

Full Length Research Paper

Assessment of psychological contract fulfillment and breach: A study of selected firms in South Africa

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This research investigates the key factors affecting retention of skilled employees using the psychological contract as a framework in an emerging economy context. The focus of the study was on employees' perspectives regarding elements of the employment relationship they consider valuable and how these inducements affect their commitment and loyalty to the organization. Data were collected from 98 made up of professional employees within private and public firms in Gauteng Province. The population was drawn from top employers in South Africa.. The main findings of the study show that retention practices focusing on the relational elements of the psychological contract such as job security and career development are more important to employees than those with a transactional inclination such as financial rewards. Trust also seems to play an intervening role in the employment relationship leading to less intense feelings of psychological contract violation amongst employees.

Key words: Psychological contract, employee retention, trust, South Africa.

INTRODUCTION

The dynamics of the labour market are changing with the balance of power within the employment relationship swinging towards employees (Puchala, 2008). In this dynamic environment, successful organizations recognize that employee retention and talent management (Hughes and Rog, 2008) are integral to sustaining leadership as well as continued growth in the market. Therefore, creating a retention-rich organization that attracts, engages and builds lasting loyalty among its most talented employees is a key success factor in the modern globalized economy (Devi, 2009).

The explosion of technology has contributed to serious shortages of skilled labour in many countries, South Africa included. Employers increasingly find themselves battling to retain their valuable employees due to this critical shortage of experienced candidates and aggressive recruitment tactics of rivals. A recent report revealed that South African employees are daily migrating abroad for better job opportunities. The country's best and brightest employees are constantly being poached by companies such as BMW, Nokia-Siemens, Unilever and many others (Gillingham, 2008).

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South Africa is still a relatively young democracy which got its independence after many years of apartheid rule. It however has a vibrant economic sector that has seen it maintaining the lead as Africa's biggest economy. It is also one of the 28 emerging markets in the world. Emerging markets are nations with social or business activity in the process of rapid growth and industrialization. They are countries that are restructuring their economies along market-oriented lines and offer a wealth of opportunities in trade, technology transfer and foreign direct investment.

South Africa's economic environment, like many other countries worldwide, has been affected by the recent global financial problems, leading to low but positive growth. This situation has also affected its labour environment and research shows that there are relatively high levels of unemployment. But technology has led to a flipside situation where demand for highly skilled labour is still rife and critical industries often report shortages of professionals. Such pressures have pushed up salaries and the value of other benefits to extraordinary heights, making it very difficult to retain skilled employees. Both local and international organizations are constantly competing for these professionals luring best brain power with hard to beat offers.

A study by Kaplan and associates found that a significant brain drain was underway with many professionals immigrating to other countries. The major cost of this trend to the country is the lost production and the export of human capital in the form of education, training and experience. Investment worth billions of rands in human capital is leaving the country at an alarming rate. Such trends lead to further costs to the country as they now have to increase compensation for skilled and professional labour to keep them in the country. This is particularly so for internationally mobile occupations where high rates of emigration are a significant factor in keeping labour markets tight and wages high. Turnover rates are very high and are costing the economy billions of rands per annum. This is a worrying state of affairs that should be adequately addressed.

The new workforce era has been described as the '*war for talent*' and this phrase depicts some of focus, and perhaps even aggression, with which organisations are pursuing new recruits and making efforts to retain them (Puchala, 2008). The keys to success are a long-term eye toward talent acquisition, development and retention (Duerksen, 2012). In this climate of extraordinary demand, emerging economies are proving to be a poacher's paradise as overseas and rival companies lure their best brain power with hard to beat offers. The war for talent is not only between companies but also between governments.

There is therefore an urgent need to combat this trend if the development pace of these economies is to be maintained and/or accelerated. However, unlike in the past where the job for life concept existed, with

employees being loyal to one company almost all their lives in exchange for job security, this paternalistic management approach in employment relationships is no more (Atkinson, 2002). This trend is replicated in many countries and there is an urgent need to combat it if the development pace of emerging economies is to be maintained and/or accelerated. This calls on human resource professionals to look into the effectiveness (or lack thereof) of traditional retention practices. Companies need to incorporate employee perspectives and the needs of the workforce when developing innovations in their human resource management practices in order to reap valuable benefits by way of superior performance for organizations.

