker. A survey design was used. An availability sample ($N = 90$) of talented workers in the Enterprise Resource Planning industry (ERP) in South Africa completed the Psycones questionnaire. Data analyses indicated that talented workers will be intent on leaving if they experience violation of the Psychological Contract. Results, however, indicated that there are on the whole no significant differences between talented workers who have had international work experience and those who have not. This can be ascribed to the fact that both groups have critical and specialised skills that organisations require. Employees who had international exposure, however, differed significantly from those who did not in that the former believe that they could more easily obtain employment elsewhere. It was evident in this study that, because of the relationship between the Psychological Contract and the intention to leave, organisations will have to take cognisance of the Psychological Contract in their retention strategies.

OPSOMMING

Die doelwit van hierdie studie was om te bepaal in watter mate die perspesie en die verbreking van die psigologiese kontrak 'n impak het op die retensie van die virtuele talentvolle werker. 'n Opname-ontwerp is gebruik. 'n Beskikbaarheidsteekproef ($N = 90$) van werknemers in die Ondernemingsbronnebeplanning (Enterprise Resource Planning (ERP)) bedryf het die Psycones-vraelys voltooi. Data-analise het getoon dat talentvolle werknemers sal bedank as hulle kontrakbreuk ervaar. Bevindinge het getoon dat daar nie beduidende verskille is tussen die werknemers wat internasionale ervaring het en dié wat net in die land van herkoms gewerk het nie. Dit kan toegeskryf word aan die feit dat beide groepe kritieke gespesialiseerde vaardighede het wat werkgewers benodig. Daar was egter 'n verskil ten opsigte van een aspek tussen werkers wat internasionale blootstelling gehad het en dié wat dit nog nie ervaar het nie, naamlik dat die eersgenoemde groep oortuig was dat hulle makliker werk elders kan kry. Dit was duidelik in die studie dat daar 'n verband bestaan tussen die psigologiese kontrak en die intensie om die werkgever te verlaat. Organisasies sal dus kennis moet neem van die psigologiese kontrak in hulle strategiese beplanning met betrekking tot retensie van talentvolle virtuele werknemers.

To create a sustainable competitive advantage, organisations need to hire workers who excel at their work (Parrish, 1977), or “talented workers”, as it is through these workers that an organisation's business strategies are realised (Veldsman, 2006). Globalisation of work has become a “profound and irreversible trend” (Gandossi & Kao, 2004, p.1), enables organisations to draw their workforce from all over the world. Conversely, it also enables talented workers to seek employment worldwide. Furthermore, the rapid development of technology has created a virtual world that is seen as one factor within globalisation that may empower organisations to make use of talented workers worldwide. By means of this virtual world a broader pool of talented workers are gained by an organisation, as the virtual world is not limited to a specific geography (Parrish, 1997).

In the past organisations relied on the quality of product and service to give them a competitive advantage. However, in the current global market knowledge has become the key economic resource and the source of competitive advantage (Drücker, 1995, cited in Denton, 2006), and organisations realise that they benefit financially from talented workers who generate capital by means of their competence (sought-after knowledge), skills (understanding of systems and creative problem solving methods) and their behaviour – attributes that help them to adjust to the changing demands of the global business world (Birt, Wallis, & Winternitz, 2004; Phelps, 2003). Consequently these talented workers are in high demand by organisations, as the organisations are more dependent on them than vice versa to stay afloat in the highly competitive world of business (Drücker, cited in Birt et al., 2004; HRFocus, 2004; Phelps, 2003). Consequently organisations should not only try to hire the best, but should also make a concerted effort to retain their talented workers to build a sustainable workforce (Sheppard, 2004). According to Veldsman (2006, p. 6) the competition for talented workers could result in a talent “war” where the only way to win is to view talented workers as “value unlockers and wealth creators which is central to sustainable organisational success”. It is, therefore, imperative for organisations to understand what experiences and perceptions virtual talented workers have of their employers' obligations in order to retain them as talented workers and increase their commitment to the organisation.

The relationship between employers and talented workers implies an exchange where each party has expectations about mutual promises and obligations. This relationship is referred to as the Psychological Contract (Levinson, Price, Munden, Mandl, & Solley, cited by Linde, 2007, p. 16), initially seen as an exchange for loyalty and security (Hendry & Jenkins, 1997, p. 39) and one of the most widely used explication models for understanding negative reactions, such as job insecurity, diminished loyalty to the

organisation and diminished work engagement (commitment to the organisation and work performance) (De Witte & Näswall, 2003).

Current definitions of the Psychological Contract include individual beliefs (expectations and obligations) based on perceived promises (Rousseau, 1995) and refer to the mental schema of talented workers regarding their beliefs about the exchange relationship between employer and worker (Pugh, Scarlicki, & Passel, 2003). This implies that the talented worker could have a subjective understanding and experience of the organisation's promises and obligations towards him (McLean Parks, Kidder, & Gallagher, cited by Linde, 2007). The Psychological Contract could therefore be seen as a reciprocal set of practical and emotional expectations of benefits that employers and talented workers can reasonably have of each other.

It can furthermore be stated that if the talented worker perceives (cognitively) that the organisation has failed to uphold its end of the Psychological Contract by not fulfilling its promises, a breach or violation of contract occurs (Hellgren, 2003; Morrison & Robinson, 1997). This breach or violation that is experienced results in an emotional and affective reaction that could impact directly on talented worker behaviour (Morrison & Robinson, 1997; Schalk, Heinen & Freese, 2001). This could result in job dissatisfaction and insecurity, as well as diminished organisational commitment and reduced loyalty (S. S. Walters, personal communication, October 16, 2006).

Veldsman's (2006) view of talent management as a two-way match and engagement between the organisation and people for mutual benefit refers to the same principles as those inherent in the Psychological Contract. Many organisations, however, have not built a sustained and engaged (committed and productive) workforce as they have not given attention to the Psychological Contract. The practices that the organisations have focussed on were mostly beneficial to the organisation and not to the virtual talented worker. Organisations should consider that these talented workers are not only specialists, but are normally also career minded. If organisations only focus on how they can benefit from the expertise of these talented workers and do not look after their workers' needs, benefits and careers, these organisations could be perceived negatively (Schreuder & Theron, 2001 cited by Birt et al., 2004; Veldsman, 2006). Consequently the talented workers could become less committed to the organisation, start seeking alternative employment and eventually resign (Denton, 2006; Othman, Arsahad, Hashim, & Mdlsa, 2005). In addition, companies that have gained a negative image as a result of their ignorance of the Psychological Contract will not be in a strong position to attract,

develop and retain virtual talented workers for future projects (S. S. Walters, personal communication, October 16, 2006). In contrast, if an organisation has shown an ongoing commitment towards their talented workers by creating a mutually beneficial relationship where a qualitative work environment (having work-based support provided by supervisors and work-colleagues) (Lim, 1997; The DPSA, 2006) exists, the organisation has the potential to retain the talented workers and could thereby secure a competitive advantage (Liebmann, 2005).

The question arises whether an understanding of the experiences and perceptions of the Psychological Contract between talented virtual workers and organisations will assist to retain and build a sustainable engaged workforce for future projects. Although research was previously conducted on the Psychological Contract, no research could be found where a comparison was made between the experiences and perceptions of virtual talented workers in the home country versus the host country about the employer's obligations in order to:

- understand the Psychological Contract with virtual talented workers;
- determine whether the Psychological Contract is experienced and perceived differently by workers in the home versus those in the host country;
- develop guidelines for organisations in terms of the Psychological Contract with virtual talented workers in order to retain them.

This mutually beneficial relationship and its range of perceived obligations from the talented worker's perspective, therefore, was the fundamental motivation for conducting this research. The perceptions and experiences of virtual talented workers (working in the home country and abroad) with regard to their work and employer was investigated. Emotions and affective reactions (such as intention to leave, job insecurity and lack of organisational commitment), when breach and violation of contract are perceived, were also reviewed.

