

School of Psychology

**Changing employment contracts, changing psychological contracts and
the effects on organisational commitment.**

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**This dissertation is presented as part of the requirements for the award of the
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DECLARATION

This is to certify that the dissertation is the sole work of the candidate and does not incorporate any material previously submitted in whole or in part for a degree in any other university.

Signed

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ABSTRACT

Changing workplace conditions have resulted in psychological contracts becoming more transactionally oriented. The current study addresses the question of how the 'new' psychological contract affects organisational commitment. In particular, it seeks to analyse the relationship between the form of the psychological contract (relational/transactional) and type of organisational commitment (affective, continuance, normative).

Data were collected from 210 randomly selected participants using the Psychological Contract Scale (PCS), and the Measure of Affective, Continuance and Normative Commitment Scale (MACNCS). The Career Commitment Scale (CCS) and the Positive and Negative Affect Schedule (PANAS) were administered and information gathered regarding overall job satisfaction, age, gender, contract type, position held, industry sector and length of employment.

The major findings from this study is that there are positive relationships between relational psychological contracts and affective commitment ($\beta = .653, p < .05$), continuance commitment ($\beta = .222, p < .05$) and normative commitment ($\beta = .476, p < .001$), and a negative relationship between transactional psychological contracts and affective commitment ($\beta = -.148, p < .05$), after controlling for various background and employment characteristics. This research increases the understanding of how employees commit to an organisation during times of unstable and changing employment conditions.

Chapter 1

Introduction

Over the past decade, workplaces have changed dramatically due to various factors including the increased use of technology, globalisation, increasingly competitive markets, changes to industrial relations laws and new management techniques. Terms such as downsizing and restructuring are commonplace in the world of work and many employees can no longer expect to have a lifelong career in the same organisation. Workplaces are now made up of a range of core, temporary, part time and contract workers and employees are increasingly required to manage their own careers (Cappelli, 1999; Herriot & Pemberton, 1996; Millward, 2000; Rousseau, 1997; Schalk & Freese, 1995).

In this new climate one of the most important issues is how organisations can gain commitment from their employees. High levels of organisational commitment tend to encourage behaviours such as loyalty, a willingness to 'go the extra mile', lower levels of absenteeism and higher levels of productivity. One of the ways to assist organisations to gain commitment from their employees, regardless of whether they are core or temporary workers, is to find out what their employees want by taking into account their psychological contracts (Rousseau, 1997).

The psychological contract encapsulates an individual's perceptions and beliefs about the obligations between him/her self and another party such as an employer. Unlike an employment contract, it is more implicit than explicit, and these perceptions and beliefs about obligations held by individuals concerning their employer, may not necessarily be reciprocated (Millward, 1998; Robinson & Kratz 1998; Rousseau & Tijorwala, 1998).

The literature indicates that there are two types of psychological contract, relational and transactional (Millward & Hopkins, 1998; Rousseau & Tijorwala, 1998). The contracts differ on four main elements; focus, time frame, inclusion and stability (de Vader, 1994; Rousseau & Tijorwala). Although they were initially considered to be at opposite ends of a continuum, more recent research has indicated that for some individuals, their contracts contain elements of both types (Rousseau, 2000).

The focus of the contract is concerned with the extent to which the incentives in the contractual relationship are primarily economic as opposed to economic and emotional. Transactional contracts tend to be economic only and relational contracts contain both economic and social elements. The time frame describes whether the relationship has a time limit (transactional) or is open - ended and indefinite (relational). Inclusion is a reflection of the degree to which the employee expects the job to involve limited (transactional) or extensive personal involvement (relational). Stability addresses the degree to which the relationship is

seen as static (transactional) or dynamic (relational) (O'Leary-Kelly & Schenk, 1999).

Psychological contracts appear to develop in a variety of ways, often during the actual recruitment process. Some of the perceptions and beliefs stem from explicit information given in a contract or at the interview, for example information about salaries and working hours (Rousseau, 1995). Other perceptions and beliefs by the (potential) employee develop through gathering information from existing employees, or they may be related to the motives of the individual when entering a job. For instance, if an individual's main motive is economic, they would most likely develop a transactional psychological contract. He/she may view it in terms of doing only what they are paid for, possibly gaining some new skills and staying with the organisation for a short time (O'Leary-Kelly & Schenk, 1999).

Measuring the psychological contract has proven to be interesting and challenging. Initially it was measured qualitatively (Levinson, 1976), but in more recent times a more quantitative approach to measurement has emerged (Rousseau & Tijorwala, 1998). There is often disagreement on which items belong to which type of contract and whether the content of the psychological contract is changing to reflect the changing workplace (Arnold, 1996). One of the main methods of measuring psychological contracts has been through violations of contracts and critical incidents. As psychological contracts are based mainly on the perceptions of one party, it is almost expected that violations of the

contract are likely to occur. Nonetheless, the research in this area indicates that when these violations do occur there is a loss of commitment resulting in employee behaviours that demonstrate this lack of commitment, such as increased absenteeism and lower productivity levels (Robinson & Kraatz, 1997; Robinson & Rousseau, 1994; Turnley & Feldman, 1999).

A number of scales have emerged that measure the orientation of the contract – transactional or relational, however, only one to date has acceptable reliability and validity, the Psychological Contract Scale, (PCS), (Millward & Hopkins 1998). The PCS consists of 22 relational items and 15 transactional items. Responses are measured on a 7 point Likert scale.

Viewing psychological contracts in conjunction with organisational commitment may be one way of maintaining commitment when long-term employment within one organisation is no longer viable. On the surface there appears to be some relationship between organisational commitment and the two forms of psychological contracts. In addition, some of the antecedents to commitment appear to be similar to some of the elements of the two forms of psychological contracts (Schalk & Freese, 1995). For instance, Argyle (1989) proposed two types of commitment: calculative and affective. Calculative commitment corresponds with a transactional type of contract, demonstrating an instrumental attachment to the organisation and

affective commitment is similar to the relational type of contract reflecting an emotional attachment to the organisation.

In this study, commitment is viewed as three component concept based on the work of Allen and Meyer (1990) labelled affective, continuance and normative. The affective component describes the emotional attachment the individual has with the organisation; continuance commitment is based on the costs of leaving the organisation; and normative commitment describes the individual's feelings of obligations to remain with the organisation.

Studies conducted to conceptualise how these components are triggered in individuals have revealed various antecedents to each component. Intrinsic motivation appears to be a strong antecedent in the development of affective commitment and this is developed in the workplace through a number of factors including skill variety, autonomy, feedback, satisfaction with management and salary (Eby,1999). Many of these factors are job characteristics that are valued by someone whose psychological contract has a relational orientation. Continuance commitment develops because of the costs associated in leaving an organisation such as being unable to find another position (Allen & Meyer, 1990). This may develop through factors such as high pay, often a strong element of a transactional type psychological contract. Of the three components least is known about normative commitment although there is some consistent evidence that this form of commitment develops through the process of socialisation within the

organisation. This could indicate a possible relationship with the development of a relational psychological contract (Millward, 1999).

There are many other factors to be considered when viewing organisational commitment, particularly when viewing its relationship to psychological contracts. Career commitment, which can be described as an individual's commitment to the actual job rather than the organisation itself, is of particular importance to work performance. If an individual is highly committed to the job regardless of opportunities, such as long term employment, the organisation may still get the same benefits from the person as if he/she were highly committed to the actual organisation (Blau, 1989; Chang, 1999; Millward, 2000).

Other factors that may affect levels of commitment include age, gender, length of employment, position held, type of contract, personality, and overall job satisfaction. Robinson and Rousseau (1994) suggest that as the length of employment increases, employees perceive that the employers' obligations should increase and their own obligations to the organisation should decrease. It has also been suggested that as a person gets older, the strength of continuance commitment is likely to increase (Allen & Meyer, 1990).

Research has been undertaken to determine whether levels of workplace commitment differ between women and men. Although results have varied, overall the differences are not considered to be significant (Millward, 2000; Mowday & Steers, 1979; Wahn, 1998). Another factor that may have an impact on commitment is the level of

position held in the organisation. Findings have suggested that those holding higher level positions tend to have stronger levels of both affective and normative commitment (Rousseau, 1997; Shore & Tetrick, 1994). Type of contract is another area that is considered to have a significant effect on commitment (Capelli, 1999). Given that there has been a significant increase in both temporary and part time employment in the workplace in Australia (Australian Bureau of Statistics [ABS], 1999), this employment condition needs to be taken into account.

A final consideration is the role of personality in organisational behaviour (George, 1992). For the purpose of this study positive affect (PA) and negative affect (NA) will be studied to determine how they impact on commitment. PA describes levels of enthusiasm, alertness and activity while NA describes levels of distress and unpleasurable feelings (Watson, Clark & Tellegen, 1988). Findings of a recent study indicated that PA and NA do have a significant impact on organisational commitment (Dahesihari, 2000).

The current study is interested in developing an understanding of the relationship between the two forms of psychological contract (relational/transactional) and commitment (affective, continuance and normative) exhibited by employees in an organisation. The study also considers individuals who have hybrid psychological contracts incorporating aspects of both relational and transactional scales. Given the recent shifts in employment relations, there may be a shift away from the generally observed view that individuals with temporary

employment contracts have transactional psychological contracts, and individuals with permanent employment contracts have relational psychological contracts. In particular the notion that temporary employees do not have high levels of commitment may not be as evident as in the past. Analyses will be conducted to assess whether any of these changes have occurred.

Chapter 2

Literature Review

2.1 Changing Employment Contracts

Since the 1980s working conditions in western industrialised countries have changed dramatically due to economic and political changes, as well as the increased use of technology, globalisation creating highly competitive markets, customer demands, and lives of products and services becoming shorter (Doherty, 1996; Hall, 1986; Herriot & Pemberton, 1996; Johns, 1999). Changes within industrial relations such as total quality management, occupational health requirements and equal opportunity laws and regulations have also had a significant impact on employee/employer relations (Rousseau, 1990).

Traditional employment contracts which guaranteed a job for life, with regular promotion and good career prospects in return for loyalty and hard work, are becoming increasingly rare (Millward, 2000). A different type of workforce is emerging, which is made up of core employees along with sub contractors, consultants, part time, and temporary employees. Increasingly people are required to take charge of their own careers, instead of relying on organisations to provide them with a clearly defined career path (Johns, 1999; Sullivan, 1999). Cappelli (1999) describes this as the ‘new deal’ and believes that these changes

have come about because of the changes in working conditions as outlined above. New management techniques have also emerged to deal with the changing work environment.

At the turn of the 19th century most industrial employees worked on a contractual or temporary basis and it was not until after the 1920s that the 'traditional' employment relationship emerged due to a growing need for more complex organisations. The complexity of these organisations made it important to have people who understood the internal systems of a firm and therefore organisations worked on developing loyalty and retaining employees long-term (Cappelli, 1999). Often employees acquired skills that were organisationally specific and had no currency in the wider job market. This was known as the 'bureaucratic' phase and was marked not only by the development of long-term relationships between employee and the organisation, but also administrative control, and close physical proximity of the worker to the organisation (Cappelli). It has been described as the era of the 'company man' as the male employees (most married women at this time stayed at home) were closely aligned to the organisation and loyalty was the key to a successful and secure career. Often organisations encompassed the whole family, for example, socialising outside of working hours with colleagues (Levinson, 1976). Key features of employment relations during this era included early career entry into organisations, long term retention, a seniority system, and wage levels, aimed at fostering commitment and retention (Rousseau, 1997).

It should be noted however, that these relationships were often criticised, as many of the benefits of 'traditional' employment relationships were aimed at management and not at employees. This disparity was marked by regular industrial unrest throughout the 1950s and 1960s (Levinson, 1976). These 'traditional' relationships created a type of industrial feudalism where corporate managers could not move to similar jobs in other corporations (Cappelli, 1999).

Today terms such as 'downsizing' and 'restructuring' are common. For example, between 1990 – 1995 over 3.1 million workers in the United States lost their jobs due to downsizing (Goffee & Scase, 1992; Sugalski, Manzo, & Meadows, 1995). A similar situation has occurred in Australia, for example in the past three years 6% of the workforce have experienced retrenchment (ABS, 2001). Wade-Benzoni and Rousseau (1999) describes the current era as the 'adhocratic' phase, with established bureaucracies slowly being replaced by flexible, looser structures. Some key features of this changing environment include the development of different employment relations within one organisation, for example core employees and temporary employees, more alternative career paths, an emphasis on on-going reskilling, and 'boundaryless' employment relations (McLean Parks & Kidder, 1994). Millward and Brewerton (2000) provide an overview of the main concepts of the 'old deal' and the 'new deal' in Table 2.1.

Table 2.1

Overview of the 'old deal' and the 'new deal'

Old deal	New deal
Long term security	No security
Fair pay for good performance	High pay for high performance
Structured, predictable employment scenario	Flexible, and ambiguous employment scenario
Career managed by organisation	Career managed by individual
Time and effort rewarded	Performance/results expected
Income related to experience/status	Income related to performance-related pay
Offered promotion prospects and supported in return for going the extra mile	Transactional attitudes; 'tit for tat' mentality
Mutual trust and investment	Little trust, much cynicism

(From Millward & Brewerton, 2000, p. 4).

This would suggest that the 'new deal' is with the self and one's work rather than with the organisation, although the role of the organisation needs to be considered. Many employers are interpreting these new employment relationships as meaning that the employee should be completely responsible for their career and that the employer takes no responsibility at all (Hall & Moss, 1998). However, in other cases, employers are seen to provide resources and opportunities for employees to develop within the organisation thus giving employees

some sort of security (Cappelli, 1999). This creates an ideal employment relationship based on mutual responsibility and mutual understanding (Marks, 1988; Schalk & Freese, 1995). Hall and Moss (1998) label this new career as a 'protean' career and view it as a process managed by the individual rather than the organisation. It encompasses the individual's experiences in education and training as well as any positions held in several organisations, including any changes in occupation. The individual's own career choices and search for self-fulfilment within their own life and internal (psychological) success, rather than external success are important criteria in a 'protean' career.

Similarly, Arthur and Rousseau (1996) describes careers as being 'boundaryless' and cite several examples (e.g., a Silicon Valley career), that demonstrate moves across the boundaries of various organisations. Academics tend to have such careers as they gain validation from outside their employer and immediate employment environment (e.g., from research and publications). A third example is of a real estate agent who is sustained by external networks. A boundaryless career is defined by Defillipi and Arthur (1994) as "a sequence of job opportunities that go beyond the boundaries of a single employment setting" (p. 116). Characteristics include high levels of commitment to a profession, on the job action learning, development of multiple networks, peer learning relationships, and individual responsibility for career management (Sullivan, 1999). A 'protean' or 'boundaryless' career is viewed as a life long series of experiences, skills and identity changes. Career age rather

than chronological age is valued more, and development involves continuous learning, is self directed and comes through in the day to day challenges of working life rather than from formal training and promotion (Hall & Moss,1998).

2.2 Introduction to the Psychological Contract

In light of this shift away from the ‘organisational career’ towards a more ‘self managed career’, one of the crucial challenges is to create and maintain a more viable relationship between employer and employees. A major element of this relationship is the psychological contract. The psychological contract is an individual’s perceptions and beliefs about the obligations between themselves and another party such as an employer. This differs from an employment contract, which is usually legally binding and agreed upon in writing by both parties (Argyle, 1989; Rousseau & Tijorwala, 1998). One of the central assumptions upon which the concept of a psychological contract is based is the consistency between what is perceived to be promised and what is received (Millward & Hopkins, 1998). It is important to note that such a contract does reflect an individual’s perceptions of what is promised and although the role of the organisation in the psychological contract is important, mutuality is not always essential (Millward & Brewerton, 2000). There is considerable confusion about this aspect of the psychological contract and this is demonstrated in the following definitions- “a set of unwritten expectations present at each moment between each member of the organisation and others in the same

organisation” (Anderson & Schalk, 1998, p. 638), “an exchange relationship between two parties: employer and employee” (Herriott & Pemberton, 1996, p.236), “an implicit contract between an employee and his organisation which specifies what each can expect to give and receive from each other in the relationship” (Kotter, 1973 p. 92), and “individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisation” (Rousseau, 1995, p. 9).