The psychological contract, which refers to employees' subjective interpretations and evaluations of their employment deal (Rousseau, 1995) has over the years gained prominence as a construct of both scientific and practical importance for human resource managers concerned with the retention of their talented employees. Organizational studies argue that the employer and employee exchange not only impersonal resources such as money, but also socio-emotional resources such as trust, approval, respect, recognition and support (Eisenberger et al., 2001). When the expectations within the psychological contract are not met, the result is a feeling of psychological contract breach and violation leaving employees feeling frustrated and demotivated. Employees may be less committed to the organization and some may quit altogether reducing the organization's talent pool. The main purpose of this study is therefore to investigate the employees' perspectives regarding elements of the employment relationship they consider valuable and how these inducements affect their commitment, trust and loyalty to the organization. Based on the above rationale and its obvious implications to practice, the following research question was formulated:

What are the psychological contracts components that induce organizational commitment trust and increase the retention of talented employees within the firm?

Significance of the study

The significance of this study lies in the fact that it will contribute towards building knowledge on the existing employee-focused literature on effective psychological contract management. Greater insights can be offered for Human Resource Management practices in emerging markets; in particular, the understanding of employees' perspectives on retention factors they deem important in the development of a partnership relationship between them and the organization. This will help the organizations to develop better relationships with their employees, improve their business performance and achieve better employee and customer retention statistics.

LITERATURE REVIEW

Concept of the psychological contract

A psychological contract represents the mutual beliefs, perceptions and informal obligations between an employer and an employee (Levinson et al., 1962). These beliefs are based on the perception that employers' promises have been made about such matters as competitive wages, promotional obligations and the giving of their energy, time and skills (Rosseau, 1995). It sets the dynamics for the relationship and defines the detailed practicality of the work to be done. It is distinguishable from the formal written contract of employment, which for the most part only identifies mutual duties and responsibilities in a generalized form.

Rousseau (1995) argues that the reality of employment rights and duties emerge through the interpersonal relationships formed in the workplace. How employers, supervisors and managers behave on a day to day basis is not determined by some legal contract. Employers therefore slowly negotiate what they must do to satisfy their side of the bargain, and what they expect in return. This negotiation is sometimes explicit, example, in appraisal or performance review sessions, but it more often takes the form of behavioural action and reaction through which the parties explore and draw boundaries of mutual expectations. Hence the psychological contract determines what the parties will or will not do and how it will be done.

When the parties' expectations match each other, performance is likely to be good and the satisfaction and motivation levels will be high. So long as the values and loyalty persist, trust and commitment will be maintained in the employment relationship. Employees will however perceive a breach of the psychological contract when their organization does not perform according to their expectations (Morrison and Robinson, 1997) and this may have many serious consequences that differ from person to person depending largely on cultural profiles.

Relationship with HR practices and retention factors

One of the most potent organizational factors influencing the psychological contract of employees is human resource practices. The term human resource practices refers to all practices (example, annual performance appraisals), specific policies (example, equal opportunities), tools (example, employee surveys), or techniques (example, management by objectives) that contribute to managing human resources in organizations. Most, if not all human resource practices, may impact on employees' psychological contracts. For example, job interviews present an opportunity for the organization to communicate expectations about employee contributions, equal opportunity policies promise fair treatment, leadership training conveys expectations about leadership behaviors

or constitutes a fulfilment of obligations as to professional development. Performance-related compensation may deliver a promise of "fair play" and convey expected contributions by detailing performance standards. An in-house nursery or flexible hours can fulfil an obligation regarding support with family needs. A company car can deliver promises of recognition, while mentorship programmes can contribute an obligation regarding career development and so on.

However, the role that each practice plays for an individual employee depends on the content of that employee's psychological contract and priorities may differ widely between employees and organizations. Guest and Conway (2001) have shown a number of what they call "progressive" human resource practices to be related to the state of the psychological contract and outcomes such as cooperative behavior by employees, involvement in decision making, commitment, motivation, organizational citizenship behavior, innovation and performance. More specifically, application of more of these practices to a greater percentage of the workforce in organizations is related to more positive outcomes.

