



Effects of the MBA programme on psychological contracts and turnover

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ABSTRACT

The need for this research stems from the unusually high turnover rates in MBA students following the completion of their degrees. Organisations realise the need for further education and for increasing both the human capital of the organisation and the career capital of the individual, but are concerned that the MBA programme may inevitably lead to the loss of the individual, possible to their competition.

The report investigates the changes in psychological contracts that occur during the course of the MBA programme and how those changes could consequently lead to an increase in intention to leave. Rousseau's technical report on psychological contracts is used as the basis of the assessment method for determining the changes in psychological contracts. The study presents findings from 117 MBA students from the GIBS business school. The paper shows that the overwhelming majority of MBA students intend to leave their current employer.

The report offers insights for managers planning for their talented employees to enrol in MBA programmes. The researcher concludes by suggesting that understanding the construct of the psychological contract between the MBA student and their employers may increase an employer's ability to hold on to the brightest stars and obtain the best possible value from the undertaking.



DECLARATION

I declare that this research project is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Business Administration for the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree of examination in any other university.

Michael John Jeffery

Date: 13 November 2008

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1 CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1 Problem Definition

In today's business world there has been a dramatic change in the psychological contract between employer and employee (Templer & Cawsey, 1999). Employers now understand the need to keep their top employees motivated, engaged and involved in the organisation and for this reason encourage them to further their education by enrolling in Masters of Business Administration (MBA) programmes with the various universities in South Africa.

The focus now is on how to retain the key employees of the organisation who give the organisation its competitive advantage (O'Connor & Fiol, 2004). These are the employees who make a difference to the way the company does its business and who would be sorely missed should they decide to take up alternative employment.

There is an enormous cost in both financial and non-financial terms when these key resources leave the organisation (Sutherland & Jordaan, 2004). Not only does the organisation lose their valuable skills; it could even be that the company's competition gains these skills to use against them. In addition,

there are the costs of employing and training new personnel for the position, which can also take a significant amount of time (Trevor, 2001).

Once the MBA students begin the programme, they are filled with enthusiasm and believe that they will be learning the necessary skills to take back to their organisations to make a difference and ultimately further their own careers. They are increasing their own career capital (Inkson & Arthur, 2001) as well as increasing the skills base of the organisation. The MBA students and their managers usually start out with a very good relationship and discuss how this programme will benefit both the individual and the organisation. Unfortunately what inevitably occurs is that the MBA students and their managers disconnect at some level and they become disillusioned and uncommitted to the organisation.

It is possible that because the employee has enrolled in the MBA programme, they perceive that their value to the organisation has automatically increased and assume that they should be given more responsibility and respect as they learn more about the business of managing an organisation. The study carried out by Sutherland and Jordaan (2004) found that these MBA students, or knowledge workers, require high levels of individualism, challenging work and focus on their personal development – all of which they achieve through the MBA programme but do not necessarily translate into their working environment.

Furthermore, the psychological contract between the MBA students and their managers changes from being a relational contract in which they are fully committed and engaging with their managers, to a purely transactional relationship in which they are merely carrying out the work that they are expected to do and nothing more (De Cuyper, Rigotti, Witte & Mohr, 2008).

Harpur (2002) suggests that at least 60% of all MBA students intend to leave their organisations within two years of completing their MBA degrees. The objective of this research is to explore the reasons for this high percentage of MBA students wanting to leave their organisations and the reasons why there is this breakdown in the psychological contract between the manager and the MBA student during the course of the MBA programme.

1.2 Relevance of Problem to Business in South Africa

The cost of the MBA programme is more than just the monetary commitment from the organisation. It also involves the commitment in time away from work that the manager and the organisation are willing to give up in the good faith that upon the return to the organisation the employee will be highly motivated, well skilled and experienced. Carmichael and Sutherland (2005) write about the perceived return on investment in an MBA programme and the cost and benefits thereof. Their study explores other important variables, over and

above the financial ones, that should be considered by MBA students when evaluating the return on investment of undertaking this qualification. The enormous need in South Africa for more and better skilled people, especially in the management arena, has increased the importance of the business schools in South Africa (Aina, 1994).

Some organisations however, who have had MBA graduates leave the company after completing the degree, have now begun to believe that their retention strategy should be to not allow the potential candidate to enrol for the MBA degree, as this will inevitably lead to them leaving the organisation and possibly joining the competition (Trevor, 2001).

The talented employees, on the other hand, believe that if they are to build on their career capital they require additional higher education and training (Lamb, 2007), and should therefore enrol in the MBA programme to ensure their future.

The conundrum for managers, then, is that if they do not allow the potential candidates to enrol, they may lose those employees anyhow as the employees may believe an MBA degree to be the best way to further their individual careers.

South Africa is desperate to retain its skilled people as it strives to improve its economic growth and standings in the World Competitiveness Ratings. According to the Institute for Management Development's World Competitiveness Report for 2008 (IMD, 2008), South Africa has slipped another three places from 50th to 53rd on the rankings. Unfortunately, with the current political and economic crises facing the country, South Africa may slip further if the situation is not quickly reversed. Increased education and improved quality of education are listed as some of the most important factors in the Competitiveness Report, proving again that further education for South Africa's bright new stars is essential for the greater good of the country.