The idea of the psychological contract initially gained currency in the early 1960s when the term was used to describe the employer-employee relationship (Levinson, 1962). Argyris (1962) was the first to study the subjective part of people’s employment contracts, but it was only in the 1980s that the term became a part of the vocabulary of workplace studies, and even then it was used primarily to describe the implicit aspects of the employer-employee relationship. The concepts used are similar to the concepts described in social exchange theory: an exchange of mutual co-operation between two or more individuals for mutual benefit (Robinson, Kraatz & Rousseau, 1997; Shore & Barksdale, 1988).

Early research on the content of psychological contracts tended to be conducted in a context of full employment, stability and growth, and was based on expectations of lifelong jobs, promotion, and steady financial rewards. Levinson (1976) described the process of fulfilling psychological contracts as ‘reciprocation’. If either party violates such a

contract the other party is seen to exhibit all the behaviours of someone who has been unfairly treated, even though there is no violation of explicit contractual details. An example of this is the Kansas Power and Light Company which had a tradition of paying relatively good, but not high salaries. In return there was a perception that work effort would reflect this and job security would be provided if a minimum level of work was performed. It was also expected the staff would be on call for maintenance. In return for this, the employees expected the company to find anyone who became injured a position elsewhere in the company. If this expectation was not fulfilled they would protest and lobby the company until it occurred even though the organisation was under no legal obligation to do so (Levinson, 1976). Rousseau (1995) provides another example highlighting a disagreement about what constitutes an obligation, a contract or a deal:

“Dear Abby

Grandma created quite a stir among your readers concerning her usual \$50 birthday gift to her selfish descendants who, after a while, thought they had it coming.

Did you know it is a legally established fact that the voluntary giving of gifts over a period of time implies an obligation to continue that practice?

Several years ago, when the mills of the American Rolling Mill Co. in Middletown, Ohio were really rolling, the company, out of the goodness of its corporate heart, began giving free turkeys to its employees at Thanksgiving. Then the company fell on hard times, and in the early 1980s it decided to discontinue the distribution of some 15,000 turkeys as an economy measure. The Steelworkers Union set up a howl and took the company to court. Believe it or not, the court took the position that through the company’s generous practice over a period of years, it did indeed owe the employees their Thanksgiving turkeys! Small wonder they call them ‘gobblers’? (1995, p. 2)

Once an employer makes a verbal offer of employment to an individual and it is accepted, an employment contract exists. This is usually followed up by a written agreement, and the terms and conditions are set out. Conversely, the psychological contract that exists for all staff is rarely discussed though it is often what causes many difficulties in the workplace (Rousseau, 1995).

2.2.1 The form of the psychological contract

Researchers have conceptualised the psychological contract in two forms, each reflecting the value of the relationship between employee and employer. The two forms are ‘transactional’ and ‘relational’ contracts (de Vader, 1999; Hutton & Cummins, 1997; Rousseau & Tijorwala, 1998). The relational aspects are more associated with traditional working partnerships between the employee and employer and tend to create feelings of attachment in the employee, and commitment by the employer to provide more than just remuneration. The transactional aspects of the psychological contract are more concerned with remuneration and personal benefit than commitment to the organisation (Millward & Hopkins, 1998). Elements of each form of contract are shown in Table 2.2

Table 2.2

Elements of the Two Types of Psychological Contracts

Relational	Transactional
Open ended relationship and timeframe	Short term monetizable exchanges
Considerable investment by employees(company skills, career development) and employers (training)	Specific economic conditions as primary incentive (wage rate)
High degree of mutual interdependence and barriers to exit	Limited personal involvement in job
Emotional involvement as well as economic exchange	Specified time –frame
Whole person relations	Commitments limited to well-specified conditions
Dynamic and subject to change	Limited flexibility
Pervasive conditions	Use of existing skills
Subjective and implicitly understood	Unambiguous terms

(From Rousseau, 2000, p. 39).

There are a number of elements that differentiate the two forms of contract from each other - focus, time frame, inclusion and stability. The focus is the extent to whether the incentives in the relationship are primarily economic, opposed to economic and emotional. The time frame describes whether the relationship has a time limit or is open-ended and indefinite. Inclusion demonstrates the degree to which the

employee expects the job to involve limited or extensive personal involvement. Stability addresses the degree to which the relationship is seen as static or dynamic (O'Leary-Kelly & Schenk, 1999).

Several researchers have verified that two fundamental types of psychological contract exist (Herriot & Pemberton, 1996; Hutton & Cummins, 1997; Millward & Hopkins, 1998 Rousseau, 1998). Robinson et al. (1997) made the first attempt to develop a psychometric tool to measure the psychological contract from both the employee and employer viewpoint. Studies of this measure indicated some instability of some of the items included which suggested the need for further work (Arnold, 1996). Herriot and Pemberton (1996) used a critical incident technique to explore the constructs of the psychological contract and Hutton and Cummins (1997) developed the Psychological Contract Inventory, which is based on perceived reciprocal obligations. To date, however the only psychometric measure of the construct which has been sufficiently well validated, is the Psychological Contract Scale (PCS). Millward and Hopkins developed the PCS following focus group discussions. It consists of a 37-item questionnaire comprising of 22 relational and 15 transactional items. Reliability analysis (N = 256) using Cronbach's alpha was applied to the sub scales by Millward and Brewerton (2000). It yielded the following results. Time frame ($\alpha = .88$), Contract focus ($\alpha = .71$), Equity ($\alpha = .71$) and Professional Focus ($\alpha = .72$). A more recent study (Purvis & Cropley, 2003) (N= 223), yielded 0.75 for the relational subscale and 0.81 for the transactional subscale.

Most of the research to date has proposed that the transactional and relational components are at opposite ends of a bipolar continuum and individuals are placed along the continuum in terms of their beliefs about their psychological contracts. Therefore, it would be highly likely that temporary workers will be at one end of the continuum and individuals with tenure would be at the other end (Millward & Hopkins, 1998).

Millward (2000) challenges this notion and uses the example of temporary workers who are continuously assigned to the same company who begin to develop relational type contracts, even though the nature of their job demands a transactional relationship with the employer.

Rousseau (1995) argues that the expected duration of a relationship is a significant determinant of whether a contract is relational or transactional. However, Millward points out that relationships that are short term contractual in nature, such as student/mentor, are often highly relational.

The notion that the relational-transactional continuum is bipolar is also challenged in a study of over 2000 employees from a range of organisations whose employees completed the PCS (Millward & Hopkins, 1998). This study found that there was a moderate inverse (generally -0.2 to -0.3) relationship between the two orientations and not as high an inverse relationship as would be expected if they were opposite ends of a continuum. Although Arnold (1996) acknowledges that the distinction between relational and transactional contracts has empirical support, he argues that it is not always clear which elements

belong to each. He uses training as an example and states that in one study, it correlates with high pay a performance based pay which appears to belong in the transactional scale, however in another study it correlated with job security – a relational scale item. Based on his findings it would appear that although some elements of transactional and relational contracts are mutually exclusive, others may not be.

Some respondents in the Millward and Hopkins (1998) study reported themselves high on both the relational and transactional scales whereas others reported low on both scales. These respondents were conceptualised as ‘careerists’ (high-high’s) and as ‘indifferents’ (low-low’s) as a way of clearing up some of the anomalies in the responses. Rousseau and Tijorwala (1998) have also developed a more complex model than the bipolar relational-transactional model, the Psychological Contract Inventory (PCI) that assesses the content of psychological contracts by assessing sub-dimensions of contract types. In this approach four classifications of psychological contracts have been identified: 1) Transactional; 2) Relational; 3) Balanced/hybrid; and 4) Transitional/uncertain.

The concept of the bi-polar nature of transactional and relational contracts is also of interest when organisational commitment is considered. Employees who are relationally oriented to the organisation are more likely to be committed to the organisation’s goals and values than those who are transactionally oriented (Rousseau, 1995). Studies also suggest that the perceived terms of the psychological contract are

significantly more important than organisational commitment in explaining behaviours such as extra role activity, attrition, and absenteeism (Millward & Brewerton, 1999). If, as the literature indicates (Cappelli, 1999; Martin, Staines, & Pate, 1998; Tetrick & Barling, 1999), a more transactional employment climate is evolving, this could prove problematic for organisational effectiveness, particularly as organisational commitment is most often considered an affective or emotional attachment to the organisation (Schalk & Freese, 1995). Evidence does suggest that the recent changes in the employment relationship have had an effect on employment commitment. Findings indicate that opportunities such as promotion from within, and clear promotion paths, do make employees more committed to their organisations and, with these benefits no longer being a part of the ‘new deal’, it is harder for employers to gain commitment from their employees (Cappelli, 1999; Lester, 2001).

2.2.2 Determining the psychological contract

Millward (2000) uses the term psychological contract to describe three different aspects of the employment relationship. Firstly, the form or orientation of the psychological contract (transactional/relational) explains the way in which the employee interacts with their employer. The second part is the process by which the psychological contract is determined (how the wants and offers on the part of both the employee and the organisation are worked out). The third part is the content, which

encompasses the perceived terms of exchange making up the psychological contract.

Rousseau (1995), believes the process of determining the contract comes about from beliefs in obligations from both parties, promises made during the recruitment process, perceptions of past exchanges, information given by current and past employees and some factors that are taken for granted such as fairness. It is suggested that both internal and external factors may influence contract development. Internal factors are the individual's perceptions of the employment situation, and external factors are the messages and social cues received from others. In regard to the internal factors, a key factor that affects contract making is the individual's motives for entering the employment relationship in the first place (O'Leary-Kelly & Schenk, 1999).

O'Leary-Kelly and Schenk (1999) identified three specific motives for entering an employment contract - economic, socio-emotional and creativity. If the primary reason is economic, an individual chooses one employment opportunity over another because it provides a better salary, therefore this is a financial motive. For many people work provides a social group that may lead to a sense of affiliation with the organisation, therefore the motive is socio-emotional. Organisations differ in the extent to which they encourage employees to express themselves creatively, and some employees make an employment decision based on a creativity motive. Levinson (1976) believes that individuals choose organisations that fit their psychological needs and form bonds with the

organisation based on expectations. Cappelli (1999) views the process as continuously being redefined and expectations are based on 'modelling'. New employees see the more established employees as models and the more accomplished workers, in particular, become role models. New workers soon figure out what behaviours to display in order to have expectations, such as promotion, fulfilled. The actual product of this process will reflect both the form and the content of the relationship between employee and employer as perceived by the employee only (Millward & Hopkins, 1998).

Overall, research indicates that the type of contract is usually determined during the recruiting process (Millward & Brewerton, 2000; Millward & Tijorwala, 1998; Rousseau, 1990). Two distinct groups were identified in a study conducted on newly employed MBA graduates by Rousseau, those who during the recruiting process viewed the organisation as a stepping stone to another organisation and, those who viewed the organisation as a highly desirable place to work. The former resulted in transactional psychological contracts being formed and the latter in a relational type contract. Millward and Brewerton studied how contractual orientation develops in nurses. This study was particularly interested in why nurses were increasingly leaving their professions. Their study also supported the notion that it is employees initial perceptions of what they want from work and what they believe is on offer from the organisation that determines their contractual orientation. In particular, Millward and Brewerton demonstrated that nurses, with a

low focus on high earnings, a high focus on career development, and a strong focus on professional identity, in combination with expectations of job security, equitable pay and opportunities for personal and professional development are more likely to develop a relational contract and hence remain in the organisation for a reasonable period.

2.2.3 Content of the psychological contract

The content of the psychological contract can best be described as the perceived terms of exchange, which contains both organisational and personal factors (Millward, 2000). What actually makes up the content of the psychological contract is often in dispute. However, the most conventional approach is to view the content in terms of perceived employee and employer obligations (Rousseau & Tijorwala, 1998). From this standpoint however particular obligations are associated with particular forms of psychological contracts (Millward & Brewerton, 2000; Robinson et al., 1997). Millward maintains both a conceptual and empirical distinction between form and content.

Although, there is little evidence to substantiate this, it may assist in understanding how individuals with contracts limited to specified time frames or to specified conditions (e.g., linked to government initiatives or winning of tenders) are able to commit to the organisation. The current popular view is that the traditional promise of a 'fair days work for a fair days pay' or a 'job for life' in return 'for loyalty and commitment' is no longer tenable (Guest, 1998). This suggests that the content of the contract, in terms of what employees seek, may be

changing. If form and content are distinct, the terms of the exchange relationship could change without actually affecting the form of the relationship. Much of the literature suggests that individuals are taking more responsibility for their own careers and therefore their expectations are changing without altering the form of their relationship (Cappelli, 1999; Pearce, 1998; Schalk & Freese, 1995; Sullivan, 1999). This phenomenon is particularly evident in younger workers designated by Millward as 'careerists'. Careerists have a high commitment to their job or profession, and provided the organisation assists this commitment (e.g., provision of professional development), they will display behaviour consistent with high levels of organisational commitment.

2.2.4 Measuring the content of psychological contracts.

Since the 1990s, the psychological contract has acquired scientific construct status. This status initially came about because of the work of Rousseau (1990) who provided the groundwork for developing a formal system of understanding the psychology of the employment contract. There seems to be two main approaches in the literature, the cognitive perceptual approach and the study of the way the individual and the organisations actually interface (Millward & Brewerton, 2000).

The concept of the psychological contract is now viewed as a measurable construct, owned solely by the employee rather than by the employer and the employee (Millward, 2000). This is a slight shift away from the earlier research that viewed the psychological contract as being

owned by both the individual and the organisation (Levinson, 1976). Most of the recent research has been based on the 'new deal' and suggests that psychological contracts have come under pressure as a consequence of the changing employment contracts (Herriot & Pemberton, 1996). There have been several approaches to describing and researching in the area of psychological contracts. Initial studies of the psychological contract were conducted in a qualitative manner usually by researchers interviewing employees within an organisation. One other method of determining the content and context of psychological contracts has been research on the consequences of contract violation (Robinson & Rousseau, 1994; Turnley & Feldman, 2000; Turnley & Feldman, 1999).

2.2.5 Contract violation

Quantitative approaches have tended to be based on a causal-analytic approach and most of the research has focussed on the consequences of contract violation. For example, Turnley and Feldman (1999) explored the relationship between contract violation and exit voice, loyalty, and neglect behaviours, and Robinson and Rousseau (1994) observed the effect of violation on changes in obligations and later Robinson et al. (1997) the effects of violation on turnover, trust, and satisfaction. Overall, these studies have resulted in violation of contracts being associated with certain workplace behaviours and attitudes such as decreased loyalty, resignation, absenteeism and generally lower levels of commitment to the organisation. Therefore,

employees who experience violation of their psychological contract will generally behave in a manner that decreases their contribution to the organisation (Turnley & Feldman, 2000).