Human resource practices have been associated with lower turnover rates (Guthrie, 2001), higher employee earning (Bailey et al., 2001) and increased productivity and financial performance of organizations (Husselid, 1995). Strong human resource systems have also been associated with increased job satisfaction (Berg, 1999) and decreased employee fatigue (Godard, 2001). Guzzo and Noonan (1994) argue that employees rely on their evaluation of human resource practices to assess whether obligations the organization has incurred have been kept. Similarly, Gant (1996) demonstrated how employees use human resource practices to check whether management rhetoric matches with organizational reality. The study by Aggarwal and Bhargava (2009) also established that human resource policies influence organizational performance as well as employee attitudes and has a strong bearing on organizational effectiveness.

Considering the large costs associated with employee turnover, human resource managers need to work out policies that enable them to retain their talented employees (Aggarwal and Bhargava, 2009). These policies are often bundled under the term "retention management". Some of the widely discussed retention practices in literature include the provision of an attractive package of financial rewards and benefits, job enrichment initiatives, career perspective, training and development opportunities, a supportive work environment and initiatives to improve work/life balance (Cappelli, 2001). Human resource managers should take these factors into account when developing retention strategies.

Researchers in the field of human resource argue that for retention management to be effective, it is not only important to create an optimal portfolio of human resource practices, but also to manage employees' perceptions regarding what their organization has promised them in return for their loyalty and commitment. The psycho-

logical contract focuses on employees' subjective interpretations of promised inducements and the relationship with employee outcomes including intentions to stay (DeVos and Meganck, 2009). The implication of this is that retention practices will only be successful if they are consistent with what employees value.

Outcomes of psychological contract fulfilment

Organizations can respond to an employee's psychological contract to varying degrees, including going beyond the conditions of the contract, thereby honouring the intent rather than the letter of the contract; complying with the contract and fulfilling all the conditions and terms; and breaking or violating the agreement between the employee and the organization. When organizations uphold their side of the psychological contract with their employees, it is more likely that employees will attempt to fulfil their contractual obligations to the organization. The ability to deliver promises contained in the psychological contract is a key point in explaining individual responses at work. Some of the traditional outcomes related to psychological contract fulfilment are organizational commitment, organizational citizenship behavior and turnover intentions (Sutton and Griffin, 2004). Psychological contract fulfillment reflects the quality of the exchange process between employer and employee, such that individuals feel that they are more or less obliged towards their organization in return for the delivery of inducements by the employer (Coyle-Shapiro, 2002).

Research has suggested that fulfilling the psychological contract creates feelings of being valued, which leads to positive affective outcomes. Conway and Brinner (2002) showed that met expectations are related to positive affective states such as enthusiasm, self-worth and being cared for. How the organization manages the promises it makes to its employees and more importantly, how met/unmet promises are communicated and dealt with is a very important dimension of the employment relationship.

Fulfilment of the psychological contract may not lead to positive outcomes unless employees' attitudes are influenced above and beyond the cognitive evaluation of inducements, in that the latter may be truly effective only if they generate perceived organizational support in the employees. Otherwise, they will merely be "taken for granted" and not have any meaningful impact. Managers should therefore take into consideration the mediating role of perceived organizational support on psychological contract fulfilment when implementing their retention strategies.

Psychological contract breach and employee outcomes

The failure of an organization to fulfil employee perceived

promises and obligations has been defined as psychological contract breach (Morrison and Robinson, 1997). Morrison and Robinson clearly distinguished between breach and violation; perceived breach is the "cognition that one's organization has failed to meet one or more obligations within one's psychological contract in a manner commensurate with one's contribution". Violation on the other hand, is "the emotional and affective state that may under certain conditions follow from the belief that one's organization has failed to adequately maintain the "psychological contract". It corresponds to the feeling of anger, frustration and/or betrayal that may arise after the perception of a breach when the individual attributes the causes of the breach to the employer's responsibility.