The problem that was researched in this study was whether the reactions that result from the perceived breach and violation of the Psychological Contract could result in job insecurity and lack of commitment on the part of talented workers. Furthermore, whether this could eventually result in problems with regard to building a sustainable workforce (because of high staff turnover) and retention problems on the part of the organisation, specifically with regard to workers in the home country and those who work abroad. In order to narrow the scope of the research to achieve a viable research focus, the

research was conducted within the Enterprise Resource Planning (ERP) industry in South Africa.

As no formal research has previously been conducted regarding the understanding of the impact of the Psychological Contract on retaining the talented virtual workers who work in their home country versus those who have worked abroad, the researcher will, in the following literature research, focus on the impact on organisations, if they do not understand or use the Psychological Contract to their advantage.

It would be sensible to perform the investigation according to specific categories. Denton (2006, p. 10) proposed the following model (refer Figure 2) to either determine whether the talented workers are committed to the organisation and work or whether there is an intention to leave. A sustainable workforce can be built with the two categories of talented workers mentioned in the top section of the figure. The proposed categories differentiate between four types of talented workers, which the organisation is at risk to lose.

Figure 2

Categories of talented workers (Denton, 2006, p. 10)

Uncommitted to company Committed to work CAREER ORIENTATED	Committed to company Committed to work AMBASSADORS
Uncommitted to company Uncommitted to work UNCOMMITTED	Committed to company Uncommitted to work COMPANY ORIENTATED

An **AMBASSADOR** is committed to the organisation and to his/her work.

A **CAREER ORIENTATED** talented worker is uncommitted to the company, but committed to work. Such a talented worker is more focused on his/her career development. This type of talented worker may be highly productive, but could be at risk of resigning, if he/she perceives that there is a breach and violation of the Psychological Contract.

A **COMPANY ORIENTATED** talented worker will promote the company, but is dissatisfied with or do not care about the work that he/she is doing.

An **UNCOMMITTED** talented worker is uncommitted to the company and uncommitted to work and is therefore not enthusiastic about the type of work or the organisation.

Based on these categories, organisations should attempt to attract and retain the ambassadorial and career orientated types of talented worker. Organisations will have to determine why one talented worker is committed to the organisation and another is not. The answer may well be embedded in the perceived and unwritten Psychological Contract between the virtual talented worker and the organisation.

UNWRITTEN PSYCHOLOGICAL CONTRACT ABOUT THE TALENTED WORKERS' EXPECTATIONS IN SOUTH AFRICA

Green, the principal consultant of the Chandler Management Education Group (2006, p.1) states that “despite fluctuating economic times and increased globalization of jobs, most employers are finding it hard to keep good workers. The reality of today's job market is that workers are expecting more from their employers and are not afraid to move on if their needs are not met by your organization.” This scenario is also applicable to South Africa. If South African companies want to compete internationally, they have to ensure that talented workers (who have the ability to work internationally) are retained (Kaye & Jordan-Evans, 2005), by honouring the Psychological Contract.

In South Africa talent management of virtual workers is complicated by talented worker mobility. The increased worker mobility in South Africa could be ascribed to an improved business climate (HRFocus, 2004) and to the Employment Equity Act (Act no 55 of 1998). This Act entails the appointment, training, promotion and retention of designated groups (such as Blacks, Coloureds, Asians, women and people with disabilities) that must be redressed in all occupational categories and levels in the workplace (The DPSA, 2006; Grobler, Wörnich, Carrell, Elbert, & Hatfield, 2002). Consequently the talented workers within these designated groups could be targeted by other organisations in order to comply with the prescribed representation of designated groups. This results in even higher levels of mobility between organisations as talented workers in these groups seek better opportunities in terms of promotion and compensation (The DPSA, 2006).

It can also be stated that talented workers, passed over for job appointments and promotion due to the Employment Equity Act (Act no 55 of 1998) might be ready to move on, as they experience that the Psychological Contract has been violated because the organisation benefits from their expertise, knowledge and skills, but that they are not being rewarded for their input. As they are career orientated and perceive that their careers are on hold, it will impact on their behaviour which could result in disengagement and lack of commitment to the specific organisation they work for and an intention to leave (The DPSA, 2006). This intention to leave and the lack of commitment of talented workers was underscored by the following statement by the Chief Information Officer (CIO) of the US High Technology Company: "I am worried that we are losing the heart and minds of our talented workers. We do not know what they are thinking and feeling. I can't help but think that even though they are still here, they have really checked out" (in Veldsman, 2006, p. 25.). If the Psychological Contract is not honoured between an organisation and its virtual talented workers, and good work opportunities are limited (as is the case in South Africa), with better offers and opportunities offered abroad, organisations could lose their talented workers to countries abroad. The talented workers will only stay until they find a better opportunity. Furthermore, Gandossi and Kao (2004) warn that, because of globalisation, organisations could start competing for talented virtual workers. Subsequently some organisations could face a flood of exiting talented workers and lose their competitive advantage, if they do not understand the principles of the Psychological Contract and manage their talent accordingly.

Understanding the Psychological Contract in order to perform talent management (and for purposes of this study manage virtual talented workers) should therefore be seen as a "strategic business priority" (HRFocus, cited in Birt et al., 2004, p. 25), where the organisation focuses on strategies that ensure that the talented workforce is retained. Talent management is particularly critical in the environment of Information Technology (IT) because the success of implementation and support of projects depends to a large extent on the skills, ideas and innovation that IT people deliver. Although talent management is an important workforce challenge and should be seen as an important business strategy, organisations in the IT and financial fields have experienced increased difficulties in retaining talented workers in South Africa. This can be ascribed to the following:

- the Psychological Contract and how it should be mutually beneficial to both parties (the organisation and the virtual talented worker) is mostly ignored in many organisations;

- the focus has been on the management of technology rather than on leading teams;
- little emphasis has been placed on the education of managers on how to manage and motivate human capital, to enable the company to use talent as a competitive advantage (Liebmann, 2005).

If the organisations honour their side of the Psychological Contract, they will ensure that the talented workers are work engaged (committed and productive) and retained. If talented workers are not work engaged, organisations will start losing high calibre talented workers. Furthermore, if these talented workers could point out what they view as important in the Psychological Contract, organisations could address the shortfalls, to ensure that they build a sustained productive and engaged workforce, which could result in the retainment of talented workers (Birt et al., 2004).

Against this background the problem that was to be reviewed in this research is formulated as follows:

Unfulfilled promises (perceptions about breach and violation of the Psychological Contract, lack of support, career limiting options and high workload) could result in a higher level of job insecurity, lack of organisational commitment and increase the possibility that talented workers will leave.

RESEARCH QUESTIONS AND OBJECTIVES

From the problem statement above the following general research question has been identified:

To what extent do the perception and experience of breach and violation of the Psychological Contract impact on the retention of the virtual talented worker?

1.2.1 Objective

The general objective of this research was to determine the extent to which the perception and experience of breach and violation of the Psychological Contract impact on the retention of the virtual talented worker.

The following hypotheses were identified:

- H₁: Respondents experience a higher level of employer's obligations, than obligations to the employer.
- H₂: Respondents who have worked on projects abroad experienced a higher level of breach and violation of the Psychological Contract than those who have only worked in the home country.
- H₃: Respondents who have worked abroad display higher levels of job insecurity, lack of organisational commitment and intention to leave than their counterparts based in the home country
- H₄: Lack of support from both the organisation and the supervisor could result in job insecurity, lack of organisational commitment and the intention to leave.
- H₅: Respondents who have been exposed to international experience believe that they can obtain employment more readily elsewhere than those who have only worked in their home country.

METHOD

Research design

A survey design, whereby a sample is drawn from the available population, was used to obtain the desired research objectives.