Understanding what happens when contracts are violated is important to understanding the nature of psychological contract as it often not until the contract has been violated that the content of the contract is revealed (Sparrow, 1999). Breach of contract is very commonplace (Guest, 1998; Makin, Cooper & Fox, 1997; Millward & Lee, 1999; Rousseau, 1997) because of the subjectivity of psychological contracts. It would be expected that there will be inadvertent breaches as often the employer and employee hold differing expectations (; Robinson & Rousseau, 1994; Rousseau, 1995). Morrison (1999) define psychological contract breach as “the employees cognition that the organisation has failed to meet one or more of its obligations” and psychological contract violation as “the emotional or affective state that frequently follows such a perception” (p. 342). He suggests that this affective and emotional experience may include disappointment, frustration, anger and resentment.

Niehoff and Moorman (2001) considers two types of violation - renegeing, when an organisation knowingly breaks a promise, and incongruence - when each party has a different understanding of what is expected. Rousseau (1995) adds to this a third type of breach – disruption. This is when circumstances – usually out of anyone’s control – make it impossible to fulfil obligations. One example of this would be

downsizing due to economic reasons. Van Burren (2000) believes that although workers understand that jobs for life are no longer tenable, and have a clear understanding of their employment contracts, they still experience strong reactions to the violation of their social or psychological contract particularly when it is highly relational. Most researchers in this area agree that the experience of a breach of the transactional elements of a psychological contract is vastly different to the; Robinson & Rousseau, 1994; breach of a relational contract (Guest, 1999; Makin, et al, 1997; Turnley & Feldman, 1999; Van Burren, 2000;).

Robinson and Rousseau (1994) believe that violation of the transactional contract is perceived as an inequity in the economic exchange and violation of the relational contract changes the nature of the social relationship. Millward and Brewerton (1999) consider that violating a relational contract is profoundly damaging to an employee-employer relationship built on trust and commitment. Guest (1998) raises the point that violations of the transactional contract are more obvious and often have to be redressed where the implicit nature of relational contracts allows them to be more open to violation.

To fully understand how breaches of contract affect employees, a clear distinction needs to be made between expectations and mutual obligations. Robinson and Rousseau (1994) consider that the terms of psychological contracts are constantly revised, particularly the longer the relationship lasts. Expectations are often unrealistic and, as these are not met, employees often become less satisfied and perform less

well. Violations of the psychological contract produce a more intense reaction because of the association with general beliefs about respect, codes of conduct, and other relationship behaviours. Guest (1998) concludes that unmet expectations cause moderate dissatisfaction and violation of psychological contracts reflects strong dissatisfaction because of broken promises. Guest has also noted a strong correlation between job dissatisfaction and contract violation ($N = .76$) and studies have confirmed that there is a mediating effect between the two. If employees are already dissatisfied they may become more vigilant in noticing salient discrepancies in their perceived psychological contracts. These vigilant employees are more likely than other employees to monitor their psychological contracts (particularly the relational aspects) (Nichoff et al., 2001).

2.3 Introduction to Organisational Commitment

The area of organisational commitment has been the focus of studies for a number of years. Researchers such as Kanter (1968) Etzioni, (1961) and Becker (1960), established organisational commitment as an important aspect of the study of workplace behaviour. Two views of commitment have been established over the past thirty years. One view refers to organisational commitment as a behaviour and the other view is an attitudinal approach (Zangaro, 2001). Becker adopted a behaviourist approach to understanding commitment and views commitment as a display of consistent behaviour. He considered that commitment is achieved by making what he labels a 'side bet'.

Becker believes that employees remain with an organisation because of the perceived costs associated with leaving the organisation (i.e., side bets). Becker believes that these side bets occur for a number of reasons such as general cultural expectations, bureaucratic arrangements such as pension funds as well as concerns about living up to a social image. Some of the side bets do focus on economic issues but others focus on the social aspects either from concerns about loss of reputation or feelings of obligation (Shore, Tetrick, Shore and Barksdale, 2000). An interesting difference, observed by both Becker and Etzioni, is that some side bets are made deliberately by the individual and in other cases an individual's actual involvement within an organisation has actually made the side bet for him. The commitment made on this basis is often motivated by thinking that a person 'ought' to stay committed to the organisation because of some sort of workplace cultural expectations. Systems and bureaucratic arrangements can also create commitment, for example, prior to making superannuation schemes portable, if a person left a job, they would lose funds paid into a retirement scheme. Becker gives many examples of how side bets can be made and how they can constrain an individual's behaviour. He suggests that an individual may present an image to co-workers and employers' that he/she may or may not be able to live up to. This image must continue to be maintained in order not to lose face.

Both Kanter (1968) and Etzioni (1961) viewed commitment from an attitudinal approach. Etzioni refers to commitment as a positive

involvement with an organisation, particularly to the power of the organisation, and on the other end of the continuum, a negative involvement is referred to as alienation. This is divided then into three zones on the continuum: 1) 'alienative' for the high alienation zone; 2) 'moral', for the high commitment zone; and 3) 'calculative', for the two middle zones. In this context Etzioni uses compliance as a means of classifying organisations, and commitment is the attitude that employees develop towards the type of power employed by employers to control their employees. Similarly, Argyle (1989) proposed two types of commitment: calculative and affective. Calculative demonstrates an instrumental attachment to the organisation and affective demonstrates an emotional attachment. More recently, one of the most widely accepted approaches to understanding commitment has been through the work of Mowday and Steers (1979). They define organisational commitment by how strong an employee identifies with, and is involved in, an organisation. This is demonstrated by their belief in the organisation's goals and values, their strong desire to remain with the organisation, and through the efforts they put into their jobs.

Meyer and Allen (1997) view organisational commitment as a three-component concept. The three components in this model are labelled 'affective', 'continuance' and 'normative'. The affective component describes the emotional attachment an individual has with the organisation, their identification with the goals and values of the organisation and the level of their involvement (Zangaro, 2000).

Employees with a strong affective commitment remain with the organisation because they enjoy it and want to remain by way of preference (Allen & Meyer, 1990). Continuance commitment is based on the costs that an employee associates with leaving the organisation, such as their inability to gain another job. Therefore individuals with strong continuance commitment remain because they need to. Normative commitment is associated with employees' feelings of obligation to remain – perhaps for example because the organisation has provided them with extra training or special leave. Therefore those individuals with a strong normative commitment remain because they feel obligated in some way (Allen & Meyer, 1990).

Viewing commitment as an affective or emotional attachment to an organisation is the most common approach in the literature to studying commitment (Mowday & Steers, 1979). The concept of affective commitment was developed from Becker 1960s studies. Since then there have been many studies attempting to conceptualise how affective commitment is triggered in an individual (Eby et al., 1999). Intrinsic motivation appears to be a strong antecedent to affective commitment. According to Eby et al. and Mathieu and Zajac (1990) intrinsic motivation is developed in the workplace through a number of factors including skill, variety, autonomy, feedback, satisfaction with pay and supportive management. Mathieu and Zajac also determined that whilst job satisfaction was not an antecedent to affective

commitment it was strongly linked to intrinsic motivation and had a mediating effect on affective commitment.

Continuance commitment is considered to develop because of costs associated in leaving an organisation and a profit associated with staying (Allen & Meyer, 1990). There are two antecedents most often associated with the development of continuance commitment and they are based on the side bet theory (Becker, 1960; Etzioni, 1961; Mowday & Porter, 1982). This takes into account costs associated with leaving when an employee has invested a great deal into the organisation as well as risks leaving the organisation such as being unable to gain another position. Many studies have shown that continuance commitment may become stronger with age, and tenure (Allen & Meyer; Cohen, 2000; Mathieu & Zajac, 1990; Rousseau, 1999). Cohen and Gattiker (1992) consider that as individuals get older they would display higher levels of continuance commitment as they may perceive that there are less job opportunities.

Jayne (1995) conducted a study to determine whether parents who identified strongly with the 'provider role' would be higher on continuance commitment and Whitenor (1993) looked at whether unemployment rates would have an effect on levels of continuance commitment of workers. Neither of these studies resulted in significant findings. Finegan (2000) studied the impact of organisational values on organisational commitment and did find a relationship between scores on continuance commitment and perceived convention – the more the

organisation was perceived as being conventional the higher the level of continuance commitment.

The less common approach to viewing commitment is in terms of obligation. Of the three components least is known about the development of normative commitment. There is some consistent evidence that this form of commitment develops through the process of socialisation within the organisation. Co-workers may send signals to each other about what is expected and after a period of time these pressures to act in line with organisational needs are internalised (Meyer & Allen, 1997).

2.4 Psychological Contracts and Organisational Commitment.

As commitment is linked to behaviours of employees such as service, organisational citizenship and attendance, the maintenance of it is extremely important to the functioning of the organisation (Schalk & Freese, 1995). Viewing it in conjunction with psychological contracts may be one way of maintaining commitment in an era when long term employment with one organisation is no longer on offer.

The two forms of psychological contracts (transactional/relational) appear to be closely aligned with organisational commitment. For example, using Argyle's (1989) model of commitment, it would appear that calculative commitment corresponds with a transactional type of

contract and affective commitment is similar to the relational type of contract.

Meyer and Allen (1997) suggest that because transactional contracts are more objective and based on economic exchange they might be involved in the development of continuance commitment, and relational contracts, because of their more subjective nature and having a base in social exchange, may be more related to normative commitment. To date, there has been no research conducted on the link between the development of normative commitment and psychological contracts. Some studies have been undertaken to determine links between affective and continuance commitment and psychological contracts. Millward and Hopkins (1998) considered that employees with transactional contracts would be low on all commitments except continuance commitment when alternative jobs are few. When one party violates a transactional contract the other would typically terminate the relationship. In contrast, if a relational contract is violated, the party who has been violated is likely to be very angry but remain in the relationship due to high affective commitment and high continuance commitment.

Millward and Hopkins (1998) conducted a study to investigate the relationship between the psychological contract and organisational and job commitment. They used the Organisational Commitment Questionnaire (OCQ), which determines levels of commitment from an attitudinal/affective point of view (Mowday & Steers, 1979). Millward and Hopkins also examined the idea of commitment to the job itself, as

distinct from organisational commitment. It is suggested that employees are contracted by organisations to do particular jobs and that the job is the “immediate, local, and concrete source of experience that mediates or frames the development of contractual beliefs. The organization is a more distal, superordinate and abstract entity” (Millward & Hopkins, 1998, pp. 1534-1535). There was no established measure at the time of the study and the OCQ was modified to measure job commitment (Millward & Hopkins).

Millward and Hopkins’ (1998) study determined that individuals with permanent contracts were more relational in their orientation and those with temporary contracts were more transactional. The more relational the contract is, the higher the level of job and organisational commitment, while conversely, the more transactional the contract is, the lower the level of job and organisational commitment. Although there was a strong relationship between relational psychological contracts and organisational commitment it was noted that scores on job commitment were much higher than scores on organisational commitment and it appeared that job commitment may have a mediating effect on the relationship between contract orientation and organisational commitment. This would suggest that psychological contracts tend to be primarily at the job level rather than at the organisational level. This is consistent with earlier discussions about employees moving away from the ‘organisational man’ model towards a ‘careerists’ model of working, and challenges much of the early research (Rousseau, 1990).

2.5 Purpose of the Current Study

The current study is interested in understanding the link between the form of psychological contract (relational/transactional) and type of commitment (affective, continuance and normative). The study is also interested in taking into account individuals who have hybrid psychological contracts e.g. high/high or low/low scores on the relational and transactional scales. Given the shift in employment relations, there may be a shift away from individuals with temporary contracts having transactional contracts, and individuals with permanent contracts having relational contracts. Therefore the notion that temporary employees do not have high levels of commitment may be challenged. Analyses will be conducted to determine any changes.

2.6 Objectives

The primary aim of this study is to develop further understanding of the relationships and impacts of changing employment conditions on employee attitudes and commitments. The objectives of this study are:

- To investigate the relationship between employee Psychological Contract type and individual levels of Organisational Commitment
- To investigate the relationship between the type of employment contract (permanent vs non-permanent) and Organisational Commitment.

- To investigate the influence of background and employment characteristics on employee Psychological Contract types and Organisational Commitment levels

2.7 Additional Considerations

Evidence suggests that length of employment, age, gender, industry type, career commitment, position held, overall satisfaction and, positive and negative affect may all have some effect on organisational commitment (Allen & Meyer, 1990; Blau, 1989; Capelli, 1999; Millward, 2000; Rousseau & Tijorwala, 1998; Rousseau, 1997;). For instance, studies have shown that perceived mutual obligations do change over time. One aspect noted in several studies (Millward, 2000; Morrison, 1999; Rousseau & Tijorwala, 1998) suggests, that as the length of the employment increases, employees perceive that the employer's obligations should increase and their own obligations to the organisation should decrease. The explanation for this may lie in the employee's desire to maintain equity. When an employee is first given an opportunity to be employed they may feel indebted to that organisation. Continuing to work for the employer is a contribution in itself and could increase the employee's perceived entitlement and decrease their perceived debt (Robinson & Rousseau, 1994).

Millward (2000) has identified a group of individuals who have been conceptualised as 'careerists'. This group of employees expect to make their career in an industry or a profession rather than with a specific organisation. This is more commonly described as career

commitment which is an individual's attitude towards his/her own career (Blau, 1989). Pilot work on careerists conducted by Brewerton (1999), cited by Millward, has identified that the incidence of careerists is higher in younger age groups and among those who have only been with the organisation a short time. As age and length of time with the organisation increases so the incidence of careerism decreases which may mean that these employees develop a less transactional relationship over time and become more relational. In a study conducted by Chang (1999), career commitment, along with both affective and continuance commitment, showed significant negative effects on turnover intention. A significant interaction effect was found between career commitment and affective commitment, but no interaction effect was found between career commitment and continuance commitment. Individuals with high career commitment and low affective commitment show a higher level of turnover intention than those with low career commitment and high affective commitment.

Wahn (1998) conducted a study to determine sex differences in the continuance component of organisational commitment. Women reported higher levels of continuance commitment than men, however these differences can only be regarded as small to moderate. This study was based on women perceiving they have fewer job alternatives than men and so are likely to report higher levels of continuance commitment. Millward (2000) hypothesised that women would be more transactionally oriented in relation to their jobs, they are largely

disconnected from the workplace and will exit more easily. This was refuted and this particular study showed that women in full time work interface in much the same way as men.

Several studies have indicated that individuals who are employed in management roles or in a professional capacity are more likely to demonstrate higher levels of affective organisational commitment and are more likely to have relationally oriented contracts than blue collar workers (Millward & Brewerton, 1999; Rousseau, 1997; Shore & Tetrick, 1994). Often non professional employees receive less overall remuneration from the employer than professional counterparts. This could account for lower perceived obligations (Morrison, 1999). Sparrow (1998) suggested that individuals employed within government organisations, and larger bureaucratic organisations may also have higher levels of commitment particularly affective and continuance commitment due to working conditions being more favourable.

A study of how contractors perceived their employment relationships was conducted by analysing the transactional and relational aspects of their psychological contracts (Millward, 1999). Although this study confirmed the findings of an earlier study (Millward & Hopkins, 1998), that permanent employees tended to be more relationally oriented than temporary employees, it did determine that many of the permanent or temporary employees attitudes towards their job were relational, such as a willingness to go the 'extra mile' without pay. This study suggests that being relationally oriented could be dependent on a number of

factors that may override the 'time' aspect. Aspects such as how well the employee identifies with the organisation, job satisfaction, whether the individual is in the job because other employment is unavailable, or because they are happy with the nature of the employment relationship are all considered important factors (Millward & Brewerton, 1999).

Hartmann and Bambacas (2000) found a significant negative relationship between casual employment and both affective commitment and normative commitment. Their study indicated that casual employees considered that they could easily become attached to another organisation and they felt little obligation to remain with the current employer.