Psychological contract breach has been found to be negatively related to a wide variety of employee workplace attitudes and behaviors. It has been found to be negatively related to job satisfaction (Robinson and Rousseau, 1994), organizational commitment (Coyle-Shapiro and Kessler, 2000), trust (Turnley and Feldman, 1999a) and organizational citizenship behavior (Robinson and Morrison, 1997). PCB has also been found to lead to increased cynicism (Johnson and O'Leary-Kelly, 2003), turnover (Bunderson et al., 2001) and intentions to quit (Rajan, 1997).

Role of trust as an intervening variable

Trust is the key integrative concept within the psychological contract. It is defined as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action to the trusted irrespective of the ability to monitor or control that other party" (Whitener, 1997). Within the employment relationship, the key influence on trust is whether each side has kept its promises to each other, that is "have they delivered the deal?" (Guest, 1998).

In the cause of their relationship, employees can develop trust in specific individuals such as a supervisor and also in generalized representatives such as the organization. It is suggested that employee expectations develop incrementally in the employment relationship and become embedded in a psychological contract reflecting their beliefs about the nature of the reciprocal exchange agreement between themselves and their employer (Tyler, 2003).

Trust has been found to be highly beneficial to the functioning of organizations, with it operating in two different ways. The predominant perspective from literature is that trust operates in a direct way and affects attitudes, cooperation and performance. On the other hand, trust can act in a much less direct way by influencing conditions under which the above outcomes are likely to occur.

Trust is related to the perception an individual has about a number of factors: How have they been treated

by the organization, management and other employees; whether they perceive that these parties have been fair, kept their promises and met their obligations; and whether the parties can be trusted to fulfil their promises and obligations in future (Fuchs, 2003). Studies have however found that only a small number of employees place a lot of trust in their employer to keep promises. .

Managerial usefulness of the psychological contract

The psychological contract is key to helping today's managers understand the nature and direction of their relationships with employees (Casser and Brinner, 2009). As the psychological contract is developed, both the employee and employer are able to understand the "promises" that are made and the obligations that each has on both a transactional and relational basis. By understanding the distinct relationship between employer and employee, organizational managers can therefore eliminate assumptions about job duties, extra-role behaviors and relational expectations especially during the socialization process. The "positive management" of the psychological contract can result in increases in job performance, lower staff turnover and higher job satisfaction for both employees and supervisors (Alarista and Arrowsmith, 1996). Psychological contracts help employees predict the kind of rewards they will receive for investing time and effort in the organization (Sparrow, 1996). Predictability is important to motivation, that is, an employee needs to be able to predict that performance will result in desired outcomes. Predictability has also been suggested as a key factor in the development of trust (Morrison and Robinson, 1997).

Conceptual model of the study

An intervening variable is one that explains the relationship between the independent and dependent variables while a moderator variable is one that influences the strength of a relationship between two other variables (Figure 1). In this study, retention of talented employees is dependent on psychological contract which is the independent variable. Hypothesis is an empirical statement that seeks to test the relationship between at least two variables (Patel, 2009).

H1: Organisations with greater psychological contracts components can positively influence retention among its talented employees

H2: Trust among employees and employers might lead to greater psychological contract hence retention among talented employees

H3: Actual organisation practices might negatively reduce psychological contract hence negative retention of talented employees

RESEARCH METHODOLOGY

Procedures

Survey forms were distributed to professional staff of the private sector in South Africa which approved of the study. Participants were instructed that participation was entirely voluntary and all ethical considerations complied with. Completed questionnaires were then forwarded to respective human resource managers of the organizations and collected by the researcher. 98 employees responded, generating an overall response rate of 81.6% to the survey instrument.

Population and sample

The population for this study is made up of professional employees within private and public firms in Gauteng Province. The population was drawn from top employers in South Africa. The Top Employers certification is only awarded to the best employers around the world: organizations that demonstrate the highest standards of employee offerings. The companies studied have been independently certified by the Top Employers Institute as Top Employers South Africa. Both probability and non-probability sampling was used to collect data from the representative sample. This population was chosen in view of the practical implications, specifically the significant financial costs associated with hiring highly skilled staff and the desire to retain these staff in order to improve effectiveness, increase productivity and minimize the shortage of talent. A 'skilled worker' in the context of this study refers to someone with formal qualifications and who is probably working in the formal sector.