Participants

The participants could be defined as an availability sample of talented workers working in the ERP industry. A sample of 100 talented virtual workers was targeted from the total population. A response rate of 90% was achieved, of which all responses (100%) could be utilised. Descriptive information of the sample is provided in Table 1.

The sample consisted of 49% talented workers whose work experience was in the home country (South Africa) and 51% talented workers who have had international experience.

Measuring battery

The following measurement instruments were used in the empirical study:

A short biographical questionnaire was developed to gather information about the demographical characteristics of the participants. Information gathered included

employment type, gender, marital status, work hours per week, impact of traffic congestion in choice of work and work experience (at home/abroad). The findings are summarised in Table 1.

Table 1
Characteristics of Participants

Item	Category	Frequency	Percentage
Employment type	Independent contractor	12	13%
	Contracting house	44	49%
	Permanent employees	34	38%
Contract period	0-6 months	3	4%
	6-12 months	18	26%
	12 months and longer	48	70%
Gender	Male	46	51%
	Female	44	49%
Marital status	Single	15	17%
	Engaged	5	6%
	Married	60	67%
	Divorced	9	10%
	Separated	0	0%
	Widow/er	1	1%
Work hours per week	21-30	4	4%
	31-40	22	24%
	41-50	55	61%
	51 and more	9	10%
Traffic congestion	Influences workplace choice	72	80%
	Does not influence workplace choice	18	20%
Work experience	Home country only	44	49%
	Have worked abroad	46	51%

Most of the respondents were contractors who were employed via a contracting house (49%). The average contracting period was longer than a year (70%). Most of the respondents (67%) were married and indicated that they work 41 hours or more per week (61%), which implies a high workload. Ten percent worked even more than 51 hours per week. The majority of the participants indicated that traffic congestion plays a role in their choice of workplace (80%).

The Psycones Questionnaire (Kerstin, 2002) was the core instrument of this project, as research performed by the National Institute of Working Life in Sweden indicated that this questionnaire could be used in an effort to determine whether the measure of fulfilment or violation of the Psychological Contract impacted on the outcomes.

This questionnaire comprises of the following five sections (Kerstin, 2002, p. 29):

- Present job and employment contract
- Job characteristics and performance in the present job
- Attitudes towards the job and organisation
- Health and well-being,
- Background information

The Psycones Questionnaire features questions that were designed to assess the Psychological Contract and is not only restricted to human service professions, but can be applied to any occupational group. It was reported that the internal consistency of the Psycones was acceptable, with all the Cronbach's Alpha coefficients being 0,70 and higher (Kerstin, 2002). (Refer to Annexure A for the complete questionnaire.)

For the purpose of this research the researcher focused on the following items in the questionnaire:

Figure 3

Dimensions and examples of the items used in the questionnaire in this research (Kerstin, 2002)

Items	
Talented worker prospects (4 items)	Organisational commitment (5 items)
Time pressure (4 items)	Perceived organisational support (4 items)
Employer obligations (15 items)	Job insecurity (4 items)
Emotions concerning Psychological Contract (6 items)	Intention to quit (4 items)
Talented worker obligations (16 items)	Social support (4 items)
State of the Psychological Contract (6 items)	Employability (4 items)

Statistical analysis

The statistical analysis was conducted with the aid of the SPSS-program (SPSS Inc., 2003). Descriptive statistics (means, standard deviations, skewness and kurtosis) were used to analyse the data. Cronbach alpha coefficients were used to determine the internal consistency of the measuring instrument (Eiselen, Uys, & Potgieter, 2007). A reliability coefficient, higher than 0,7, was required for the results to be considered reliable.

Pearson product-moment correlation coefficients were used to specify whether the relationship between the variables was linear. This means that the values should be between +1 (increased linearship) and -1 (decreased linearship). In terms of statistical significance, it was decided to set the value at a 95% confidence interval level ($p = 0,05$). Effect sizes (Eiselen, Uys & Potgieter, 2002; Steyn, 1999) were used to decide on the practical significance of the findings. A cut-off point of 0.30 (medium effect) (Eiselen, Uys, & Potgieter, 2002; Cohen, 1988) was set for the practical significance of correlation coefficients.

T-tests were performed to indicate which working group (those who have worked nationally or internationally) differed significantly.

RESULTS

Descriptive information of the sample is provided in Table 2.

Table 2

Descriptive Statistics and Alpha Coefficients of the Psycones Questionnaire

Item	Mean	Skewness	Kurtosis	α Coefficient
<i>Employer obligations</i>	43.69	-0.43	-0.65	0.95
<i>Talented worker obligations</i>	61.73	-1.01	0.79	0.86
<i>Emotions concerning the Psychological Contract</i>	17.79	-0.27	2.05	0.70
<i>State of the Psychological Contract</i>	9.34	1.17	-1.74	0.93
<i>Job insecurity</i>	7.57	1.00	0.32	0.82
<i>Time pressures</i>	19.64	-0.27	-0.71	0.81
<i>Intention to quit</i>	9.11	0.84	-0.77	0.93
<i>Organisational commitment</i>	20.84	-0.62	-0.42	0.72
<i>Perceived organisational support</i>	12.49	-0.17	-0.01	0.82
<i>Social support</i>	14.76	-0.66	-0.27	0.92
<i>Employability</i>	16.87	-1.00	0.18	0.92

Table 2 indicates that acceptable Cronbach alpha coefficients, varying between 0,69 and 0,95 were obtained. All the alpha coefficients were higher than the guideline of 0,70 (0,55 in basic research), demonstrating that a large portion of the variance is explained by the dimensions (internal consistency of the dimensions) (Nunnally & Bemstein, 1994). One dimension's Cronbach alpha was on the borderline, namely Emotions concerning the Psychological Contract (0,69), therefore it was decided to keep the scale. One dimension (talented worker prospects) did not meet the criterion of 0,7, as its Cronbach alpha coefficient was only 0,54; it was consequently excluded from the statistical analysis.

It is evident from Table 2 that some of the scales of the measuring instruments have relatively normal distributions, with low skewness and kurtosis. However, there were scales that differed substantially from 0, but the samples were large enough to warrant the use of parametric statistics like the *t*-test. This reasoning is based on the centre limit theorem (StatSoft, 2003a; StatSoft, 2003b).

The following hypotheses have been confirmed by interpreting the mean scores on the descriptive table.

- H₁: Respondents experience a higher level of employer's obligations, than obligations to the employer.
- H₄: Lack of support from the organisation and the supervisor could result in job insecurity, lack of organisational commitment and the intention to leave.

The mean scores of the items designated "Employee obligation" and "Employer obligation" were 61,73 and 43,68 respectively. The higher employee score indicates that employees felt that they would put in extra hours, be good team players, assist others with their work and meet the performance expectations in order to achieve the business goals. The lower score regarding employer obligations, however, indicates that talented workers experience that they put in more effort than is being rewarded. Employee promises are largely kept, while the organisations are less inclined to honour their obligations. Based on this information, the first hypothesis (H₁) is therefore confirmed.

The item "Lack of support from the organisation" has a mean score of 12,48 and the "Social support" score is 14,75. The mean score for the item "Intention to quit" is 9,11 and that of "Job insecurity" 9,34. This indicates that the more talented workers experience lack of support the more they will be inclined to resign because of job insecurity; the fourth hypothesis (H₄) is therefore confirmed.

Product-Moment Correlation Coefficients

The Product-Moment correlation coefficient was used to determine whether the lack of support from the organisation and supervisor could result in job insecurity, lack of organisational commitment and the intention to leave. The product-moment correlation coefficients for items in this study are summarised in Table 3.