Overall satisfaction with the organisation plays a key role in both the development of organisational commitment and the process for developing the orientation of the psychological contract. For instance, an employee may be highly unsatisfied with his/her employer but have few employment choices, therefore he/she may score high on continuance commitment, but low on affective commitment (Meyer & Allen, 1997). Conversely, if an organisation is highly satisfying to an individual they may become relationally oriented to the organisation regardless of the time focus of their employment deal. Employees, regardless of their contractual status may feel proud to work in an organisation that is seen by outsiders in a positive light and this in turn may create a positive organisational identity which in turn may make them become more relationally oriented (Millward, 2000).

Given that the field of organisational behaviour is concerned with affective states and behaviours in work contexts, it is also important to determine the role of personality or intrinsic variables in organisational life, particularly its impact on commitment (George, 1992). Several studies have been undertaken on various aspects of organisational behaviour using a measurement of positive affect (PA) and negative affect (NA) (Isen & Baron, 1991; Judge, 1992; Spector, Fox, & Van Katwyk, 1999). PA and NA, in these instances are treated as two independent measures. PA describes levels of enthusiasm, alertness and activity, whereas NA describes levels of distress and unpleasurable feelings (Watson & Clark 1984). Cropanzano and James (1993) examined the relationship between PA and NA to organisational commitment which resulted in a significant association. They used the Organisational Commitment questionnaire (OCQ) which is a general measure. In a second study they measured affective and continuance commitment and their relationship with PA and NA. Findings demonstrated a significant positive relationship between PA and affective commitment. This supports the findings in a recent study indicating that PA and NA have a significant effect on organisational commitment. PA had a significant positive association with both affective and normative commitment. NA had a positive relationship with continuance commitment and an inverse relationship with normative commitment (Dahesihari, 2000).

A final consideration is industry sector. Whilst there have been no studies conducted on the effects of the type of industry sector a person is employed in, on organisational commitment, Cappelli (1999) suggests that some industries are more likely to be made up of a workforce of temporary and contingent workers. These industries include information technology organisations, stock broking companies, the mining industry and various other organisations that are driven by fluctuating markets.

2.8 Summary

Drawing on the above review the literature does indicate strongly that employment contracts are moving towards a more temporary basis and a key issue is how employers can gain commitment from these workers. The literature suggests that temporary workers are more likely to be transactionally oriented in their psychological contracts and studies have demonstrated that transactionally oriented employees are likely to demonstrate low levels of organisational commitment. Several factors have been identified as impacting on organisational commitment and therefore these will be controlled for. This will enable the study to identify any emerging changes in the workplace and establish real relationships between changing employment contracts, psychological contracts and the effects on organisational commitment.

2.9 Relevance

This investigative study aims to give an understanding of the relationship between psychological contracts and how commitment may

develop, particularly within the current employment climate. In doing this it should identify, in part, what people want from work. This can assist employers to meet the needs of their employees so that they do become more committed, therefore increasing their contribution to the organisation's effectiveness.

In addition, the study can make a contribution to the already substantial body of literature in the area of organisational commitment and the growing body in the area of psychological contracts. More particularly it will contribute to the debate concerning the notion of psychological contracts being either transactional or relational.

2.10 Hypotheses

Hypothesis 1. There will be a positive relationship between relational psychological contracts and affective commitment after controlling for personal and employment background variables.

Hypothesis 2. There will be a negative relationship between transactional contracts and affective commitment after controlling for personal and employment background variables.

Hypothesis 3. There will be a positive relationship between relational psychological contracts and normative commitment after controlling for personal and employment background variables.

Hypothesis 4. There will be a negative relationship between transactional contracts and normative commitment, after controlling for personal and employment background variables.

Hypothesis 5. There will be a positive relationship between relational psychological contracts and continuance commitment after controlling for personal and employment background variables.

Hypothesis 6. There will be a positive relationship between transactional psychological contracts and continuance commitment after controlling for personal and employment background variables.

Chapter 3

Method

3.1. Overview of Study

The current study investigated both the relationship between different types of employees' psychological contracts (relational or transactional) and employees' levels of organisational commitment (affective, continuance and normative) and the relationship between different employment contracts (permanent or non permanent) and organisational commitment. The influence of background and employment characteristics on employee psychological contract types and organisational commitment levels is investigated with the aim of contributing to developing a model to aid in predicting organisational commitment from various contractual arrangements.

3.2. Participants

Two hundred and ten people participated in the study. According to Tabachnick and Fidell (1989) this number of cases was sufficient for the number of variables being used. One thousand questionnaires were sent out and this indicated a slightly lower response rate than the usual 30% rate of response suggested by Shaughnessy and Zechmeister (1990). The mean age of the participants was 36.4 years with a standard deviation of 11.7 years. Current statistics (ABS, 2002) indicate that the main percentage of the current work force are aged between 25-54 years of age.

Eighty percent of the participants in the study indicated that they were employed on permanent contracts with 20% indicating a temporary contract. The literature

suggests that since the 1980s there would be an increase in temporary workers (Herriot & Pemberton, 1996). Temporary workers are usually defined by the time limit on their employment contract. A recent report from the ABS (2002) has indicated a rise since 1999, and 22 % of the workforce are currently employed on a temporary basis. This indicates that the sample used in this study provided a good representation of the workforce. Similarly, there has been a growing trend in casual and part time employment in Australia since the 1980s (ABS, 1999). In fact, casual employment explained 69% of growth in employment from 1988-1998 (ABS,1999). The growth in part time employment is more industry specific occurring mainly in the service industries. More women are employed part time, and part time workers tend to be quite young (under 24 years of age) or older (over 55 years of age) (ABS, 2001). Of the 210 respondents 9.6% were employed part time and 10.2% were employed on a casual basis. 55.5% of the respondents were males and 44.5% were females.

The mean length of employment of the sample is 71 months with a standard deviation of 81 months indicating a large distribution. Data were collected on organisational type - either government (30%) or private institutions (66%).

Data collected on job classification initially had seven categories;

1) Professional – 10.7%; 2) Manager – 19.4%; 3) High level technical – 21.4%; 4) Sales customer service 14.6%; 5) Admin/secretarial 24.3.%; 6) Trades – 4.4.%; 7) Semi/skilled – 5.3.%. To meet with the requirements necessary for analysis, dummy variables were created. The seven categories were re grouped into three areas- professional, technical and administrative, and trades. The ‘professional’ category included professionals and managers, ‘technical and administrative’ represented high level technical workers, sales/customer service and administrative/secretarial. ‘Trades’ included trades and semi skilled/labour.

Similarly industry type was initially collected in six categories:

- 1) Manufacturing/mining – 17.4%; 2) Hospitality – 8.7%;
- 3) Education/training – 21.7%; 4) Human/Health services – 19.3%;
- 5) Information Technology 4.3%; 6) Retail/wholesale – 14.5%.

To conduct data analysis, two dummy variables were created, service and production.

Table 3.1.

Demographic Characteristics of Sample

Personal Characteristics	Means & SD
Age	M=36.4 SD = 11.17
Emp. Time	M = 71 months SD = 81 months
Personal Characteristics	Percentage
Gender	
Males	55.5
Females	44.5
Employment Characteristics	Percentage
Contract	
Permanent	80
Temporary	20
Organisation Type	
Government	30.6
Private	61.2
Not for Profit	4.9
Industry Type	
Manufacturing/mining	17.4
Hospitality	8.7
Education/training	21.7
Human/health services	19.3
Information technology	4.3
Retail/w'sale	14.5
Job classification	
Professional	10.7
Manager	19.4
High level technical	21.4
Sales/customer service	14.6
Admin/secretarial	24.3
Trades	4.4
Semi skilled labour	5.3

$n = 210$

3.3. General Information

The questionnaire (see Appendix B) addressed the following areas.

3.3.1. Background information

Respondents were asked to indicate age and gender.

3.3.2. Employment information

Respondents were asked to indicate the following: type of position held; industry sector employed within; employment contract (permanent vs non permanent); terms of employment (full time, part time casual) and length of time with organisation.

A measure of Job and Organisational Satisfaction (adapted version) (Kunin, 1955) was utilised. Kunin's (1955) Faces Scale, is a single item showing three faces, ranging from frowning to a smiling face. Respondents are asked to circle which face best describes how satisfied they feel overall about work. Oshagbemi (1999) considers that single item measures are valid and reliable and particularly useful when only an indication of satisfaction is required and not an explanation. Brief and Robertson (1989) consider that Kunin's (1955) Faces Scale provides the best description of job satisfaction's affective component.

3.4. The Measures

3.4.1. Psychological Contract Scale (PCS)

The PCS by Millward and Hopkins (1998) consists of 22 relational items and 15 transactional items. Responses are on a seven point Likert scale ranging from strongly disagree (1) to strongly agree (7). The items attempt to measure the perceived terms of the employment deal (as perceived by the employee). There are four distinct factors:

- Time focus
- Contract focus

- Perceived equity
- Professional Focus.

The scale includes statements such as “I feel part of the team in this organisation” and “I do this job just for the money”. To date this is the only measure that has acceptable reliability and validity.

Reliability analysis (N = 256) using Cronbach’s alpha was applied to the sub scales by Millward and Brewerton (2000). It yielded the following results. Time frame ($\alpha = .88$), Contract focus ($\alpha = .71$), Equity ($\alpha = .71$) and Professional Focus ($\alpha = .72$). A more recent study (Purvis & Cropley, 2003) (N= 223), yielded 0.75 for the relational subscale and 0.81 for the transactional subscale.

3.4.2 Career Commitment Scale (CCS)

The CCS was developed by Blau (1985). It consists of seven items that measure the individual’s attitude toward their vocation or profession. The terms ‘profession’ and ‘vocation’ discriminate career commitment from other work related attitudes such as organisational commitment and job involvement.

Responses are on a five point Likert scale ranging from very slightly (1) to extremely (5). Items include “I want a career in this industry” and “If I could do it all over again I would not choose this field”.

Using Cronbach’s alpha range, internal consistency for three samples have been reported to be $>.83$. Test-retest reliability score was $.67$ over seven months (Blau, 1989). In relation to discriminant validity, correlations between career commitment and career withdrawal cognitions were significant (Time 1 = $-.38$; Time 2 = $-.41$), whereas the correlations between career commitment and job withdrawal cognitions were not significant (Test 1 = -0.7 ; Test 2 = $-.08$) (Blau, 1988).

3.4.3. Affective, Continuance, & Normative Commitment Scales

This scale by Allen and Meyer (1990) consists of three sets of questions each with eight items. Responses are on a seven point Likert scale ranging from, strongly disagree to (1), strongly agree (7). It measures three types of commitment displayed by the employee:

- Affective – employee’s emotional attachment to, identification with, and involvement in the organisation;
- Continuance - based on the costs that employees associate with leaving the organisation;
- Normative – employee’s feelings of obligations to remain with the organisation.

Coefficient alphas have been typically used to estimate internal consistency.

Reliabilities are usually $> .70$ (Allen & Meyer, 1990). Test – retest reliabilities vary depending on when they are obtained. Measures taken on the first day of work and retaken six months later were low $-.38$ for affective commitment and $.44$ for continuance commitment (Vandenberg 1993). Measures taken at least one month in the job and then retaken six months later, yielded reliability estimates $> .60$ for all three components (Meyer & Allen, 1997).

Exploratory and confirmatory analyses indicate that affective, continuance and normative commitment are distinguishable constructs (Allen & Meyer, 1990), and are distinguishable from related constructs such as job satisfaction, career, job, and work values, and occupational commitment (Shore & Tetrick, 1991).

3.4.4. Positive/Negative Affect Schedule (PANAS)

This scale, developed by Watson, Clark and Tellegen (1988) consists of 20 one-word items describing an emotion or feeling and respondents are asked to report to what extent they generally feel this way on an average day. Responses are on a five point

Likert scale ranging from very slightly (1) to extremely (5).

Positive affect (PA) and negative affect (NA) are two dispositional factors. PA demonstrates the extent an individual feels energetic and alert. High PA is a state of high energy and alertness, where low PA is a state of lethargy and sadness. High NA is characterised by a number of emotions such as, anger, contempt, fear and guilt whereas low NA indicates a state of calmness.

Alpha reliabilities for the PANAS scale are high. PA = $>.84$, NA = $>.83$.

Correlation between the two states is low, ranging from $-.12$ to $-.23$. No significant differences were found when the scales were retested after eight weeks. Factor analysis indicated that the scale and items demonstrate adequate validity (Watson et al., 1988).

The complete list of items for each scale is provided in Appendix A.

3.5. Data Collection Procedure

Seventy organisations in the Perth Metropolitan region were approached. These were selected in order to acquire a cross section of industry types. The researcher had contacts in some of the organisations. An initial telephone call was made to each organisation followed by a letter, emailed or faxed (refer to Appendix B for a copy of the letter). In most instances the human resource manager was the point of contact. Once approval was gained, questionnaires were delivered to the organisation with a clear indication that participation was voluntary. The contact person distributed the questionnaires throughout the organisation. The name of each organisation was not recorded. Two organisations indicated that they would like to be informed about the results of the study and this was agreed upon.

Respondents filled in the questionnaires and returned them in a stamped addressed envelope to the researcher. The questionnaires took approximately 20 minutes to complete. Names were not used in the study.

3.6. Analyses

3.6.1 Univariate Regression Analysis

Univariate regressions were conducted for each independent variable (age, sex, employment contract, length of employment, terms of employment, organisation type, industry type, job classification, positive affect, negative affect and psychological contract) and each level of the dependent variable ‘organisational commitment’ (affective, continuance, normative). Procedurally univariate regression was used to develop a parsimonious model in which only variables that were significant were used in the final analysis (see below). Guidelines for selection of independent variables in the final analyses were based on Hosmer and Lemeshow’s (1989) recommendations. Based on their recommendation, all variables for inclusion in the final multivariate model were selected through the screening criterion of achieving a univariate test of $p < 0.25$ rather than the more traditional cut off of $p < 0.05$.

3.6.2. Hierarchical Regression Analysis

Hierarchical multiple regression analyses were employed to test the hypotheses in the final and primary analyses. Hierarchical multiple regression analysis was conducted to test hypothesis one, that there will be a positive relationship between relational psychological contracts and affective commitment, after controlling for background and employment characteristics; and the second hypothesis, that there will be a negative relationship between transactional contracts and affective commitment, after controlling for background and employment characteristics. On the first step ‘terms of employment’ were entered and ‘career commitment’ and ‘negative affect’ were entered on the second step. On the final step, the two main independent variables, ‘transactional’ and ‘relational’ psychological contracts, were entered.

Hierarchical multiple regression analysis was conducted to test hypothesis three,

that there will be a positive relationship between “relational psychological contracts” and “normative commitment” after controlling for background and employment characteristics. Age was entered on the first step, followed by ‘career commitment’ and ‘positive affect’ on the second step. ‘Psychological contracts’ were entered on the final step.

A third hierarchical analysis was conducted to test hypothesis four and five that there would be a positive relationship between continuance commitment and the relational and transactional psychological contracts. Job classification and length of employment were entered on Step 1. ‘Career commitment’ and ‘positive and negative affect’ were entered on step 2. ‘Psychological contracts’ were entered on the final step.

Fisher Z transformation scores were used to ascertain that the correlation coefficients from two independent samples are not statistically different.

3.6.3. Data screening and assumption testing

The means and standard deviations were calculated to show the general description of the data. All tests of assumptions for the various analyses were conducted as were tests of correlations between the scales (Coakes & Steed, 1999). Non parametric analysis was conducted to further analyse responses to items on the psychological scale. T tests were performed to determine significant relationships between type of employment contract and type of psychological contract.

All analyses were conducted, using SPSS version 10.