Sample characteristics

Table 1 shows the demographic profiles of the respondents. Majority of the respondents are in the younger age groups with over 80% below 40 years of age, indicating a younger employee population. Majority of the respondents were males (59%) and most of the employees (70%) were on permanent contracts.

Measures

Through extensive literature review, the variables for the study were measured based on established instruments which had been used by key past studies. All the variables were measured by subjects' responses based on 5-point Likert scales.

Psychological contract

To measure employees' perceptions of the three key elements of the psychological contract, fairness, trust and delivery of the deal, questionnaires in the Working in Britain 2000 Study funded by ESPC/CIPD were considered. For fairness, a sample item is "How anxious are you about being dismissed from your job without good reason?" For trust, one indicator question that concerns trust in the employer to keep promises was asked: "Overall how much do you trust your employer to keep their promises or commitment to employees?" The deal was analyzed using indications of commitment from the employer regarding features of the employment relationship such as training, reward, decent working environment, long term job security, promotion, challenging work, training in protean skills, pay rises, time off for family requirements and fairness in the application of rules.

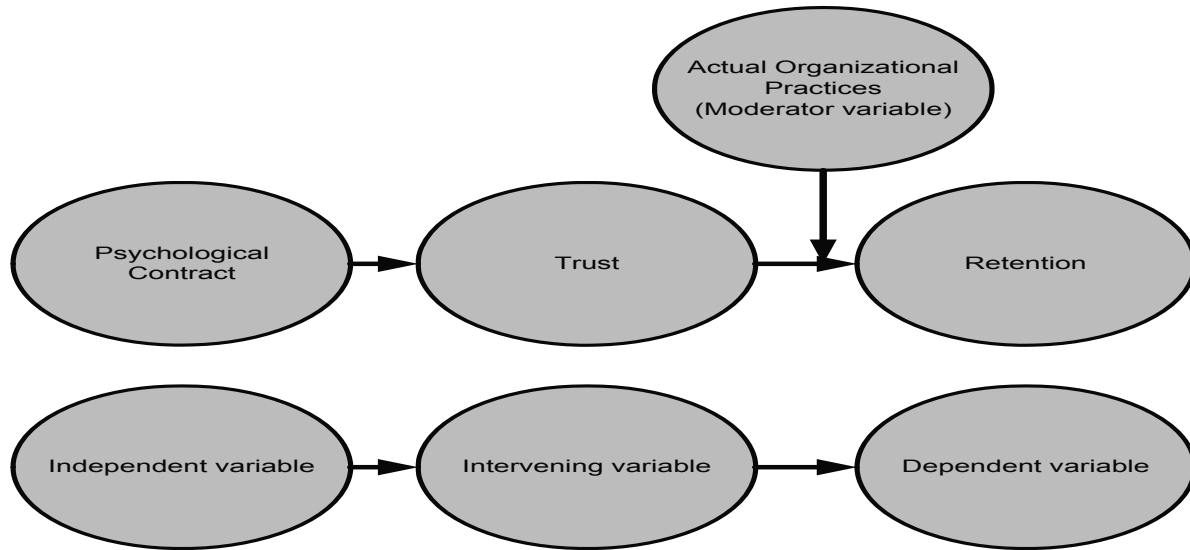


Figure 1. Conceptual model of the study.

Table 1. Sample characteristics

Description	Range	Frequency	Percentage
Age	18-30	42	42.86
	31-40	40	40.82
	41-50	14	14.28
	51-60	2	2.04
Gender	Male	58	59
	Female	40	41
Tenure(Years)	1-2	36	36.73
	2-3	26	26.53
	3-4	14	14.26
	4-5	4	14.08
	Over 5	18	18.37
Type of contract	Permanent	70	71.43
	Temporary	22	22.45
	Fixed term	6	6.12

Psychological contract violation

Psychological contract violation was measured with the four-item PCV measure developed by Robinson and Morrison (2000). A sample item is “I feel extremely frustrated by how I have been treated by my organization.” The Cronbach’s alpha value was 0.78

Psychological contract violation as a possible outcome of feelings of psychological contract breach was investigated using the following questions:

1. PCV1- I feel extremely frustrated by how I have been treated by my organization.
2. PCV2- I feel that my organization has violated the contract between us.