Table 3

Product-Moment Correlation Coefficients between the dimensions

	Employer Obligation	Talented worker obligation	Emotions/ Psycholo- gical Contract	State/ Psycholo- gical Contract	Job in- security	Time pressures	Intent to quit	Organisa- tional commit- ment	Perceived organisa- tional support	Social support
Employer obligations	1	-	-	-	-	-	-	-	-	-
Talented worker obligations	0.53 ***	1	-	-	-	-	-	-	-	-
Emotions concerning the Psychological Contract	0.14 *	-0.28 **	1	-	-	-	-	-	-	-
State of the Psychological Contract	0.4 **	0.08	-0.16	1	-	-	-	-	-	-
Job insecurity	-0.3 **	0.02	0.05	-0.29 **	1	-	-	-	-	-
Time pressures	-0.01	0.28 **	0.22 *	-0.29 **	0.3 **	1	-	-	-	-
Intention to quit	-0.53 **	-0.12	-0.14	-0.62 **	0.36 **	0.23	1	-	-	-
Organisational commitment	-0.53 **	0.36 **	-0.07	0.51 **	-0.29 **	-0.1	-0.49 **	1	-	-
Perceived organisational support	-0.56 **	0.22 *	-0.1	0.59 **	-0.18 *	-0.19	-0.56 **	0.62 **	1	-
Social support	-0.37 **	0.13	0.11	0.71 *	0.3 **	-0.11	-0.63 **	0.58 **	-0.58 **	1
Employability	0.05	-0.13	0	0.07	-0.16	0.02	0.15	-0.05	0.09	0.03

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

* Correlation is significant at the 0, 05 level (2-tailed)

+ $r > 0, 30$ (practically significant) (effect is medium effect)+ + $r > 0, 50$ (practically significant) (effect is large effect)**Conclusions drawn from the correlations (in descending order)**

- The statistically significant positive correlation (large effect) between the state Psychological Contract and social support ($r = 0,71$) implies that the higher the social support, the more the talented worker will feel that the state of the Psychological Contract has been honoured.
- The statistically significant negative correlation (large effect) between the social support and intent to quit ($r = -0,63$) indicates that the less talented workers experience social support from their supervisor, the more likely they will be to resign.
- The statistically significant negative correlation (large effect) between the state of the Psychological Contract and intention to quit ($r = -0,62$) suggests that the more talented workers experience that the state of the Psychological Contract has been violated, the more they will be intent on leaving the organisation.
- The statistically significant positive correlation (large effect) between the perceived organisation support and commitment to the organisation ($r = 0,61$) implies that the extent to which the talented workers perceive that the organisation supports them will determine the extent to which they will be committed and loyal to the organisation they work for.
- The statistically significant positive correlation (large effect) between the social support and commitment to the organisation ($r = 0,58$) may be interpreted to mean that the extent to which talented workers experience social support will determine the extent to which they will be committed to the organisation.
- The statistically significant positive correlation (large effect) between the state of the Psychological Contract and perceived organisational support ($r = 0,59$) implies that

the more the talented workers experience that they receive organisational support, the more they will experience that their Psychological Contract has been honoured by the organisation.

- The statistically significant positive correlation (large effect) between social support and perceived organisational support ($r = 0,57$) indicates that the more the supervisor is helpful and pays attention to problems talented workers may experience in their work, the more the workers will experience that supervisors care about them and their welfare.
- The statistically significant negative correlation (large effect) between the intention to quit and perceived organisational support ($r = -0,56$) implies that the less organisational support the talented workers experience, the more likely it will be that they will have the intention to quit or vice versa.
- The statistically significant positive correlation (large effect) between employer obligations and perceived organisational support ($r = 0,55$) could be interpreted to mean that the more the organisation has honoured its obligations as employers the more talented workers will experience that they are being supported.
- The statistically significant positive correlation (large effect) between commitment to the organisation and the employer obligations ($r = 0,54$) implies that if the organisation has honoured its obligations, then the talented workers will be more inclined to stay.
- The statistically significant negative correlation (large effect) between intention to quit and the employer obligations ($r = -0,53$) indicates that if the organisation has not honoured the obligations as perceived by the talented workers and do not have the required job features that form part of the latter's value system, they will be more inclined to quit. The opposite is also true namely that if the organisation has honoured their obligations the talented workers will be more inclined to stay.
- The statistically significant positive correlation between the talented worker obligations and the employer obligations ($r = 0,53$) shows that the more the talented workers perceived that the employers have fulfilled their obligations the more the employees will fulfil their obligations.
- The statistically significant positive correlation (large effect) between the organisational support and the state of the Psychological Contract ($r = 0,50$) implies that the more the talented workers experience support from their supervisors in getting the job done, the more they will experience that the state of the Psychological Contract has been honoured.
- The statistically significant positive correlation (large effect) between the state of the Psychological Contract and commitment to the organisation ($r = 0,50$) could be

interpreted to mean that if the talented workers experience that the organisations have honoured the state of the Psychological Contract (i.e. reward them fairly for the amount of effort put into their work) they will be committed to the organisations.

- The statistically significant negative correlation (medium effect) between the organisational commitment and intent to quit ($r = -0,49$) implies that the more committed talented workers are to the organisation, the less intent they will be intent on quitting.
- The statistically significant positive correlation (medium effect) between the state of the Psychological Contract and the employer obligations ($r = 0,40$) suggests that talented workers do not believe that the organisation do more than they should.
- The statistically significant positive correlation (medium effect) between the social support and the employer obligations ($r = 0,37$) implies that if the employer honours its obligations, supervisors would also show more concern in getting the job done by being supportive.
- The statistically significant positive correlation (medium effect) between the organisational commitment and the talented worker obligations ($r = 0,35$) indicates that if the employees are committed to the organisation they could well be talented workers displaying characteristics of quality workers.
- The statistically significant positive correlation (medium effect) between the intention to quit and job insecurity ($r = 0,35$) implies that the more the talented workers experience job insecurity the more they will be intent on leaving the organisation.
- The statistically significant negative correlation (medium effect) between job insecurity and the employer obligations ($r = -0,30$) implies that if the organisations do not honour their obligations then the talented workers will feel more insecure about their jobs and future in the organisation.

T-test

The *t*-test is analogous to the ANOVA (StatSoft, 2003b), therefore only the *t*-test was conducted to determine:

- whether the respondents who have worked on projects abroad experience a higher level of breach and violation of the Psychological Contract (H_2).
- whether the respondents who have had international exposure display higher levels of job insecurity, lack of organisational commitment and intention to leave, than their counterparts in the home country (H_3).

The results of these comparisons between the differences in means are reported in Table 4.

Table 4

Differences in Psychological Contract between the two groups (*those who worked abroad and those who worked in their home country*)

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference
Employer obligations	Equal variances assumed	3.93	0.05	1.61	88	0.11	6.7
	Equal variances not assumed			1.61	86.42	0.1	6.7
Employee obligations	Equal variances assumed	0.01	0.89	0.53	88	0.59	1.54
	Equal variances not assumed			0.53	87.95	0.59	1.54
Emotions Psychological Contract	Equal variances assumed	0	0.98	1.22	88	0.23	0.61
	Equal variances not assumed			1.22	87.98	0.23	0.61
State Psychological Contract	Equal variances assumed	1.02	0.31	0.31	88	0.75	0.17
	Equal variances not assumed			0.31	87.95	0.75	0.17
Job insecurity	Equal variances assumed	3.11	0.08	0.89	82	0.37	0.75
	Equal variances not assumed			0.88	69.98	0.38	0.75
Time pressure	Equal variances assumed	1.93	0.16	1.32	85	0.19	0.87
	Equal variances not assumed			1.31	80.99	0.19	0.87
Intention to quit	Equal variances assumed	0.76	0.38	-0.85	88	0.39	-1.18
	Equal variances not assumed			-0.85	59.97	0.39	-1.18
Organisational commitment	Equal variances assumed	0	0.92	-1.43	88	0.15	-0.97
	Equal variances not assumed			-1.43	87.7	0.15	-0.97
Perceived organisational support	Equal variances assumed	0	0.98	-0.04	88	0.96	-0.02
	Equal variances not assumed			-0.04	87.57	0.96	-0.02
Social support	Equal variances assumed	0.53	0.46	-0.39	88	0.69	-0.36
	Equal variances not assumed			-0.4	87.96	0.69	-0.36
Employability	Equal variances assumed	2.06	0.15	2.35	88	0.02	1.63
	Equal variances not assumed			2.37	85.01	0.02	1.63

No statistically significant differences ($p < 0,05$) regarding those who have worked abroad and those who have only worked in their home country could be found regarding a breach and violation of contract. Based on the above results, H_2 is therefore rejected.