Chapter 4

Results

4.1. Sample

Data were collected over a two month period and 210 employed people participated in the study. Of these, 116 were males and 94 were females. 168 people were employed on a permanent basis and 42 employed on a temporary basis. 80.2% worked full time, 9.6% part time and the remaining 10.2% were employed on a casual basis. The sample represented a broad cross section of job and industry types and organisations

4.2. Assumption Testing

Prior to analysis, the assumptions underlying the use of multiple regression were tested for each of the variables. There were sufficient cases of independent variables and the Mahalabonis distance values indicated no multivariate outliers. The scatterplot of standardised residuals plotted against standardised predicted values indicated that the assumptions of multivariate homogeneity of variance and linearity have been met. The normal probability plot indicates that the assumptions of multivariate normality and homoskedasticity were not been violated.

There were approximately 20 missing responses on some of the items and mean substitution was employed prior to the analysis.

4.2. Reliability of Scales

Tests of internal consistency (Cronbach's alpha) were performed for the entire sample on all scales used. The results revealed that reliability coefficients were relatively high for affective ($\alpha = .851$) and continuance commitment, ($\alpha = .839$) and acceptable for normative commitment ($\alpha = .763$). Alpha for the Relational psychological contract subscale was $\alpha = .802$ and for the Transactional psychological contract subscale $\alpha = .931$. The Career Commitment Scale and the PA and NA scales yielded acceptable alpha coefficients, ranging between $\alpha = .81$ to $\alpha = .86$. These findings are consistent with the findings from earlier studies as outlined in Table 4.2.

Table 4.2.

Internal Consistency Scores and Comparisons from Earlier Studies

Scale	No Items	Current Study* Standardised Alpha	Previous Study	<u>n</u>	Cronbach Alpha
Affective Commitment	6	.85	Allen & Meyer (1990)	256	.87
Normative Commitment	6	.76	Allen & Meyer (1990)	256	.75
Continuance Commitment	6	.83	Allen & Meyer (1990)	256	.79
Relational PCS	16	.80	Millward & Hopkins(1998)	476	.89
Transactional PCS	21	.93	Millward & Hopkins(1998)	476	.84
Career Commitment	7	.84	Blau (1985)	221	.87
Positive Affect	8	.86	Watson, Clark & Tellegen (1988)	663	.88
Negative Affect	8	.81	Watson, Clark & Tellegen (1988)	663	.87

Note: * N = 210.

A bivariate Pearson product moment correlation was conducted to determine intercorrelations between the scales. Results from this analysis are shown in Table 4.3.

Table 4. 3.

Intercorrelations between Scales

Variable	Mean	SD	1	2	3	4	5	6	7	8
1.NC	2.90	1.05	1.00							
2.CC	2.99	.967	0.62	1.00						
3.AC	3.13	1.05	.600	.071	1.00					
4.TRAN	3.42	.953	-	0.24	-	1.00				
5. REL	4.46	1.21	.587	-.002	.796**	-	1.00			
6.CARC	3.32	.940	.401**	-.091	.559	-	.552**	1.00		
7. PA	3.60	.787	.393**	-.177	.539**	-	.641**	.456	1.00	
8. NA	1.62	.776	.072	.276**	-.046	.149*	.149*	-.098	-	1.00

*Notes:***Correlation is significant at the 0.01 level (2 tailed); *Correlation is significant at the 0.05 level (2 tailed). N = 209 (listwise deletion of cases).

Using Cohen’s (1982) rule of thumb suggestion for evaluating correlation coefficients, (correlation coefficients below .19 [very low], .20 -.39 [low]; .40 -.69 [modest]; .70 - .89 [high] .90 and greater [very high]), analysis indicates there is no significant relationship between either normative commitment and continuance commitment, or affective commitment and continuance commitment. However there is a modest positive relationship between affective commitment and normative commitment. These findings are consistent with correlation analysis conducted by Allen and Meyer (1990), ($r = .48$, $N = 250$, $p < .001$), ($r = .600$, $N = 209$). Fisher’s Z difference between the two correlations is $Z = 1.79$, $p > .05$.

There is a negative significant relationship (low) between normative commitment and the transactional psychological scale, and a modest negatively significant relationship between this scale and affective commitment. This is as expected, as the

factors of the two sub scales would suggest a negative correlation.

The relational psychological contract scale has a modest positive relationship with normative commitment and a high positive relationship with affective commitment. This is consistent with findings in a study conducted by Millward and Brewerton (2000) who found a significant relationship ($r = .310$, $N = 387$, $p < .001$, $r = .796$, $N = 209$). The Fisher's Z difference between the two correlations is $Z = 8.074$, $p < .001$.

The two subscales of the psychological contract scale have a modest negative relationship as expected. Career commitment has a modest positive relationship with both affective and normative commitment. Blau (1999) reported similar findings for affective commitment ($r = .45$), however no correlations were conducted by Blau (1999) to determine the relationship between career commitment and normative commitment. Career commitment has a modest negative relationship with the transactional psychological contract scale and a modest positive relationship with the relational psychological contract scale as expected.

Normative commitment and PA have a low correlation and there is a modest positive relationship between positive affect and affective commitment. A modest negative relationship exists between positive affect and transactional psychological contracts and a modest positive relationship exists with relational psychological contracts. A modest positive relationship exists between PA and career commitment. NA and career commitment have a low positive relationship. The relationship between NA and PA was not significant ($r = -.116$). This finding is similar to a finding by Watson et al. (1988) ($N = 663$, $r = -.17$). The Fisher's Z difference between the two correlations is $Z = .0552$, $p > .05$.

4.3. Supplementary Analysis

4.4.1. General feelings about work

Information was gathered about “General Feeling About Work”. There were three possible responses: Happy, Neutral, Unhappy. This information was not used in the final analysis, however Figure 4.1 indicates frequencies of responses.

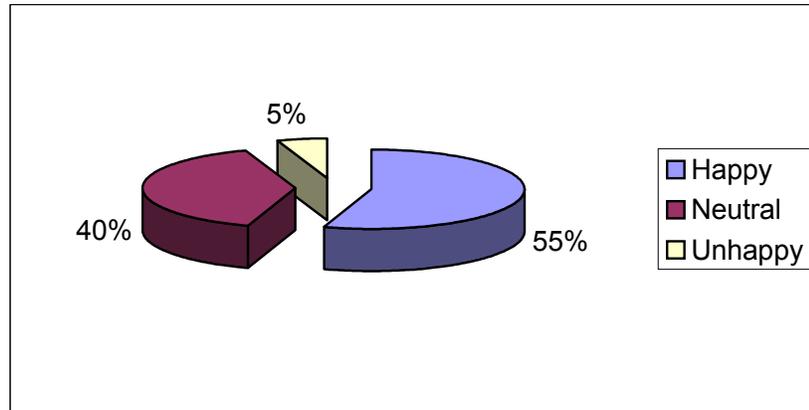


Figure 4.1. General Feelings About Work

This demonstrates that 55% of all participants are generally happy, 40% are neutral, and 5% indicated that they were generally unhappy.

4.4.2. Analysis of scores on the Psychological Contract Scale

The transactional sub-scale comprises 16 items and the relational sub-scale comprises 21 items. The median score was calculated for each scale. The relational psychological contract scale had a Mdn = 4.71, while the transactional psychological scale had a Mdn = 3.37. Scores less than the median were ranked as low and scores equal to or greater than the median were ranked high. Non-parametric analysis (chi-square) was conducted on the responses to the sub-scales for transactional and relational psychological contracts. Results of this analysis are shown in Table 4.4.

Table 4.4

Chi-square analysis of scores on psychological contract scales

	Transactional Low	Transactional High
Relational Low	30 (49.5)	72 (52.5)
Relational High	72 (52.5)	36 (55.5)

Note: Figures in brackets are expected frequencies. N = 210.

The χ^2 analysis demonstrated a significant relationship between the two scales (Pearson chi-square = 29.146, 1 df, $p < .001$).

The findings demonstrate approximately 31% of participants scored high on both subscales or low on both. This is consistent with findings by Millward (2000).

4.4.3. Relationship between employment contract and psychological contract

T- tests and Bonferonni equal test of assumption (Howell, 2002) were performed to determine whether there was a relationship between type of contract (permanent versus non permanent) and Psychological contracts (relational versus transactional). The analysis revealed no significant relationships between these variables.

4.5 Univariate Regression Analysis

The literature indicated a large number of independent variables that could be associated with the development of organisational commitment. Taking into account the sample size in this study (N = 210) the use of too many variables could result in a solution that did not generalise to the population. In order to develop a parsimonious model, taking into account sample size and number of dependent variables, univariate regression analysis was conducted to determine significant relationships and eliminate non significant variables from the final analysis.

Prior to this analysis dummy variables (Tabachnick & Fedell, 1989) were created for job classification that included the following 7 categories: professional, manager, high level technical, sales/customer server, admin/secretarial, trades and semi skilled labour. These were reduced to three categories – professional, technical and administration, and trades. The professional category included professionals and managers, technical and administration, represented high level technical jobs, sales and customer service and administration and secretarial. Trades included trades and semi/skilled labour. These categories were chosen to represent educational qualifications required for each area. Organisational type, originally described as government, private and not for profit was reduced to two categories – government and private. Respondents from “not for profit” organisations volunteered additional information regarding whether they were also government or private organisations. Data were collected for seven

categories of industry types and this was reduced to two – either service or production. The original categories included Manufacturing/mining, hospitality, education/training, human services and health, information technology and retail/wholesale.

Univariate regression analysis was conducted to determine the relationship between the independent variables: age, gender, length of employment, industry type, organisational type, terms of employment, job classification, employment contract, career commitment, positive affect, negative affect, relational psychological contracts and transactional psychological contracts and the three levels of dependent variables; affective commitment, normative commitment and continuance commitment. Results for the analysis are shown in Table 4.5.

Career commitment, ($r = .560, p < .05$), positive affect ($r = .540, p < .05$) and the category ‘casual’ from terms of employment ($r = .144, p < .25$), were all included in the final analysis for affective commitment along with the two main dependent variables, relational psychological contract ($r = .796, p < .05$) and transactional psychological contracts ($r = -.555, p < .05$).

Age ($r = -.212, p < .05$), career commitment ($r = .401, p < .05$), PA ($r = .393, p < .05$), and the two main independent variables, the psychological contracts sub-scales (relational, $r = .587, p < .05$, transactional $r = -.319, p < .05$) were included in the final analysis for normative commitment.

PA ($r = -.178, p < .05$), NA ($r = .079, p = < .05$), professional category of job classification ($r = .138, p = < .01$), and length of employment ($r = .252, p = < .05$) were included in the final analysis for continuance commitment.

Table 4.5

Results of Univariate Analysis for the Dependent Variables Affective Commitment, Continuance Commitment and Normative Commitment Showing Standardised Coefficients

Variable	Affective Commitment	Normative Commitment	Continuance Commitment
Age	-.042	-.212**	-.006
Gender	.023	-.115	-.039
Career comm.	.560**	.401**	-.092
PA	.540**	.393**	.178**
NA	-.048	.072	.277*
Relational	.796**	.587**	-.004
Transactional	-.555**	-.319**	.027
Employment Contract	-.104	.008	-.049
Full time	-.126	.038	-.049
Part time	.023	-.041	-.022
Casual	.144*	.010	.086
Service	.079	.055	-.070
Produce	-.079	.055	-.070
Professional	-.036	.042	.138*
Middle	-.014	-.070	-.083
Trades	.084	.044	-.083
Government	-.122	.081	-.097
Private	.122	-.081	-.065
Length of employment	.034	-.134	.065

Note: $p < .001$, **** $p < .01$, *** $p < .05$, ** $p < .25$ *

Although the two main independent variables (psychological contract sub scales) had no significant effects on continuance commitment (relational, $r = -.004$, $p > .05$ transactional, $r = .027$, $p > .05$), these were included to test the hypothesis.

4.6 Hypothesis Testing

4.6.1. Hypotheses one and two

Hierarchical multiple regressions were conducted to test the first hypothesis, that there will be a positive relationship between relational psychological contracts and affective commitment after controlling for background and employment characteristics. For the second hypothesis the same procedure was adopted to test that there will be a negative relationship between transactional contracts and affective commitment. Variables were entered into the equation sequentially with control variables entered on Step 1, and theoretically important variables being entered on Steps 2 and 3. This strategy resulted in terms of employment (full time, part time casual) being entered on Step 1, Commitment to career and PA entered on Step 2; and psychological contracts entered on Step 3. Results are shown in Table 4.6.

Table 4.6

Test of Hypotheses 1 and 2 through Hierarchical Multiple Regression Analysis with Dependent Variable Affective Commitment (N = 210)

Variables	Step1	Step 2	Step 3
	β	β	β
<i>Terms of Employment</i>			
Full time	.039	-.024	-.082
Casual	.148	.089	.006
Career commit		.548***	.143*
PA		.057	.079
Transactional			-.148*
Relational			.653***
R	.149	.555	.821
R ²	.022	.308	.674
ΔR^2	.022	.286	.366
ΔF	2.208	39.616***	106.615***

Note: *** $p < .001$, ** $p < .01$, * $p < .05$.

On step 1, with the reference category full time employment from terms of employment in the equation, $R^2 = .022$, (increased $R^2 = .022$) $F = 2.208$, $p > .05$. On step 2, with career commitment added to the prediction of affective commitment, $R^2 = .308$, (increased $R^2 = .286$) $F = 39.616$, $p < .001$. Addition of career commitment to the equation resulted in a significant increment in R^2 . On step three, with the two psychological contract scales added to the prediction of affective commitment and with terms of employment and career commitment included, both relational psychological scale $\beta = .653$, $p < .001$, transactional psychological scale, $\beta = -.148$, $p < .05$, $R^2 = .674$ (increased R^2

=.366) $F = 106.615, p < .001$. When added to the equation resulted in a significant increment in R^2

Therefore, alternative hypotheses one and two were accepted.

4.6.2. Hypotheses three and four

Hierarchical multiple regression analyses were conducted to test the third hypothesis that, there will be a positive relationship between relational psychological contracts and normative commitment after controlling for background and employment characteristics, and the fourth hypothesis that, there will be a negative relationship between transactional contracts and normative commitment. Variables were entered in groups, for example personal information, employment background, and on theoretical importance with the most important variables being entered on the final step. Age was entered on Step 1; career commitment, and PA were entered on Step 2; and psychological contracts were entered on Step 3. Results are shown in Table 4.7.

Table 4.7

*Test of Hypothesis 3 and Hypothesis 4 through Hierarchical Multiple Regression
Analysis with Dependent Variable Normative Commitment (N = 210)*

Variables	Step 1	Step 2	Step 3
	β	β	β
Age	-.212**	-.199**	-.168**
Career Commit		.304***	.128
PA		.229**	-.009
Transactional			-.037
Relational			.476***
R	.212	.503	.610
R ²	.045	.253	.372
ΔR^2	.045	.208	.119
ΔF	9.490**	27.645***	18.690***

Note: *** $p < .001$, ** $p < .01$, * $p < .05$.

On step 1 with age in the equation, the results were statistically significant, $R^2 = .045$, (adjusted $R^2 = .045$) $F = 9.490$, $p < .01$. After step 2, with career commitment and PA, (career commitment $\beta = .304$, $p < .001$, PA $\beta = .229$, $p < .01$) added to the prediction of normative commitment, $R^2 = .253$, (adjusted $R^2 = .208$) $F = 27.645$, $p < .001$. Addition of career commitment and PA to the equation resulted in a significant increment in R^2 . On step three, with the two psychological contract scales added to the prediction of normative commitment, with age and career commitment controlled, relational psychological scale, $\beta = .476$, $p < .001$, and transactional psychological scale, $\beta = -.037$, $p > .05$, $R^2 = .372$ (adjusted $R^2 = .119$) $F = 18.690$, $p < .001$, added to the equation resulted in a significant increment in R^2 . However the significant increment is due to the addition

of the relational psychological scale. The transactional scale demonstrates an insignificant negative relationship with normative commitment

Therefore, alternative hypothesis three is supported. Alternative hypothesis four is unsupported.