3. PCV3- I feel betrayed by my organization.
4. PCV4- I feel a great deal of anger toward my organization.

As the above results show, this study has found a more or less positive psychological contract amongst employees (Table 2). This is indicated by the more than two thirds of respondents disagreeing to all the four items that their contracts have been violated and the mean response rates falling between moderately disagree and slightly disagree. 66% disagree that they have been extremely frustrated by their organization with 20% of respondents agreeing to this item.

The common outcomes of PC violation, feelings of betrayal and anger are reported by 20 and 16% of respondents respectively while over two thirds of the employees disagreed that they felt this

Table 2. Descriptive statistics of the items of PCV scale. Source: Developed for this study.

	Mean	Standard Deviation
I feel frustrated by how I have been treated	2.76	1.290
I feel that the contract between us has been violated	2.66	0.836
I feel betrayed by my organization	2.64	0.628
I feel a great deal of anger towards my organization	2.7	1.113

Table 3. Perceptions of employees on organizational commitment.

Item	Disagree	Agree	Total
	%	%	%
Would spend rest of career here	40	36	76
Firm has personal meaning to me	30	54	84
No strong sense of belonging	60	22	82
Not emotionally attached	36	38	74
Don't feel like part of the family	46	40	86
Feel like firm problems are my own	34	44	78

**Figure 2.** Organizational commitment.

way. The numbers reporting feelings of betrayal and anger should however be a cause of concern to the organizations as cynicism is easily spread if not curbed in good time. It is a negative attitude and involves a belief amongst employees that their organization lacks integrity. The employees display negative emotions towards the organization and have a tendency to be critical of their organization. Feelings of anger and betrayal may also lead to reduced organizational commitment and job satisfaction.

Organizational commitment

Organizational commitment was measured with a six-item scale

developed by Meyer et al. (1993). A Likert-type scale, anchored by (1) Strongly disagree and (7) Strongly agree, was used to indicate agreement or disagreement with each item. A sample item is "I really feel as if this organization's problems are my own". The Cronbach's alpha value was 0.73 (Table 3; Figure 2).

In the data presented above, only 36% of respondents agree that they would like to spend the rest of their careers with their organizations with 40% indicating otherwise. 54% agree that the company has a great deal of personal meaning to them and 60% disagree that they do not feel a strong sense of belonging to their organizations.

38% of the respondents agree that they do not feel emotionally attached to the organization, 40% do not feel like part of the family



Figure 3. Graphical representation of perceptions on level of trust.

Table 4. Perceptions of levels of trust in employer to keep promises.

A lot	Somewhat	Only a little	Not at all	Employer makes no commitment	Total
%	%	%	%	%	%
22	46	22	8	2	100

and only 44% agree that they feel as if the organization's problems are their own. The average responses to the survey items indicate that a fair number of the employees are committed to their organizations. From the study, the younger employees as well as those with shorter organizational tenure seemed to display less commitment than the older employees and those with a longer tenure.

Trust

The pattern of responses for the element trust shows that less than a third (22%) of employees place a high level of trust in their employers to keep their promises (Figure 3; Table 4). 46% of the respondents said that they somewhat trust their employers but this indicates that they do not have a lot of confidence of promises made to them being fulfilled. 22% say they trust their employers only a little with 8% indicating that they do not trust their superiors at all. Some 2% of the respondents said their employers had not made any commitments to them. These responses show that most employees are rather pessimistic when it comes to trusting their employers to keep promises made.

FINDINGS AND CONCLUSION

This research investigates the key factors affecting retention of skilled employees using the psychological contract as a framework in an emerging economy context. The focus of the study was on employees' perspectives regarding elements of the employment relationship they

consider valuable and how these inducements affect their commitment and loyalty to the organization. The main findings of the study seem to support the argument that a reasonably positive psychological contract does exist among employees. Though a sizeable number of respondents (55%) have high levels of anxiety about unfair treatment within their organizations, almost 70% of the respondents have some or a lot of trust in their employers and a further 69% believe that their employers will honor their commitments reasonably well. The results of the study agree with a similar research by Atkinson and Cuthbert (2006) in the UK working population except on the issue of fairness where her study found that over 80% of all employees have low levels of anxiety about unfair treatment.