No statistically significant differences ($p < 0,05$) regarding those who have worked abroad and those who have worked only in their home country could be found regarding higher levels of job insecurity and intention to leave. Based on the above results, H_3 is therefore rejected.

These findings can be ascribed to the fact that both groups comprise virtual talented workers who have specialised skills that are in high demand. They know that they will be able to find employment more easily than talented workers in other professions.

Statistically significant differences ($p < 0,05$) were found for employability. This means that those who have worked abroad do feel that they can leave if they want to as they have obtained international experience and believe that there are other opportunities elsewhere. *The impact of economic empowerment is therefore less on these employees.* Based on the above results H_5 has been confirmed.

DISCUSSION

The general aim of this research was to determine the extent to which the perception and experience of breach and violation of the Psychological Contract impact on the retention of the virtual talented worker. The data was gathered by using the questionnaire of Psycones (Kerstin, 2002). Cronbach alpha coefficients varying from 0,54 to 0,95 were obtained. All the dimensions (except the dimension "Employee prospects") had acceptable levels of internal consistency with alpha coefficients higher than the norm of $> 0,70$. This indicates that a large portion of the variance was explained by the dimensions (internal consistency of the dimensions) (Nunnally & Bernstein, 1994). Most of the scales of the instruments had relatively normal distributions, with low skewness and kurtosis. However, there were scales that differed substantially from 0, but the sample was big enough to justify the use of the t -tests. The central limit theorem was accepted here which implied that in spite of skewness the results could be accepted based on the bigger sample size (StatSoft, 2003a).

A Pearson product-moment correlation was conducted to determine the relationship between the variables. The result obtained indicated correlations between:

- The state of the Psychological Contract and social support which means that the more talented workers experience support from their superiors the more they will be able to trust senior management to look after their best interests (be appreciated by their supervisor and will be fairly paid for the amount of work that they do). Only one significant linear relationship exists, namely between the state of the Psychological Contract and the social support.
- Social support and intent to quit. This implies that if supervisors are not interested in employees' welfare and do not pay attention to the work problems they experience, the possibility that employees will resign increases.

- The state of the Psychological Contract and intention to quit: if the state of the Psychological Contract has been violated, it means that the talented workers perceived that they are not fairly rewarded for the amount of effort they have exerted. Because of this perception they will not trust management to keep their promises to look after their best interests. Conversely, employees who are rewarded fairly for the amount of effort put into their work, who perceive that management keeps its promises with regard to fair payment and treatment (for example not to cut back on incentives and perks) will be committed to the organisation.
- The perceived organisational support and commitment to the organisation which demonstrates that the extent to which talented workers perceive that the organisation supports them determines their commitment and loyalty to the organisation employing them. If their goals and values are in harmony with that of their organisation they will be loyal to the organisation, will put in effort and will be reluctant to leave the organisation. They will also feel that, because their values correspond to the organisation's values, they can identify with the organisation and feel pride in the execution of its business goals.
- The social support and commitment to the organisation which indicates that the extent to which the talented workers experience social support will be the extent to which they will be committed to the organisation. The more they receive help from their supervisor to achieve their goals and the more praise they receive from their supervisor about their quality of work, the higher their productivity will become. They will take pride in their work and experience that they have added value to the organisation. Therefore they will be inclined to stay.
- The state of the Psychological Contract and perceived organisational support. This means that the more the talented workers experience that they receive organisational support, the more they will believe that their Psychological Contracts have been honoured. Organisational support entails the support of the whole person and not only the support of the individual in his work. Organisational support therefore involves a concern about the talented workers' welfare, caring about their well-being and opinions and consideration of their goals and values. It also follows that the more the talented workers experience support from their supervisors in getting the job done, the more they will perceive that the organisation will fulfil their promises and will reward their employees for the amount of input.

- Social support and perceived organisational support. This means that the more the supervisor is helpful in getting the talented workers' jobs done and pays attention to problems they may experience in their work, the more they will experience that the organisations care about them as individuals and are really concerned about their welfare. This perception of support will be enhanced if the organisation can exhibit the following job features: participation in decision-making, fair treatment, providing a good working atmosphere, flexibility in their work demands, providing pleasant work relationships and environment, improving future prospects and providing challenging work.

It follows that if these job features exist, then talented workers will feel more inclined to work extra hours if required, be good team players, be punctual, volunteer to help others and do work outside their job description, meet the performance expectations of the job, develop new skills, take responsibility for their own career development and make lateral movements to obtain skills, work on jobs that they prefer not to be doing, turn up for work even if they do not feel well and treat the client with respect and respect their rules and regulations.

- Intention to quit and employer obligations. The more talented workers perceive that their organisations have fulfilled their obligations and that their supervisors show concern towards them in getting the job done, the more the employees will be prepared to fulfil their obligations towards the organisation. It also implies that the more committed they are to the organisation, the less intent they will have to quit.
- The intention to quit and job insecurity. This means that the more the talented workers experience job insecurity, feel that the organisation do not honour its obligations towards them, the more they will be intent on leaving the organisation. If the talented workers feel that there is not a future for them in the organisation, they will feel that they have to provide for themselves and – in spite of possible obligation (maybe finishing a project) – they will start looking for employment elsewhere.

The results indicated that if the talented workers perceive that the status of the contract is not honoured or the organisation is not fulfilling its obligations as it should, they will not be committed and will be intent on leaving. Because of the fact that these talented workers have rare specialised skills that organisations need, they know they can move on if the work environment and the job features do not comply with their value system. However, the opposite is also true. The results showed clearly that the organisations need to take

cognisance of the Psychological Contract and should consider that in their talent management.

The available empirical evidence supported hypotheses one and four.

As already indicated above, hypotheses two and three were rejected.

Hypothesis five was confirmed as talented workers who have worked abroad perceived themselves as more employable. This could possibly be ascribed to the knowledge that their international experience and specialised skills were highly sought after, positive attributes in the job market.

The overall conclusion is that the Psychological Contract and the state of the Psychological Contract have an impact on the talented workers' intention to leave.

RECOMMENDATIONS

In the ERP industry, talented workers have to realise the strategic objectives for the clients/companies they work for. Due to these talented workers' expertise and knowledge and their value added initiatives, it is important for organisations to gain an understanding of the Psychological Contract with talented workers in order to retain them.

Based on the knowledge of how talented workers view the Psychological Contract and what factors are important to them the following steps are recommended:

Step 1: Organisations should gain knowledge about the Psychological Contract.

Step 2: Managers should implement the Psycones Questionnaire to measure the state of the Psychological Contract in their specific workplace.

Knowledge gained by utilising the first two steps should enable organisations to identify what job features such as flexible hours, good teams, leadership development, job rotation and lateral movement (The DPSA, 2006) are important for talented workers in their specific work environment in order to retain them and reduce turnover.

Step 3: Analyse their talented workers' behaviour in relation to the representation of Denton's (2006) Categories of talented workers as summarised in Figure 2 above.

Step 4: This step is based on Green's guidelines to organisations (Green, 2006). It entails creating a quality work environment by:

- recognising the impact of the leader's/supervisor's behaviours and beliefs on the morale of the workforce;
- increasing active listening to the employees' problems by the organisation's leaders/supervisors;
- managing the workers' morale by creating a safe environment where they can communicate their disillusion, doubts and fears about their job and performance;
- managing the interaction and communication between co-workers;
- managing technical competence and work related efficiency by having regular discussions to ensure that talented workers meet their objectives irrespective of barriers;
- managing by means of a team approach which implies an attitude that all the team members could make a difference and ensure that the entire skill base is applied to move towards the goal.