4.6.3. Hypothesis five and six

Hierarchical multiple regressions were conducted to test hypothesis five that there would be a positive relationship between relational psychological contracts and continuance commitment after controlling for employment and background characteristics and hypothesis six that there would be positive relationship between transactional psychological contracts and continuance commitment after controlling for employment and background characteristics. Variables were entered in groups, firstly personal information and employment background, and second on theoretical importance, with the most important variables being entered on the final step. Job classification and length of employment were entered on Step 1; career commitment and measures of affect (PA and NA) were entered on Step 2; and psychological contracts were entered on Step 3.

Table 4. 8

*Test of Hypothesis 5 and Hypothesis 6 through Hierarchical Multiple Regression
Analysis with Dependent Variable Continuance Commitment (N = 210)*

Variables	Step 1	Step 2	Step 3
	β	β	β
<i>Job Classification</i>			
Technical/Admin	-.165	-.175*	-.169*
Trades	-.116	-.085	-.290***
Length of Employment	.275***	.284***	.290***
PA		-.141*	-.281**
NA		.269***	.274***
Transactional			.004
Relational			.222*
R	.308	.441	.472
R ²	.095	.195	.223
ΔR^2	.095	.100	.028
ΔF	9.49*	27.645***	18.690***

Note: *** $p < .001$, ** $p < .01$, * $p < .05$.

On step 1 with job classification (reference category is professional) (not significant) and length of employment in the equation, the results were statistically significant, $R^2 = .095$, (adjusted $R^2 = .095$) $F = 9.49$, $p < .05$. On step 2, with PA and NA included, (PA, $\beta = .141$, $p < .05$, NA $\beta = .269$, $p < .001$) added to the prediction of continuance commitment, $R^2 = .195$, (adjusted $R^2 = .100$) $F = 27.645$, $p < .001$, with a significant increment in R^2 . On step three, with the two psychological contract scales added to the prediction of continuance commitment, (relational, $\beta = .222$, $p < .05$,

transactional psychological scale, $\beta = .004, p > .05$.) $R^2 = .223$ (adjusted $R^2 = .028$) $F = 18.690, p < .001$ resulted in a significant increment in R^2 . However the significant increment is due to the addition of the relational psychological scale. The transactional scale demonstrates an insignificant positive relationship with continuance commitment.

Therefore hypothesis five is supported, and hypothesis six is unsupported.

4.7 Summary of Analysis of the Hypotheses

Hypothesis one, that there will be a positive relationship between affective commitment and relational psychological scales, after controlling for personal and employment background variables, is supported. Career commitment and PA accounted for 28.6% of additional variance and the two psychological scales accounted for an additional 36.6% of the variance. The combined total of career commitment and the psychological contracts explained 65.2% of the variance for affective commitment. The relational psychological scale was positively related to affective commitment, $\beta = .653, p < .001$.

Similarly, hypothesis two, that the transactional psychological scale would be negatively related to affective commitment, after controlling for personal and employment background variables, was supported. The transactional scale has a significant negative relationship with affective commitment, $\beta = -.148, p < .05$.

Hypothesis three, that there would be a significant positive relationship between the relational psychological scale and normative commitment, after controlling for age, is supported. Career commitment and PA accounted for 20.8% of the variance, with the psychological scales accounting for an additional 11.9%. The total variance accounted for by the psychological contract scales, career commitment and positive affect is 32.2%. The relational psychological scale has a significant positive relationship with normative commitment, $\beta = .476, p < .001$.

Hypothesis four, that there will be a significant negative relationship between the transactional psychological scale and normative commitment after controlling for age, career commitment and PA, is not supported. Analysis yielded a non-significant negative relationship, $\beta = -.037, p > .05$.

Hypothesis five, that there will be a significant positive relationship between the relational psychological scale and continuance commitment after controlling for personal and employment background variables, is supported. Hypothesis six, that there will be a significant positive relationship between the transactional psychological scale and continuance commitment, is unsupported. Analysis revealed that length of employment accounted for 9.5% of the variance. Adding NA and PA increased the variance an additional 10%, and adding to the equation the psychological scales increased the variance by a further 2.8%, giving a total of 22.3% of the variance being accounted for by length of employment, NA, PA and the psychological scales. However, only the relational psychological scale has a significant relationship with continuance commitment, $\beta = .222, p < .05$.

Chapter 5

Discussion

This study was designed to investigate the relationship between psychological contracts and organisational commitment. The existing literature (Herriot & Pemberton, 1996; Hutton & Cummins, 1997; Millward & Hopkins, 1998; Rousseau, 1998) makes a distinction between two components of the psychological contract – relational and transactional and this current study was based on these two components being distinct from each other. Organisational commitment was viewed as a three component concept (affective, continuance and normative commitment) (Allen & Meyer, 1990). Generally, the results support the hypotheses that there is a relationship between type of psychological contract and organisational commitment.

The literature (Millward, 2000; Morrison, 1999; Rousseau & Tijorwala, 1998; Shore et al, 1994; Wahn 1998), indicates that various background and employment characteristics may have an effect on the relationship between psychological contracts and organisational commitment and a number of variables were controlled for.

Additional analysis was conducted to explore the notion that the relational-transactional continuum of the psychological contract scales may not necessarily be bipolar (Millward & Hopkins, 1998)). This current study supports the notion put forward by Rousseau (1995) that there may be hybrids of the two scales as some individuals scored either high on both scales or low on both scales.

Analysis was undertaken to determine whether type of employment contract (permanent versus non permanent) was significantly related to the orientation of the psychological contract (relational versus transactional). This effect was shown to be not significant.

5.1 The Bipolar Nature of the Psychological Contract Scales

Analysis was conducted to determine the relationship of the two psychological contract scales and this yielded a moderate negative relationship ($r = -.532$). This supports the findings of Millward and Hopkins (1998), (generally $r = -0.2$ to -0.3) Most other research to date has proposed that the two scales are at opposite ends of a bipolar continuum suggesting a high inverse relationship (Herriot & Pemberton, 1996 Hutton & Cummins, 1997; Millward & Hopkins, 1998; Rousseau, 1998;).

In addition, non parametric analysis (chi square) was conducted on the responses to the sub-scales for transactional and relational psychological contracts. Although the analysis further demonstrated a negative significant relationship between the two scales, predicting that a score high on one would indicate a score low on the other, the findings also revealed that some subjects scored high on both subscales or low on both. Sixty eight percent of participants had a low/high or high/low combination, as expected, however approximately a third (31%) had either high/high or low/low combination. This is consistent with findings by both Millward and Hopkins (1998) and Millward and Brewerton (2000), who suggest that there may be hybrids of the two scales. A study conducted by Millward and Brewerton (1999) on the psychological contracts of contract workers, revealed a similar percentage of respondents reporting high on both scales and others reporting low on both scales. This anomaly was explained by conceptualising the high/highs as 'careerists' and the low/lows as 'indifferents'.

There have been other explanations put forward to explain these anomalies in the responses. Arnold (1996) argues that some elements of the two psychological contracts scales are exclusive whereas others may not be. Millward and Brewerton (2000) also agree that despite some factors of each scale appearing to be valid and stable over time, other factors could be different for some individuals and also change over time. Rousseau and Tijorwala (1998) also support the notion that a more complex model than the bipolar relational–transactional model exists and attempted to develop a scale which had four classifications of psychological contracts – transactional, relational, balanced/hybrid and transitional/uncertain. However, at the time of this current study there was little evidence of the robustness of the Psychological Contract Inventory Scale (Rousseau & Tijorwala, 1998).

5.2 Supplementary Analyses

5.2.1 General feelings about work

Overall job satisfaction was measured using Kunin's (1955) Faces Scale, a single item measure (happy, unhappy, neutral). Job satisfaction is usually viewed as a general attitude towards a job (Porter, Lawler, & Hackman, 1975). Although single item measures of job satisfaction are not as comprehensive as indicators containing several items, a study conducted by Oshagbemi (1999) has shown that they are valid and reliable and particularly useful when only an indication of satisfaction is required and not an explanation.

Only 5% of the participants indicated that they were unhappy, with the rest of the group being either neutral (40%) and happy (55%). This data was not used in the final analysis of this study, but merely to gain a general overview of the sample and their attitude towards their jobs.

5.2.2 Psychological contracts of non permanent employees

T- tests were conducted to determine whether non permanent employees were more likely to be transactionally oriented than permanent employees. Analysis revealed no significant relationships between the two groups.

5.3 Selection of the Predicting Variables

Data were collected on several variables. These variables included age, gender, career commitment, positive affect (PA), negative affect (NA), employment contract (permanent versus temporary), terms of employment (full time, part time and casual), industry type (service versus produce), job classification (professional, technical and administrative, and trade), organisation type (government versus private) and length of employment. The decision to collect data on these variables was based on studies and findings described in the literature (Blau, 1989; Cappelli, 1999; Chang, 1999; George, 1992; Millward, 1998; Millward, 2000; Morrison, 1999; Rousseau & Tijorwala, 1998; Wahn, 1998; Watson et al, 1988).

Univariate regression analyses were performed with each of these variables and the dependent variables affective, continuance and normative commitment. The analyses resulted in the elimination of industry type, organisational type, gender and employment contract from the final analysis, as no significant univariate relationships were revealed.

Capelli (1999) considers that certain industry types may attract individuals who have very low levels of commitment to the organisation but are highly committed to their own careers. He cited industries such as information technology, hospitality, and some of the more creative areas as being possibilities, however, in the instance of this particularly study, no significant relationships were revealed. A comparative study of industry type and organisational commitment is required to establish any significant relationships.

The study also revealed no significant relationships between working in a private or government organisation and organisational commitment. Sparrow (1998) suggested that individuals employed within government organisations, and larger bureaucratic organisations may have higher levels of commitment particularly affective and continuance commitment. In the current study there was a weak positive relationship between government workers and affective commitment ($r = .122, p > .25$) and normative commitment ($r = .081, p > .25$). There was a weak inverse relationship with continuance commitment and government workers ($r = -.065, p > .25$). Those employed within private organisations demonstrated a weak inverse relationship with both normative ($r = -.081, p > .25$), and affective commitment ($r = -.122, p > .25$), and a weak inverse relationship with both and continuance ($r = .065, p > .25$) commitment.

There were no significant relationships revealed between gender and any of the levels of organisational commitment. This supports two current studies. Wahn (1998) studied sex differences in the continuance component of organisational commitment and, although women reported higher levels of continuance commitment than men, the differences can only be regarded as small to moderate. Millward (2000) hypothesised that women would exit more easily from their jobs as they would be largely disconnected from the workplace and more transactionally oriented, however her hypothesis was refuted and showed that women interfaced in the workplace similarly to men.

The literature strongly indicated that there was a move away from permanent contracts towards a more temporary workforce (Herriot & Pemberton, 1996; Rousseau, 1999; Schalk & Freese, 1998; Sparrow & Cooper, 1998) predicting a more transactionally-oriented workforce with lower levels of organisational commitment. First, the analysis revealed a non significant negative relationship between affective

commitment and employment contract ($r = -.104, p > .25$), and second, a non significant relationship between continuance commitment and employment contract ($r = -.049, p > .25$), and finally, a non significant positive relationship between normative commitment and employment contract ($r = .008, p > .25$). In this particular study only 20% of individuals indicated that they were on temporary contracts, whereas 80% of individuals indicated that they held permanent contracts. This may suggest that 'permanent contracts' have acquired a different meaning from earlier days when jobs for life were guaranteed. With the increase of restructuring, downsizing and redundancies, (Sparrow, 1998) these positions are probably not guaranteed to continue. In order to really determine how individuals do view their employment contracts, further questioning about how stable they viewed their positions is required and additional analysis would need to be conducted. A study conducted by Millward and Hopkins (1998) did confirm that temporary employees tended to be more transactionally oriented than permanent employees, however, many of their attitudes such as willingness to go the extra mile, were relationally oriented, demonstrating a commitment to the organisation that could be interpreted as affective commitment. However, it was outside the scope of the study to determine the levels of organisational commitment of the two types of employees.

Based on the results of the univariate analysis, career commitment, ($r = .560, p < .05$), PA ($r = .540, p < .05$) and the category 'casual' from terms of employment ($r = .144, p < .25$), were all included in the final analysis for affective commitment along with the two main dependent variables relational psychological contract ($r = .796, p < .05$) and transactional psychological contracts ($r = -.555, p < .05$).

Age ($r = -.212, p < .05$), career commitment ($r = .401, p < .05$), PA ($r = .393, p < .05$), and the two main independent variables, the psychological contracts

sub-scales (relational, $r = .587, p < .05$, transactional $r = -.319, p < .05$) were included in the final analysis for normative commitment.

PA ($r = -.178, p < .05$), NA ($r = .079, p < .05$), professional category of job classification ($r = .138, p < .01$), and length of employment ($r = .252, p < .05$) were included in the final analysis for continuance commitment. Although the two main independent variables (psychological contract sub-scales) had no significant effects on continuance commitment (relational, $r = -.004, p > .05$ transactional, $r = .027, p > .05$), these were also included to test the hypotheses.

5.4 Testing of the Hypotheses

The major findings from this study is that there is a positive relationship between relational psychological contracts and affective, continuance and normative commitment and a negative relationship between transactional psychological contracts and affective commitment, after controlling for various background and employment characteristics.

Hypothesis one and two stated that there will be a positive relationship between relational psychological contracts and affective commitment and that there will be a negative relationship between transactional contracts and affective commitment, after controlling for background and employment characteristics. Both these hypotheses were fully supported.

Initial analysis demonstrated that terms of employment (full time, part time, casual) career commitment and PA showed an association between affective commitment and relational psychological contracts. After controlling for these variables, the relational psychological scale predicted affective commitment, $\beta = .653, p < .001$. The predicting ability of the relational psychological scale of affective commitment is high and is consistent with a study conducted by Millward and Hopkins (1998). Using the Organisational Commitment Questionnaire (OVQ) (Blau, 1989) the researchers

determined that individuals with high organisational commitment scores tended to be relationally oriented in their psychological contracts. However, they did determine that a large proportion of the variation in the relationship between organisational commitment and psychological contracts is explained by job commitment. Correlations between organisational commitment and the two psychological contract sub-scales were lower ($r = .53$, relational and $r = -.32$ transactional) than job commitment and the two psychological scales ($r = .72$, relational and $r = -.72$, transactional). The scales used in Millward and Hopkins study were different to the scales used in the current study and there are some empirical differences between job commitment and career commitment. Millward and Hopkins, 1989) view job commitment as being specific to the actual job and sees it as far more ‘immediate, local and concrete’ than career commitment, which is viewed in terms of attitude an individual has towards their career or profession and quite distinct from job involvement and organisational commitment (Blau, 1985; Morrow, 1983).