Issues relating to trust show that less than a third of employees place a lot of trust in their employers to keep promises made. This supports evidence from Guest and Conway's (2001) study and in terms of the outcomes of the psychological contract; it raises concern about the employment relationship. Trust is a key integrative element in the employment relationship and has a direct impact on organizational performance; therefore, this relatively low percentage of employees with full trust in superiors should be a cause of concern. Management should strive to engage employees in order to cultivate a more trusting relationship between the two parties if they

desire to see discretionary effort made to achieve organizational goals.

The study findings suggest that trust for superiors within the organizations is highest among the younger employees with the older age group of over 40 years reporting somewhat trusting their superiors but not placing a lot of trust in them. The shorter tenure groups also reported having more trust in their superiors than those who had stayed longer in the organizations. Employees seem to have great belief in the employer's intention to honor the "deal" more so in terms of the items relating to work/life balance, a good working environment, training, job security, providing challenging work, being fair in the application of rules and rewarding good job performance. However, less optimism was shown in relation to some of the items such as career development prospects, training employees in skills they can use if they leave and providing pay rises to maintain their standards of living.

This is a marked departure from the expectations in the new employment relationship where employees would wish for employers to provide clear policies on career development within the organizations and if this is clearly not possible, then at least they should train them in skills they may use in case they leave the organizations.

The findings of the study suggest that most employees are less likely to have relational contracts even though the opposite seems to be their desire. Their more often transactional contracts are likely to incorporate perceptions of lower levels of justice and even less trust. The respondents of the study seem to place more value on many of the relational ones such as job security, training and importance of using both one's initiative and ability in the job than on the transactional ones which include pay, reward and promotion prospects. The study is in agreement with the findings of Martin et al., (1998) which suggested that job security is still the most important aspect of employee desires.

One of the points in explaining individual responses at the workplace is the ability to deliver promises contained in the psychological contract. The research set out to find employee perception on some of the traditional outcomes related to psychological contract fulfillment or breach such as contract violation, organizational commitment and turnover intentions. A large number of employees, (70%) disagree that that their contract has been violated. This is a departure from the findings of Robinson and Rousseau (1994) which suggested that violating the psychological contract was not the exception but the norm within organizations. Employees in this study had a more or less "positive attitude" towards their psychological contracts. A similar response rate (disagreeing) was elicited in relation to the feelings of frustration, betrayal and anger towards the company. Trust for superiors seems to be playing an intervening role in reducing negative feelings concerning the contract between the employees and the organization.

The variable organizational commitment indicated that not very many employees seem to be enthusiastic about spending the rest of their careers in their organizations. This means that at one point or another, they will resign from their jobs. This agrees with the findings of the demographic data on organizational tenure which indicated that about 67% of the respondents would resign from their jobs within 36 months or less. A good percentage of respondents (54%) did however agree that the organization has a personal meaning to them and they feel a strong sense of belonging to their organizations. For success in organizations, employees need to be more involved in issues that influence their work and in decision making processes. They also need to be reassured of their job security which this study found to be the most important aspect to most of them but is not being fulfilled by many of the organizations studied.

Intentions to leave did not show optimistic perceptions with almost 60% of the respondents agreeing that they would actively be looking for a new job the following year and another 38% agreeing that they often think about quitting. These numbers are in stark contrast to those who place trust in their employers to honor their side of the deal. The findings are supported by Guerrero and Herbach (2008) who suggest that it is not the cognitive assessment of the psychological contract as such that has consequences, but rather its potential behavioral and attitudinal outcomes. This shows that how the organization manages the promises it makes to its employees and more importantly how met/unmet promises are communicated and dealt with is a very important dimension of the employment relationship. Management should find out the factors leading to these negative perceptions that lead to reduced organizational commitment and intentions to leave in order to stem discontent and manage employees' psychological contracts in a more positive way.

Conflict of Interests

The author(s) have not declared any conflict of interests.

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