The focus should be on creating a qualitative work environment where shortfalls are addressed for specific talented workers. The outcomes of the Psycones research in Europe resulted in the design of a qualitative work environment (Kerstin, 2002). Such a qualitative work environment will address the talented workers' needs and wants, but will also ensure that promises mutually agreed to are fulfilled (Kerstin, 2002).

A qualitative environment should include job features such as organisational support and social support as this will increase commitment to the organisation and the intent to stay. If a qualitative work environment exists that supports, encourages and rewards, it also means that employers care enough about the worker to select quality co-workers who could form part of the team and who are also committed to the team and its goals (Green, 2006). It also implies that supervisors and leaders listen to what employees say.

Step 5: Fulfil the organisation's obligations to the talented worker so that a reputation is created of an employer of choice.

Fulfilling the promises and obligations as an organisation to its talented workers could create a work environment that signals to the external environment that the organisation should be regarded as an employer of choice. Becoming an employer of choice implies that an employer is being pro-active in managing the talented workforce in such a manner that a sustainable workforce could be built.

Step 6: Put action plans in place in terms of monetary and non-monetary rewards and joint ventures which can serve as an incentive to stay, as well as for the creation of a compelling work place (Armstrong, 1996; Bussin, 2005; Gandossi & Kao, 2004).

Gibson (2007, p. 1) argues that "Human skills and knowledge are clearly the basis for the 21st century competition, and those investments will definitely pay off over the long term. It is high time for the government to replace noble rhetoric with serious money and commitment. Buy talent and invest in education to "rethink" South Africa. If you do not have talent, buy it. Reverse the brain drain". The mix of monetary and non-monetary reward systems was found to be effective (Honig-Haftel & Martin, 1993). Some organisations use a mix of organisation owned and joint-ventures to retain employees (Gandossi & Kao, 2004). Mathers (2004) states that a compelling work environment could be created with monetary and non-monetary rewards, flexible work hours, telecommuting, compressed work weeks and variable pay plans. According to the research of The DPSSA (2006) share options and profit sharing, as well as tax friendly perks, are used in the private sector.

This approach is especially relevant in the South African context.

Step 7: Create an effective retention culture by focusing on choice, balance, development, and care.

Great organisations maintain low levels of turnover and high levels of talented worker satisfaction by creating the following four cultures:

The culture of choice: Talent managers should realise that talented workers need the freedom of choice with regard to the methods they use for completing tasks, in the rewards they receive and in when and how they report to work (Green, 2006).

The culture of balance: The problem of high stress levels should be countered with proactive programmes to find fulfilment at home and at work or by increased levels of mandatory annual leave.

The culture of development: Managers should take cognisance of the ambitions of talented workers and should pay attention to their development and growth by assisting them in developing a career path and career goals (Kaye & Jordan-Evans, 2002).

The culture of care: The ideal is to create a qualitative work environment where talented workers feel nurtured and are supported in achieving their goals.

In this regard the following questions of Green (2006, pp. 2-3) could be implemented to explore the four cultures in an organisation:

- Does the organisation provide ample choice to talented workers throughout the work experience? Do talented workers feel that they can control their day-to-day work life?
- Does the organisation recognise the increased need for work/life balance by talented workers? How can this priority be communicated to talented workers?
- How is the organisation fostering a culture of development? Besides the traditional development strategies such as training and tuition reimbursement, what is the organisation doing to foster a sense of continuous learning and development at all levels? What role do supervisors and managers play in creating this culture?
- Do talented workers feel “cared for”? Have the organisation's leaders created a sense of commitment among the staff by showing that they care?

Step 8: Work from home to overcome obstacles such as traffic congestion and work location.

The reality is that the physical work location (e.g. Cape Town vs. Vanderbijlpark) and traffic congestion plays a major role in retaining talented workers according to Mr J. Henning (personal communication, October 17, 2007). Modern technology, however, enables more and more people to work from home.

The above-mentioned all relate to the understanding of the Psychological Contract. With the national average length of employment of approximately one and a half years per job, it makes sense to explore what the content and state of the Psychological Contract is in order to retain and develop a committed sustainable workforce.

It is clear that organisations will continue to be challenged to attract and retain qualified and committed talented workers worldwide (Matthews, 1998). Turnover is a fact of life, according to the Henning (personal communication, October 17, 2007), but it is important to manage it effectively to an acceptable level. To overcome these realities it is clear that the Psychological Contract will be a tool to empower the manager and to clarify the relationship between the organisation's and employee's obligations in order to retain the talented workers. Utilising the Psychological Contract (as part of a retention strategy) could serve as a pro-active measure taken by the organisation.

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CHAPTER 3

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

The purpose of this chapter is to provide conclusions regarding the results of the empirical study of the research article. Conclusions are drawn with regard to the research objectives. Furthermore, limitations of the study are discussed. Finally, recommendations for organisations are made and research opportunities that arise from this research are presented. Final conclusions are made with regard to the importance of keeping a competitive advantage by understanding the Psychological Contract which enables the organisation to retain its talented workers.

3.1 CONCLUSIONS

The general objective of this research was to determine the extent to which the perception and experience of breach and violation of the Psychological Contract impact on the retention of the virtual talented worker.

According to the Pearson product-moment correlation coefficients the relations between the different variables indicated the following:

- Unfulfilled employer obligations could impact negatively on the commitment to the organisation and the intention to stay.
- A high workload and lack of support could have a negative impact on organisational commitment and intention to leave.
- Lack of support could impact negatively on job security, organisational commitment and intention to leave.
- High workload and unfulfilled organisational obligations could impact negatively on the talented workers' organisational commitment and increase the intention to leave.

A further goal was to compare the experiences and perceptions of two groups (those who have worked abroad and those who work in their home country) regarding the Psychological Contract and to determine whether there were any differences with regard to the level of violation and breach of contract experienced and the intention of talented workers to leave. Results indicated that there are no marked differences between the two different groups in their experience of the Psychological Contract. There was, however, a

statistically significant difference in their perception of employment to be obtained elsewhere because of international exposure.

The research has made the following contributions to the subject of Industrial Psychology and the practice thereof in organisations:

- It resulted in the understanding and measuring the Psychological Contract of a group of talented workers in the ERP industry.
- It determined the relationship between the Psychological Contract and talented worker retention.

3.2 LIMITATIONS OF THIS RESEARCH

A limitation of this study is the availability sample that was used. This means that the size of the sample limited the research, specifically in terms of the distribution of racial groups. Within the sample, the distinction between different racial groups could not be made because of the relative small or non-existent representation of some groups.

Another potential limitation could be that some of the participants in this research did not totally trust the confidentiality statement on the cover of the questionnaire and this might have influenced some of the results. The sampling procedure created problems, as data was collected from different divisions at different points in time and unique organisational characteristics and historical events could have affected the research findings. Quite a few of the respondents did not complete the question on whether they found the senior management trustworthy. This could be interpreted to mean that if they did find them trustworthy they would have completed the question. The fact that they did not complete the question could indicate that they do not trust senior management, because they did not honour their word or fulfil their obligations.

A number of organisations did not want to participate because of one or more of the following reasons:

- They were in the process of change management and it would have been counter-productive to fill in a questionnaire like this.
- They were in the process of “rewriting” their Psychological Contract and could not let their talented workers complete the questionnaire.

- They did not have the time to participate as they were losing their consultants (talented workers in the ERP industry).

Those organisations who did participate felt that the talented workers could complete the questionnaire voluntarily, which also made it difficult to obtain enough completed questionnaires.

The talented workers supplied the following reasons for not wanting to complete the questionnaire:

- They felt it would be a negative reflection on them.
- They were apprehensive that they would get a bad name.
- Some of the talented workers had already left the country permanently.
- They did not want to be recognised and wanted to use a pseudonym if they were to participate.