Interestingly, Rousseau (1990) calls employees committed to their careers ‘careerists’ and predicts that they would most likely be transactionally oriented in their psychological contracts. The current study indicated a stronger relationship between affective commitment and relational psychological contracts ($r = .82$), and a moderate positive relationship between career commitment and relational psychological contracts ($R^2 = .308$). Blau (1989) and Chang (1999) have both demonstrated career commitment as being a separate entity/concept to organisational commitment, however Chang found career commitment to have a moderating effect on certain aspects of organisational commitment. For example, although organisational commitment lowers intent to leave, if a person is both high on organisational commitment and career commitment, it further lowers intent to leave. Chang also found that supervisory support has a positive

significant effect on organisational commitment, however, if a person is also high on career commitment, organisational commitment increases significantly. Whilst the current study supports the findings of both Blau and Chang, that a significant relationship exists between career commitment and organisational commitment, it is beyond the scope of this current study to determine causal relationships.

In terms of the antecedents of affective commitment (Meyer & Allen, 1990) it makes sense that casual employment would have a negative affect on affective commitment as casual employees often have limited roles and limited involvement. It is difficult to determine why this current study generated unexpected results, but it may be possible that the flexibility of casual work may suit many individuals, therefore casual employment may not have a negative impact on affective commitment. Between 1978 – 1993 part-time and casual employment in Australia has increased by 6% (Dawkins & Norris, 1995) and many of these are women with children. However, Hartmann and Bambacas (2000) found that personal information such as age, marital status, and parenthood had neither a mediating or moderating effect on organisational commitment in casual workers.

Univariate analysis indicated that PA had a significant positive relationship with affective commitment, $r = .540, p < .05$. This result was similar to a study conducted by Cropanzano et al. (1993) where a significant association between PA and affective commitment was revealed ($\beta = .027, p < 0.01$). These findings are similar to the findings of Dahesihsari (2000) who reported that PA had a significant positive association with both affective ($\beta = .62, p < .05$) and normative commitment ($\beta = .42, p < .05$), and NA had a positive significant relationship with continuance commitment ($\beta = .24, p < .05$), and a significant inverse relationship with normative commitment ($\beta = -.14, p < .05$). Many studies have been conducted to determine the relationship between

PA and organisational behaviour (Cropanzano et al.,1993; Isen et al.,1991; Judge,1992;Shaw, 2000;). Most of these studies have looked at the relationship of PA and the outcomes or antecedents of organisational commitment such as job satisfaction and turnover intentions. Both Cropanzano et al. and Judge suggest that commitment mediates the relationship between affect and turnover. This is based on the notion that people with high PA will be more likely to leave the job if they are not satisfied than someone with low PA.

Cropanzano et al. (1993) considered that there would be a relationship between organisational commitment, particularly affective commitment and PA and NA, because PA and NA are related to frequency and intensity of emotions therefore this would influence the emotional reactions to events that result in organisational commitment. This would mean that individuals who experience positive emotions would more likely be more committed and, conversely, if the events that result in organisational commitment do not occur, individuals who experience positive emotions are less likely to stay in jobs that are not satisfactory.

Eby et al. (1999) proposes that the motivational basis of affective commitment include aspects such as skill variety, task significance, task identity, supportiveness, participation and fairness. The elements of relational psychological contracts include considerable investment by employees (company skills, career development) and employers (training), whole person relations [and] emotional involvement as well as economic exchange (Rousseau, 2000). This would indicate that the elements of psychological contracts may provide the motivational bases for the development of affective commitment. Many studies have hypothesized that certain variables are antecedents to affective commitment (Mathieu & Zajac,1990; Mowday, 1982). Meyer and Allen (1997) suggest that these variables can be categorized into three main areas:

organisational characteristics, person characteristics, and work experiences. Millward and Brewerton (2000) suggest a high score on the relational sub-scale of the psychological contract could be predicted by the perception that an organisation was offering opportunities to develop, belong and gain recognition. The opposite predicted a higher score on the transactional sub scale supporting the findings of the current study.

Hypothesis two stated that there would be a negative relationship between transactional psychological contracts and affective commitment. This hypothesis was supported after controlling for employment and personal characteristics ($\beta = -.148, p < .05$). Transactional aspects of the psychological contract tend to be more concerned with remuneration and personal benefit rather than ‘commitment to the organisation’.

Millward and Brewerton, (2000) suggest the following are predictors of the orientation of the psychological contract: “professional development, support, remuneration, security, commitment and participation, progressive human resource policies, meaningful work and justice and fairness” (p.81). Meyer and Allen (1997) have identified similar predictors of high levels of affective commitment. These include “supportiveness and fairness [and] personal importance and competence.” It would appear that there are many common themes in the prediction of both affective commitment and the orientation of psychological contracts. This current study however did not determine causal relationships.

Hypotheses three and four stated that there would be a significant positive relationship between normative commitment and relational psychological contracts and significant negative relationship between normative commitment and transactional psychological contract scales after controlling for employment and background variables.

The study found a significant positive relationship between normative commitment

and relational psychological contracts after controlling for age, career commitment and PA. Therefore hypothesis three was fully supported. Hypothesis four, however, was not supported.

Age was the only variable that had a significant effect on normative commitment ($\beta = -.168, p < .01$), indicating that as age increases normative commitment decreases. Mathieu and Zajac (1990) hypothesized that age would be more related to calculative commitment than attitudinal commitment. Normative commitment describes the moral aspect of commitment. The employee considers it morally right to continue working in the organisation regardless of conditions and job satisfaction, therefore it can be viewed as attitudinal commitment. However Mathieu and Zajac's study found a significant relationship between age and attitudinal commitment ($t(32) = 1.82, p < .05$). A study by Morrow et al. (1975) found that commitment increased with age, although they were measuring general commitment. Allen and Meyer (1990) found an inverse relationship between age and affective commitment but no relationship with normative commitment. This contradicts the current study, indicating that as age increases normative commitment decreases. Cohen (1992), using the side bet theory, believes that commitment may increase with age but it would be related to continuance commitment as older people consider there are less job opportunities. An alternative explanation put forward by Meyer and Allen (1997) is, that the longer individuals are employed in one organisation, the less morally obligated they feel about remaining in the organisation, and the higher their expectations become regarding the organisation's moral obligations to them. This may offer some explanation if there is a relationship between age and length of employment. Unfortunately, the analysis undertaken in this study does not indicate whether this could be so, however, it would not be unreasonable to assume this. Weiner (1982) describes normative commitment in terms of a cultural expectation that

changing jobs often is perceived in a negative light. This generalised expectation may no longer be relevant in today's workplace, and may be a further explanation of this anomaly. Further analysis is required to explore both these notions.

Normative commitment is viewed in terms of obligation. There is some consistent evidence that this form of commitment develops through the process of socialisation within the organisation (Allen & Meyer, 1990). The elements of relational psychological contracts associated with emotionality may induce stronger normative commitment. When employees become emotionally involved they may feel more of a moral obligation to stay. At the point of writing this study there was no literature that explored this relationship, however Allen and Meyer suggest as relational contracts are subjective in nature and have a base in social exchange, there could be a positive relationship between normative commitment and relational contracts.

The hypothesis that there would be a significant negative relationship between normative commitment and the transactional psychological scale was not supported, ($\beta = -.037, p > .05$). At the time of this study there were no other studies conducted to support or dispute these findings, however the weak inverse relationship could be attributed to some of the elements of the transactional psychological contract creating some sort of moral obligation to an organisation such as high pay which may weaken the strength of the inverse relationship.

Hypothesis five and six stated that there would be a significant, positive relationship between continuance commitment and the relational psychological scale and a significant, positive relationship between continuance commitment and the transactional psychological scale.

The study resulted in a positive significant relationship between continuance commitment and the relational psychological scale ($\beta = .222, p < .05$) and a non

significant positive relationship between continuance commitment and the transactional psychological scale ($\beta = .004, p > .05$). Therefore hypothesis five is supported and hypothesis six remains unsupported.

Job classification, length of employment, PA and NA were included in the analysis. Two categories of job classification had a significant negative relationship with continuance commitment, technical and administrative ($\beta = -.169, p < .05$) and trades ($\beta = -.290, p < .001$). This suggests that individuals employed in these positions are low on continuance commitment indicating that they may consider that the costs of leaving the organisation are low and also the profit associated with staying are low. On one hand these groups may consider that there are many other job opportunities for them or alternatively they may just not feel there is a great deal of benefit for them remaining in the organisation. Allen et al. (1984), Meyer and Allen (1997), and Finegan (2000), all discuss how recognition of costs in leaving an organisation is the key to the development of continuance commitment. If the employee is not aware of the benefit of staying or of the lack of other opportunities, it is highly unlikely that they will develop strong continuance commitment.

Length of employment had a significant positive relationship with continuance commitment ($\beta = .290, p < .001$). Findings regarding the correlation between tenure and strength of continuance commitment have been varied and Meyer and Allen (1997) suggest that this may differ due to individual differences. Individuals who remain with an organisation for a reasonable length of time may now consider that they have developed skills that will make them more marketable. However, Cohen (1960) believes that side bets increase in number and size with length of employment making the costs associated with leaving greater. Often if an employee left an organisation, benefits such as accrued pensions and sick leave were heavily penalized (Hartmann & Bambacas,

2000), however these schemes have changed over time and this may longer be applicable. Allen and Meyer (1994) found no significant relationship between tenure and continuance commitment ($r = .06, p > .05$).

Meyer and Allan (1997) suggest that transactional contracts may have a relationship in the development of continuance commitment, because they are more objective and based on economic exchange, and they consider that continuance commitment develops from a type of economic exchange. Although studies on the development of continuance commitment are limited, it is still widely supported that continuance commitment develops because of costs (both financial and non financial) associated in leaving the organisation and a profit associated with staying.

Millward and Hopkins (1998) consider that individuals with high transactional psychological contracts will be low in all types of commitment except for continuance commitment when alternative jobs are few. This current study was conducted when the job market was buoyant and unemployment was at the relatively low level of 5% (ABS, 2001).

5.5 Summary and Implications of the Findings

This study clearly indicates a strong relationship between psychological contracts and organisational commitment. Although there are many variables that impact on organisational commitment, in most cases there are strong significant relationships between type of psychological contract and the different forms of organisational commitment. The research on psychological contract violation further emphasises the importance of determining the more subjective aspects of an individual's employment contracts to increase levels of organisational commitment. It would appear from this research that providing opportunities for career development may assist individuals to develop relational psychological contracts even when length of employment is not

guaranteed. This current study revealed that actual type of contract (permanent versus non permanent) had no significant associations with any of the levels of organisational commitment. The notion that a more transactional type of environment was developing is not evident in this current study. Analysis showed that 32% of the participants reported either a high/high or a low/low score on both scales and the remaining 68% were either high on relational and low on transactional or the reverse. Analysis of the form of psychological contract of the 20% of the participants who indicated they were employed on a non permanent basis indicated that their employment contract had no significant effect on the orientation of the psychological contract. This may suggest that the 'time' element of psychological contracts is no longer important. This is an important implication and extremely pertinent to this study as the impetus of the study came about because of changing employment practices. This study appears to suggest that employees are not too concerned about the length of their employment contract.

Of the additional variables analysed, career commitment is strongly linked with organisational commitment, particularly affective commitment. This suggests that an employer should create an environment where career development is encouraged, raising commitment of their employees thus gaining all the benefits that occur when an employee is highly committed, such as going the extra mile, lower absenteeism rates, and high productivity.

5.6 Limitations of the Current Research and Opportunities for Future Research

The findings of this study have raised a number interesting questions for future research. The impetus of the study came about because of the dramatic changes that have occurred in the workplace over the past two decades, bringing about an unstable workplace. In this particular study 80% of the participants reported that they were

employed on a permanent contract, however, it is highly probable that the meaning of a permanent contract has changed since the times when an individual would have expected a job for life. It would be valuable to analyse the perceptions of individuals employed on a permanent basis regarding the security of their jobs. The findings may indicate that they do not hold expectations of long term employment and can foresee possible redundancies. This would support the literature that suggests that jobs for life are no longer viable. It would appear that workers employed on a casual or temporary basis are just as likely to hold relational psychological contracts and to be equally committed affectively as a person with a permanent, full time contract. It would also prove valuable to determine whether the time element of psychological contracts is still relevant within the changing workplace.

The actual content of transactional and relational contracts needs further examination. Psychological contracts may be more individualistic than suggested and the notion recently put forward that psychological contracts may be more commonly hybrids of the two types, (relational and transactional), may well be supported. Although the evidence is strong that two types of psychological contracts do exist, differing on elements of time frame, focus, stability, and inclusion, the actual content of each contract may be varied for each individual. Qualitative analysis could be undertaken with individuals to review the elements of each form.

Career commitment and organisational commitment appear to have a strong relationship and this study did not determine causal relationships. A more extensive study on career commitment is required to reveal if individuals who are highly committed to their careers will then develop high levels of organisational commitment and relational type psychological contracts, if the conditions for developing their careers are created. Alternatively, whether they become more committed to their careers,

because they have developed strong organisational commitment and are encouraged to develop their careers within the company. Career commitment rather than organisational commitment may be a stronger indicator of peoples' performance in the workplace and it would be useful to further explore the relationships between this and psychological contracts. This would have strong implications for managers. It is still unclear whether psychological contracts are developed at the job level or the organisation level. The scale used in the study may need to be further developed to explore this.

The results from studies on age, tenure and the development of commitment, particularly continuance commitment have been varied and conflicting. More in depth studies could be conducted to look at these two variables and the effects on commitment. It is difficult to determine from this study whether length of employment and age are positively correlated and what actually happens in regard to levels of commitment when a person is older and working in the same organisation for a long period of time.

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Appendix A

Letter of Authority

Jane Loring
C/- School of Psychology
Curtin University of Technology
BENTLEY WA

I am a Masters degree student at Curtin University of Technology in the School of Psychology. I am undertaking a study on work commitment, contracts and personality. I am interested in how people gain satisfaction and commit to an organisation in an era of employment uncertainty. I am also interested in determining whether different aspects of personality impact on how people feel about their jobs.

The study requires you to fill in a questionnaire which is in five sections including some general information about yourself. This information remains strictly confidential at all times and no names are referred to in the study. The study will take you approximately 20 minutes to complete. At any time you have the right to withdraw your participation.

Please take your time to answer the questions. There are no right or wrong answers, I am only interested in your answers.

Please return your questionnaire in the stamped address envelope attached.

If you have any queries regarding the study you may contact me on 926622215 or my supervisor Professor Roy Payne on 92663921

Thank you for your participation.

Yours sincerely

Jane Loring

Appendix B

The Questionnaire

WORKPLACE QUESTIONNAIRE



There are five sections in this questionnaire. Please work through each section in order of presentation. It is important to give your true reactions to each of the questions asked. We want to know what you really think and feel about your work. Your answers will be **strictly confidential**.

Your time and effort is greatly appreciated

Jane Loring
Curtin University
School of Psychology
92662215
0401103069

SECTION 1. ABOUT YOURSELF AND YOUR WORK HISTORY

Age in Years;
 Male/ Female Circle correct one

How long have you been employed in this organisation?

Years Months Weeks

Tick the box that best describes your employment contract

Permanent
 Other

Are you employed

Full time
 Part time
 Casual

Tick which industry you are employed within.

Manufacturing/Mining
 Hospitality
 Education/Training
 Human/ Health Services
 Information Technology
 Retail/Wholesale
 Other (please state)

What is your occupation and/ or current position held?

Tick the box that best describes the organisation you work.

Government
 Private
 Not for Profit
 Other (please state)

Please place a tick under the face that best illustrates how you feel about your JOB IN GENERAL, including the work, the pay, the opportunities for promotion and the people you work with.



SECTION 2. GENERAL THOUGHTS AND FEELINGS ABOUT YOUR WORK

Please work through the following statements indicating the extent of your agreement or disagreement on the following 7- point scale. It is important to provide your **first reactions** to each statement.

1	2	3	4	5	6	7	
Strongly Disagree	Moderately Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Moderately Agree	Strongly agree	
Statement							You
							Rate
							1-7
1.	I do this job just for the money						
2.	I prefer to work a strictly defined set of working hours						
3.	I do not identify with the organisation's goals						
4.	It is important not to get too involved with your job						
5.	I expect to be paid for any overtime I do						
6.	I come to work purely to get the job done						
7.	I intend to stay in this job for a long time (i.e. over 2-3 years)						
8.	My long term future does not lie with this organisation						
9.	My loyalty to the organisation is confined to the terms of my contract						
10.	I only carry out what is necessary to get the job done						
11.	As long as I reach the targets specified in my job I am satisfied						
12.	I work only the hours set out in my contract and no more						
13.	This job is a stepping stone in my career development						
14.	It is important not to get too attached to your place of work						
15.	I work to achieve the purely short-term goals of my job						
16.	My commitment to this organisation is defined by my contract						
17.	I work weekends/late nights in order to get the job done						
18.	My long-term future lies within the organisation						
19.	I will work for this organisation indefinitely						
20.	I expect to develop my skills (via training) in this organisation						
21.	I expect to gain promotion in this company with length of service and effort to achieve goals						
22.	I expect to grow in this organisation						
23.	To me working for this organisation is like being a member of a family						
24.	I feel part of the team in this organisation						
25.	I will go out of my way for colleagues who I call on at a later date to return the favour						
26.	My job means more to me than just a means of paying the bills.						
27.	I feel this company reciprocates the effort put in by its employees						
28.	The organisation develops/rewards employees who work hard and exert themselves						
29.	I am motivated to contribute 100% to this company in return for future employment/benefits						
30.	I work towards long-term goals in the organisation						
31.	It is important to be flexible and to work irregular hours if necessary						
32.	I invest myself in my place of work						
33.	Loyalty to the organisation is inevitable						
34.	I have a reasonable chance of promotion if I work hard						
35.	My career path in the organisation is clearly mapped out.						
36.	I am heavily involved in my place of work						
37.	I am identified with goals of this organisation						

SECTION 3. GENERAL THOUGHTS AND FEELINGS ABOUT YOUR ORGANISATION

Please work through the following statements indicating the extent of your agreement or disagreement on the following 7- point scale. It is important to provide your **first reactions** to each statement.

1	2	3	4	5
Strongly Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Strongly agree

Statement		You rate 1 - 5
1.	I would be very happy to spend the rest of my career with this organisation	
2.	I really feel as if this organisation's problems are my own.	
3.	I do not feel like I am "part of the family" in this organisation	
4.	I do not feel emotionally attached to this organisation	
5.	This organisation has a great deal of personal meaning for me	
6.	I do not feel a strong sense of belonging to this organisation	
7.	It would be hard for me to leave this organisation right now, even if I wanted to.	
8.	Right now, staying with this organisation is a matter of necessity as much as a desire.	
9.	I believe that I have too few options to consider leaving this organisation	
10.	One of the negative consequences of leaving this organisation would be the scarcity of available alternatives	
11.	One of the reasons I continue to work for this organisation is that leaving would require personal sacrifice; another organisation may not match the overall benefits I have here.	
12.	If I had not already put so much of myself into this organisation, I might consider working elsewhere.	
13.	I do not feel any obligation to remain with my current employee	
14.	Even if it were to my advantage, I do not feel it would be right to leave this organisation now.	
15.	I would feel guilty if I left this organisation now	
16.	This organisation deserves my loyalty	
17.	I would not leave this organisation right now because I have a sense of obligation to the people in it.	
18.	I owe a great deal to this organisation	

SECTION 4. GENERAL THOUGHTS AND FEELINGS. This is about your personality.

The words listed below describe different feelings and emotions. Choose one of the following answers which best shows to what extent you generally feel this way, that is, how you feel on an average day? Write the corresponding number next to the feeling or emotion.

1. Very slightly or not at all.
2. A little
3. Moderately
4. Quite a bit
5. Extremely

Interested _____
 Distressed _____
 Excited _____
 Strong _____
 Scared _____
 Determined _____
 Hostile _____
 Enthusiastic _____
 Proud _____

Irritable _____
 Alert _____
 Upset _____
 Guilty _____
 Nervous _____
 Attentive _____
 Worried _____
 Active _____
 Afraid _____

SECTION 5. GENERAL THOUGHTS AND FEELINGS ABOUT YOUR CAREER

1	2	3	4
Strongly Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree

Statement		You rate 1 - 5?
1.	I would go into a different industry if I was paid the same	
2.	I want a career in this industry	
3.	If I could do it all over I would not choose this field	
4.	If I had all the money I needed I would still choose this field	
5.	I like my vocation too much to give it up.	
6.	This is my ideal vocation for a life's work.	
7.	I am disappointed that I ever entered this industry	

Appendix C

Hierarchical Multiple Regression

Regression

Variables Entered/Removed^c

Model	Variables Entered	Variables Removed	Method
1	CASUAL, ^a PARTIME	.	Enter
2	CARCM, NAM	.	Enter
3	TRANSM, RELM	.	Enter

- a. Tolerance = .000 limits reached.
- b. All requested variables entered.
- c. Dependent Variable: ACM

Model Summary^d

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.149 ^a	.022	.012	1.0267
2	.555 ^b	.308	.293	.8683
3	.821 ^c	.674	.664	.5992

Model Summary^d

Model	Change Statistics					Durbin-Watson
	R Square Change	F Change	df1	df2	Sig. F Change	
1	.022	2.208	2	194	.113	2.050
2	.286	39.616	2	192	.000	
3	.366	106.615	2	190	.000	

- a. Predictors: (Constant), CASUAL, PARTIME
- b. Predictors: (Constant), CASUAL, PARTIME, CARCM, NAM
- c. Predictors: (Constant), CASUAL, PARTIME, CARCM, NAM, TRANSM, RELM
- d. Dependent Variable: ACM

ANOVA^d

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.655	2	2.328	2.208	.113 ^a
	Residual	204.487	194	1.054		
	Total	209.142	196			
2	Regression	64.389	4	16.097	21.351	.000 ^b
	Residual	144.753	192	.754		
	Total	209.142	196			
3	Regression	140.935	6	23.489	65.432	.000 ^c
	Residual	68.207	190	.359		
	Total	209.142	196			

a. Predictors: (Constant), CASUAL, PARTIME

b. Predictors: (Constant), CASUAL, PARTIME, CARCM, NAM

c. Predictors: (Constant), CASUAL, PARTIME, CARCM, NAM, TRANSM, RELM

d. Dependent Variable: ACM

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.564	.339		7.566	.000
	PARTIME	.136	.249	.039	.545	.586
	CASUAL	.506	.244	.148	2.077	.039
2	(Constant)	.824	.361		2.279	.024
	PARTIME	-8.483E-02	.214	-.024	-.396	.693
	CASUAL	.305	.209	.089	1.457	.147
	CARCM	.600	.068	.548	8.855	.000
	NAM	7.482E-02	.081	.057	.921	.358
3	(Constant)	.666	.421		1.580	.116
	PARTIME	-.287	.149	-.082	-1.931	.055
	CASUAL	2.076E-02	.149	.006	.140	.889
	CARCM	.156	.056	.143	2.794	.006
	NAM	.104	.057	.079	1.830	.069
	TRANSM	-.160	.056	-.148	-2.876	.004
	RELM	.564	.046	.653	12.163	.000

a. Dependent Variable: ACM

Excluded Variables^d

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
					Tolerance
1	FULLTIME	. ^a	.	.	.000
	CARCM	.536 ^a	8.857	.000	.538
	NAM	-.055 ^a	-.763	.447	-.055
	TRANSM	-.538 ^a	-8.596	.000	-.526
	RELM	.796 ^a	18.146	.000	.794
2	FULLTIME	. ^b	.	.	.000
	TRANSM	-.386 ^b	-6.074	.000	-.402
	RELM	.712 ^b	14.051	.000	.713
3	FULLTIME	. ^c	.	.	.000

a. Predictors in the Model: (Constant), CASUAL, PARTIME

b. Predictors in the Model: (Constant), CASUAL, PARTIME, CARCM, NAM

c. Predictors in the Model: (Constant), CASUAL, PARTIME, CARCM, NAM, TRANSM, RELM

d. Dependent Variable: ACM

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.7694	5.1003	3.1416	.8480	197
Residual	-1.7591	1.5054	-1.69E-15	.5899	197
Std. Predicted Value	-2.798	2.310	.000	1.000	197
Std. Residual	-2.936	2.513	.000	.985	197

a. Dependent Variable: ACM

Regression

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	AGE ^a	.	Enter
2	CARCM, PAM ^a	.	Enter
3	TRANSM, RELM ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: NCM

Model Summary^d

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.212 ^a	.045	.040	1.0389
2	.503 ^b	.253	.241	.9237
3	.610 ^c	.372	.356	.8511

Model Summary^d

Model	Change Statistics					Durbin-Watson
	R Square Change	F Change	df1	df2	Sig. F Change	
1	.045	9.490	1	201	.002	1.972
2	.208	27.645	2	199	.000	
3	.119	18.690	2	197	.000	

- a. Predictors: (Constant), AGE
- b. Predictors: (Constant), AGE, CARCM, PAM
- c. Predictors: (Constant), AGE, CARCM, PAM, TRANSM, RELM
- d. Dependent Variable: NCM

ANOVA^d

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.243	1	10.243	9.490	.002 ^a
	Residual	216.955	201	1.079		
	Total	227.198	202			
2	Regression	57.416	3	19.139	22.432	.000 ^b
	Residual	169.782	199	.853		
	Total	227.198	202			
3	Regression	84.494	5	16.899	23.328	.000 ^c
	Residual	142.704	197	.724		
	Total	227.198	202			

- a. Predictors: (Constant), AGE
- b. Predictors: (Constant), AGE, CARCM, PAM
- c. Predictors: (Constant), AGE, CARCM, PAM, TRANSM, RELM
- d. Dependent Variable: NCM

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.643	.251		14.514	.000
	AGE	-2.024E-02	.007	-.212	-3.081	.002
2	(Constant)	1.360	.399		3.408	.001
	AGE	-1.892E-02	.006	-.199	-3.200	.002
	CARCM	.343	.078	.304	4.401	.000
	PAM	.305	.093	.229	3.294	.001
3	(Constant)	1.287	.648		1.988	.048
	AGE	-1.602E-02	.006	-.168	-2.781	.006
	CARCM	.145	.079	.128	1.821	.070
	PAM	-1.177E-02	.100	-.009	-.118	.906
	TRANSM	-4.055E-02	.080	-.037	-.510	.611
	RELM	.418	.076	.476	5.536	.000

- a. Dependent Variable: NCM

Excluded Variables^c

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	CARCM	.409 ^a	6.508	.000	.418	.998
	PAM	.370 ^a	5.736	.000	.376	.987
	TRANSM	-.366 ^a	-5.584	.000	-.367	.959
	RELM	.565 ^a	9.900	.000	.573	.985
2	TRANSM	-.174 ^b	-2.419	.016	-.169	.706
	RELM	.491 ^b	6.104	.000	.398	.490

a. Predictors in the Model: (Constant), AGE

b. Predictors in the Model: (Constant), AGE, CARCM, PAM

c. Dependent Variable: NCM

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.2684	4.2474	2.9030	.6468	203
Residual	-2.0491	2.3848	-5.81E-16	.8405	203
Std. Predicted Value	-2.527	2.079	.000	1.000	203
Std. Residual	-2.408	2.802	.000	.988	203

a. Dependent Variable: NCM

Regression

Variables Entered/Removed^c

Model	Variables Entered	Variables Removed	Method
1	Length of employment, TRADES, MIDDLE ^a	.	Enter
2	PAM, NAM ^b	.	Enter
3	TRANSM, RELM ^b	.	Enter

a. Tolerance = .000 limits reached.

b. All requested variables entered.

c. Dependent Variable: CCM

Model Summary^d

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.308 ^a	.095	.081	.9306
2	.441 ^b	.195	.175	.8821
3	.472 ^c	.223	.195	.8709

Model Summary^d

Model	Change Statistics					Durbin-Watson
	R Square Change	F Change	df1	df2	Sig. F Change	
1	.095	7.046	3	202	.000	2.000
2	.100	12.433	2	200	.000	
3	.028	3.579	2	198	.030	

- a. Predictors: (Constant), Length of employment, TRADES, MIDDLE
- b. Predictors: (Constant), Length of employment, TRADES, MIDDLE, PAM, NAM
- c. Predictors: (Constant), Length of employment, TRADES, MIDDLE, PAM, NAM, TRANSM, RELM
- d. Dependent Variable: CCM

ANOVA^d

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.309	3	6.103	7.046	.000 ^a
	Residual	174.952	202	.866		
	Total	193.261	205			
2	Regression	37.655	5	7.531	9.680	.000 ^b
	Residual	155.606	200	.778		
	Total	193.261	205			
3	Regression	43.084	7	6.155	8.115	.000 ^c
	Residual	150.177	198	.758		
	Total	193.261	205			

- a. Predictors: (Constant), Length of employment, TRADES, MIDDLE
- b. Predictors: (Constant), Length of employment, TRADES, MIDDLE, PAM, NAM
- c. Predictors: (Constant), Length of employment, TRADES, MIDDLE, PAM, NAM, TRANSM, RELM
- d. Dependent Variable: CCM

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.304	.255		12.960	.000
	MIDDLE	-.329	.140	-.165	-2.348	.020
	TRADES	-.378	.227	-.116	-1.665	.097
	Length of employment	3.328E-03	.001	.275	4.031	.000
2	(Constant)	3.294	.403		8.174	.000
	MIDDLE	-.348	.133	-.175	-2.621	.009
	TRADES	-.278	.216	-.085	-1.286	.200
	Length of employment	3.437E-03	.001	.284	4.387	.000
	PAM	-.173	.079	-.141	-2.197	.029
	NAM	.334	.080	.269	4.199	.000
3	(Constant)	3.082	.670		4.600	.000
	MIDDLE	-.336	.134	-.169	-2.502	.013
	TRADES	-.291	.221	-.089	-1.316	.190
	Length of employment	3.508E-03	.001	.290	4.337	.000
	PAM	-.344	.101	-.281	-3.396	.001
	NAM	.340	.079	.274	4.303	.000
	TRANSM	4.500E-03	.084	.004	.054	.957
	RELM	.176	.072	.222	2.454	.015

- a. Dependent Variable: CCM

Excluded Variables^d

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics	
					Tolerance	
1	PROFESSI ^a	.	.	.	.000	
	PAM	-.171 ^a	-2.584	.010	-.179	.992
	NAM	.285 ^a	4.435	.000	.299	.992
	TRANSM	.044 ^a	.615	.539	.043	.878
	RELM	.012 ^a	.183	.855	.013	.990
2	PROFESSI ^b	.	.	.	.000	
	TRANSM	-.080 ^b	-1.053	.293	-.074	.701
	RELM	.220 ^b	2.682	.008	.187	.580
3	PROFESSI ^c	.	.	.	.000	

- a. Predictors in the Model: (Constant), Length of employment, TRADES, MIDDLE
- b. Predictors in the Model: (Constant), Length of employment, TRADES, MIDDLE, PAM, NAM
- c. Predictors in the Model: (Constant), Length of employment, TRADES, MIDDLE, PAM, NAM, TRANSM, RELM
- d. Dependent Variable: CCM

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.7481	4.3957	2.9973	.4584	206
Residual	-2.0523	1.8942	9.679E-16	.8559	206
Std. Predicted Value	-2.725	3.051	.000	1.000	206
Std. Residual	-2.357	2.175	.000	.983	206

- a. Dependent Variable: CCM