Because of the above-mentioned reasons, brief presentations had to be given to the organisations to explain the research. The fact that personal contacts had to be used to obtain enough completed questionnaires extended the time initially envisaged for the project by at least one month.

3.3 RECOMMENDATIONS

Recommendations pertaining to the specific organisations/contracting houses, as well as recommendations for further research, will be discussed in this section.

3.3.1 Recommendations for the organisation

Veldsman (2006) stated that effective utilisation of talented workers with their intellectual capital is the key to wealth generation and a competitive edge in the future for organisations. The researcher, however, wants to state that this will only occur if there is a mutually beneficial relationship between the organisation and the talented worker.

This implies that organisations must understand the Psychological Contract and the job features that would make the employer-employee-relationship beneficial for the virtual talented worker.

It is therefore important for managers of virtual talented workers to:

- first understand the Psychological Contract;
- understand the factors that constitute the Psychological Contract;
- be aware of the impact on retention if the Psychological Contract is negated.

In this research, it was indicated that a quality work environment (comprising social and organisational support) could impact positively on the intention to stay. It should therefore be determined whether the specific organisation fosters such a work climate where the psychological Contract is being negated. A work climate incorporating the four cultures for retention should be established (refer to chapter 2, p. 40).

The Psycones Questionnaire (Kerstin, 2002) could be utilised to measure the specific Psychological Contract in a workplace to assist the management in strategic planning for retention, as well as for intervention to reduce turnover.

3.3.2 Recommendations for further research

Nine recommendations for further research will be discussed briefly.

- i) Further research is needed to understand which job features are important to increase commitment to the organisation and work engagement
- ii) Research should also be conducted for evaluating the effectiveness of interventions to support virtual talented workers in order to promote retention and the building of a sustainable workforce.
- iii) Because of globalisation it is necessary to gather information regarding the expectations of the talented workers when abroad. Research could then focus on:
 - how their assignments met with or fell short of their expectations;
 - what job features in their work environment are important to them as talented workers?
 - how they would like the organisation to treat them?
 - what is important for them to function optimally in their work environment?

A quality work environment could then be created.

iv) Further exploration is necessary to uncover the job features that virtual talented workers perceive as being important in their work environment to engage them in a way that will retain them. It is therefore of paramount importance to know which job features empower virtual talented workers to function optimally in their work environment. Denton's (2006) model could be used as the foundation for research with regard to the question pertaining to why some virtual workers are committed to their organisations and their careers and others are only committed to their careers. If this could be determined interventions could be developed to attend to the problems the uncommitted talented workers have with their workplace. This could be beneficial to them and could have a significant effect on retention.

v) Talented workers increasingly form part of project teams. It is therefore necessary to determine whether there is a difference between the talented workers' variables that they value and the actual variables in the organisation. The following questionnaire (adapted from Birt, Wallis, & Winternitz, 2004) could be used to obtain this information:

VARIABLES VALUED BY TALENTED WORKERS

Importance	COMPENSATION AND BENEFITS	External equity Internal equity Variable pay (performance related) Performance bonuses Share options Health benefits Guaranteed base salary Retirement benefits	Actual
	ORGANISATIONAL ENVIRONMENT	Job security Fairness Caring/nurturing Information/knowledge sharing Senior team reputation Company reputation Organisational change readiness Competitive technology level Diversity	
	WORK/DEVELOPMENT ENVIRONMENT	Personal buy-in to department strategy Job definition: Role clarity Personal fit with company (missions) Challenging and meaningful work New opportunities/challenges Mentoring programme Advancement opportunities (succession management-retained) Internal mobility Manager quality and integrity	

		Teamwork Excellent co-worker quality Productive and friendly work relationships Pleasant daily work experiences Performance evaluation and feedback 360-degree feedback Recognition Development/learning opportunities Empowerment and responsibility Autonomy/independence Succession management	
	WORK-LIFE BALANCE	Business travel and global exposure Flexible working hours Geographic location of work Option to work from home Extra vacation/longer annual leave Childcare facilities	

- vi) Further research is needed to understand the concept of the Psychological Contract of virtual talented workers
- vii) Research should also be conducted to determine how to retain the talented workers in order to build a work-engaged and sustainable workforce. The ratio of engaged workers to disengaged workers is what drives the financial outcomes and impacts on profitable growth. However, according to Loehr (2005) only one in five employees is fully engaged. Research can be conducted to apply the Psychological Contract in order to move the employees from neutral to fully engaged.
- viii) The CIO of MittelcorSteel, Mr Henning (personal communication, October 17, 2007) stated that in talent management and retention of talented workers it is necessary to take cognisance of the generations denoted as “boomers”, “X’s” and “Y’s”. Research could be undertaken to determine how virtual workers in these different categories will experience the Psychological Contract in order to develop guidelines for retention.
- ix) Job demands – referring to those physical, psychological, social, or organisational aspects of the job that require sustained physical and or psychological efforts – and job resources – referring to those physical, psychological, social and organisational aspects of the job that are functional in achieving work goals and in stimulating personal growth, learning and development – are two dimensions of any work environment (Schaufeli & Bakker, 2004). These authors state that increased job resources reduce job demands. Further research is necessary to determine which job demands and job resources could influence the virtual talented worker to stay.

3.4 CONCLUSION

COMPETITIVE ADVANTAGE: WHY IS IT IMPORTANT?

An effective talent management plan could help secure the competitive advantage an organisation needs. Such a plan is necessary as talented workers generate capital for their organisation through their competence, knowledge, skills and behaviour (HRFocus, 2004).

Top organisations should therefore manage their talent strategically; this entails viewing global sourcing as an integral part of business (Gandossi & Kao, 2004). Some experts have gone so far as to suggest that failure to take advantage of the global talent pool (of virtual workers), could put organisations at a competitive disadvantage as multi-national organisations are redefining their business processes globally, where they use “a mix of organisation owned, joint-venture and outsourcing relationships to support internal users, distributors and customers” (Gandossi & Kao, 2004, p. 17).

Furthermore, organisations that manage talent pro-actively will be better positioned to reap the rewards. Executive and HR leadership should work together to develop a business model which includes an employment brand and sourcing strategy for their business and a plan for building an engaged and productive workforce across the globe (Gandossi & Kao, 2004). The emphasis on talent management is essential, because if talented workers leave, the organisation loses not only intellectual capital, but actual capital generated through talented workers’ expertise (Schreuder & Theron, 2001 cited by Birt et al., 2004).

Talent management should therefore be seen as a “strategic business priority” (HRFocus cited by Birt et al. (2004, p. 25), where the organisation focuses on policies that ensure that:

- the company is an employer of choice (for example one of the best fifty organisations to work for);
- most talented workers are attracted and retained;
- they invest in talented workers’ careers in order to increase their organisational commitment and to avoid a market driven turnover.

However, talent management programmes get little or no attention in many organisations. According to Gandossi and Kao (2004) many employers are only focused on short term goals, for example meeting deadlines on projects. The long-term consequences of ignoring talent management mean that talented workers are disengaged at work. This may have a direct impact on the organisation in terms of high staff turnover and lost productivity.

Another important aspect is the so called employment brand of the organisation that has strategic value for both attracting and retaining talent. Many organisations have allowed their employment brand to deteriorate over years as they have cut back on incentives and perks, stretched their remaining talented workers to the limit and received negative publicity around their downsizing efforts and offshore initiatives. Such organisations are not in a strong position to attract and retain talent. In contrast, organisations that have shown ongoing commitment to a qualitative work environment – even when times were difficult – have the potential to prosper (Liebmann, 2005). For example, when a project starts to gather momentum, the organisation will be able to trust that the talented virtual workers are going to do their portion of the work during the duration of the project (Parrish, 1997), because of their quality work environment. This requires daily communication between the virtual workers and the employer (Wooten, cited by Parrish, 1997) and is the key to more cohesive relationships at work, team spirit and accountability.

In conclusion, agreement with Kaye and Jordan-Evans' (2002) insistence that organisations should have a policy in place for managers to influence talented workers to stay, in an effort to retain high calibre talented workers, is once again highlighted. This view is supported by HRFocus (2004) that states emphatically that if there are no good reasons to stay, top performers/talented workers will move on.

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Annexure A

General information						
Name & Surname:						
Job Title						
		Independent Contractor	Contractor employed at client via contracting house	Full time / permanent employee		
Employment Type (indicate with X)						
		Short term (less than 6 months)	Medium term (6 to 12 months)	Long term (1 year and longer)		
If contractor, indicate current contract period with X						
Gender (indicate with X)		Male	Female			
		Single	Engaged	Married	Divorced	Separated
Marital status (indicate with X)						
How long have you been working at your current workplace (YY/MM)		21-30	31-40	41-50	51 or more	
Please give a rough estimate of the total number of hours you work in a typical week (indicate with X)						
		Yes	No			
Does traffic congestion to employer or client influence your choice of workplace (indicate with X)						
		Yes	No			
Do you have International (outside of SA borders) work/project experience (indicate with X)						
If yes, for how long in total did you work outside of SA borders (YY/MM)						

Questionnaire						
Question number	Question	Type X into the most applicable box				
		1 Strongly Disagree	2 Somewhat disagree	3 Neither agree or disagree	4 Agree Somewhat	5 Strongly Agree
1	EMPLOYEE PROSPECTS: Please state to what extent you agree with the following statements					
1	I think I will be employed in this organisation (or at this client) for longer than has been agreed in my employment contract					
1	I expect that I will have to leave here once my present employment contract/assignment with this organisation (with this client) has run out					
1	I think my present employment contract/assignment will be renewed when it expires					
1	I have been promised that I will get a permanent contract with this organisation (or client) when my present contract/assignment expires					
2	TIME PRESSURE: Regarding your present job, how often...	1. Rarely or Never	2. Not Often	3. Sometimes	4. Rather Often	5. Very Often or Always
2	are you pressed for time?					
2	do you miss all or part of a (lunch) break because of having too much work?					
2	do you go home late because of having too much work?					
2	is a fast pace required in your work?					
3	EMPLOYER OBLIGATIONS: Next follows a list of some promises and commitments which organisations (clients) sometimes make to their employees or contract employees. For each statement consider whether such a promise has been made by this organisation either formally or informally and the extent to which it has been fulfilled	0. No	1. Yes, but promise not kept at all	2. Yes, but promise only kept a little	3. Yes, but promise half kept	4. Yes, promise largely kept
3	Provide you with interesting work?					
3	Provide you with a reasonably secure job?					
3	Provide you with good pay for the work you do?					
3	Provide you with a job that is challenging?					
3	Allow you to participate in the decision-making?					
3	Provide you with a career?					
3	Provide a good working atmosphere?					
3	Ensure fair treatment by managers and supervisors?					
3	Be flexible in matching demands of non-work roles with work?					
3	Provide possibilities to work together in a pleasant way?					
3	Provide you with opportunities to advance and grow?					
3	Provide you with a safe working environment?					
3	Improve your future prospects?					
3	Provide an environment free from violence and harassment?					
3	Help you deal with problems you encounter outside work?					

4	EMOTIONS CONCERNING PSYCHOLOGICAL CONTRACT: Looking overall at how far this organisation (client) has or has not kept its promises and commitments, to what extent do you agree with the following statements? I feel...	1. Strongly Disagree	2. Somewhat disagree	3. Neither agree or disagree	4. Agree Somewhat	5. Strongly Agree	
4	happy?						
4	angry?						
4	pleased?						
4	violated?						
4	disappointed?						
4	grateful?						
5	EMPLOYEE OBLIGATIONS: The following list consist of some promises and commitments that people sometimes make to their organisation or client. For each statement, consider whether you made such a promise to this organisation, either formally or informally, and the extent to which it has been fulfilled. Have you promised or personally committed yourself to...	0. No	1. Yes, but promise not kept at all	2. Yes, but promise only kept a little	3. Yes, but promise half kept	4. Yes, promise largely kept	5. Yes, promise fully kept
5	go to work even if you do not feel particularly well?						
5	protect your company's / client's image?						
5	show loyalty to your organisation or client?						
5	work overtime or extra hours when required?						
5	be a good team player?						
5	turn up for work on time?						
5	assist others with their work?						
5	volunteer to do tasks outside your job requirements?						
5	develop your skills to be able to perform well in this job?						
5	meet the performance expectations in your job?						
5	accept an internal transfer if necessary?						
5	provide the organisations with innovative suggestions for improvement						
5	develop new skills and improve your current skills						
5	respect the rules and regulations of the company or client?						
5	work enthusiastically on jobs you would prefer not to be doing?						
5	take responsibility for your career development?						
6	STATE OF THE PSYCHOLOGICAL CONTRACT: Please answer the following questions	1. Not at all					5. Totally
6	Overall, do you feel you are rewarded fairly for the amount of effort you put into your job?						
6	To what extent do you trust senior management to look after your best interests?						
6	In general, how much do you trust your organisation or client to keep its promises or commitments to you and other employees/contractors?						
6	Do you feel you are fairly paid for the work you do?						
6	To what extent do you trust your immediate line manager to look after your best interests?						
6	Do you feel fairly treated by managers and supervisors?						
7	ORGANISATIONAL COMMITMENT: Please state to what extent you agree with the following statements	1. Strongly Disagree	2. Somewhat disagree	3. Neither agree or disagree	4. Agree Somewhat	5. Strongly Agree	
7	To know that my own work had made a contribution to the good of the organisation or client would please me.						
7	I feel myself to be part of the organisation or client.						
7	Even if this organisation or client was not doing too well, I would be reluctant to change to another employer or client.						
7	In my work, I like to feel that I am making some effort, not just for myself but for the organisation or client as well.						
7	I am quite proud to be able to tell people who it is I work for (organisation or client).						
8	PERCEIVED ORGANISATIONAL SUPPORT	1. Strongly Disagree	2. Somewhat disagree	3. Neither agree or disagree	4. Agree Somewhat	5. Strongly Agree	
8	My organisation or the client I work for really cares about my well being						
8	My organisation or client shows very little concern for me.						
8	My organisation or client strongly considers my goals and values						
8	My organisation or client cares about my opinion.						
9	JOB INSECURITY	1. Strongly Disagree	2. Somewhat disagree	3. Neither agree or disagree	4. Agree Somewhat	5. Strongly Agree	
9	Chances are, I will soon lose my job.						
9	I am sure I can keep my job.						
9	I feel insecure about the future of my job.						
9	I think I might lose my job in the near future.						
10	INTENTION TO QUIT	1. Strongly Disagree	2. Somewhat disagree	3. Neither agree or disagree	4. Agree Somewhat	5. Strongly Agree	
10	These days, I often feel like quitting.						
10	Despite the obligations I have made to this organisation, I want to quit my job as soon as possible.						
10	At this moment, I would like to stay with this organisation as long as possible.						
10	If I could, I would quit today.						

11	SOCIAL SUPPORT (SUPERVISOR)	1. Strongly Disagree	2. Somewhat disagree	3. Neither agree or disagree	4. Agree Somewhat	5. Strongly Agree
11	My supervisor is helpful in getting my job done.					
11	My supervisor pays attention to what I am saying.					
11	My supervisor is concerned about my welfare.					
11	I feel appreciated by my supervisor.					
12	EMPLOYABILITY	1. Strongly Disagree	2. Somewhat disagree	3. Neither agree or disagree	4. Agree Somewhat	5. Strongly Agree
12	I am optimistic that I would find another job, if I looked for one.					
12	I will easily find another job if I lose this job.					
12	I could easily switch to another employer, if I wanted to.					
12	I am confident that I could quickly get a similar job.					