There has been a major exodus of skilled people from South Africa over the past few years. The reasons for leaving have ranged from feelings of insecurity with regard to the Employment Equity Act (Wöcke & Sutherland, 2008) and how this affects future promotions for the MBA graduate into executive positions, to general uncertainty of the future of South Africa, both politically and economically. This has been referred to as the "brain drain" (Harpur, 2002) and has severely affected the skills shortage that the country is facing.

It is due to these factors that there exists a real need to research the cognitive reasons as to why MBA students or graduates either stay with specific managers and organisations or decide to move on to alternative employment.



1.3 Scope of Research

The scope of this research will be to investigate the factors that cause changes in the psychological contract of the MBA students and what may cause them to remain with or to leave their current employer.

The way in which talent is managed within an organisation and the retention strategies these organisations employ are being challenged (Cappelli, 2000). The specific characteristics of the knowledge worker (as discussed below) are aligned with that of the MBA student, but not necessarily *vice versa*. The MBA student is unique from the knowledge worker in that the student is in a steep learning or transition phase in their career, which causes them to challenge or question their environment. This research will endeavour to establish the factors that cause this change in psychological contract and the consequent turnover in MBA students as they complete their MBA programmes.

2 CHAPTER 2: THEORY AND LITERATURE REVIEW

2.1 Introduction

There has been much discussion about the psychological contract – the perceived obligations between employers and employees – and how it has changed over the years. In today’s modern world the psychological contract has once again changed and will certainly have an effect on the way that employers and employees conduct their day-to-day business in the future.

2.2 The Knowledge Economy

The knowledge economy refers to the use of knowledge technologies to produce an economic benefit (Garger, 1999). Sutherland & Jordaan (2004, p. 65) write that “knowledge [is] being viewed as a major contributing factor to organisational success”. The world economy has changed significantly over the years, from one that held its stock in tangible things to one that places a lot of value in the ownership and use of knowledge.

The two main reasons for this change from the traditional markets to the knowledge economy are as follows:

- Globalisation has had a profound effect on the way in which knowledge is traded between countries and organisations.
- There has also been a huge impact made by information and communication technologies on the way that business is conducted and the way that information is made available.

2.2.1 Knowledge management

“Knowledge” in the term “knowledge economy” refers to the knowledge a business has about customers, products, processes and competitors (Harpur, 2002). This knowledge is locked away in the minds of the employees and it is the method in which this knowledge is systematically extracted and used by the organisation that will gain the organisation a significant competitive advantage.

The role of the manager in talent and knowledge management is becoming increasingly important, according to the Corporate Leadership Council (2000). The role is two-fold: firstly, the manager impacts the performance of the employee through direct management inputs such as providing fair and accurate informal feedback. Secondly, the manager impacts the environment in which the employee works and the relationship that they have with the

organisation as a whole. The manager's influence on the success or failure of the employee is enormous and in the new age of the knowledge worker this role is becoming even more important (Trevor, 2001).

2.2.2 The knowledge worker

Along with the introduction of the knowledge economy we see the advent of the knowledge worker: one who trades in the knowledge that a person has to offer. Knowledge workers are increasingly mobile but can create a huge competitive advantage for the organisation (Trevor, 2001).

The increased mobility of the new-age worker (Kinnear & Sutherland, 2000), the knowledge worker, greatly affects the ability of the organisation to hold onto these highly valuable employees. The fact that there is a huge skills shortage puts increased pressure on organisations and managers to create an environment conducive to retaining the talent of knowledge workers. In addition, the mobility of these knowledge workers increases the risk of losing both tangible and intangible knowledge and possibly competitive advantage.

Demers (2001) argues that there are five factors that contribute to creating the right kind of environment for providing rewarding work for the knowledge worker. They are as follows:

- Direct financial rewards in the form of pay, incentives and stock options.
- Indirect financial rewards such as benefits, non-cash recognition and perquisites.
- Work content that is autonomous, utilises skills, involves increased responsibility and has positive feedback.
- Affiliation of the contributions of the knowledge workers to the vision of the organisation.
- Continual career advancement, training and personal growth.

Retention strategies specific to knowledge workers are becoming more and more important to talent management as these are the employees who create the competitive advantage for the organisation (Cappelli, 2000).

2.3 The Psychological Contract

The psychological contract has been defined as the perceptions of the employee and employer and what their obligations towards each other are (Cullinane & Dundon, 2006).

The relationship between the manager and the employee has changed over time and there has been a marked shift in the psychological contract between the two. There is now a mutual balance of power between employer and

employee (Armstrong & Murlis, 1998). The knowledge worker now takes complete responsibility for their own career. There has been a shift in loyalty from the employee in that it used to be complete lifetime loyalty to the organisation but now there is only loyalty to the knowledge worker's own career (Grobler, Wärner, Carrell, Elbert & Hatfield, 2006).

The length of stay in an organisation is determined by the relationship with the employee's manager (Dobbs, 2001). The manager's role has become that of a "conduit" between the employee and the organisation (Corporate Leadership Council, 2005). The manager shapes the perception of the employee about their commitment to the organisation, their work teams and their jobs.

The changes in psychological contract are depicted in Table 2.1 below:

Table. 2.1 – Changing Psychological Contract

THE WAYS IN WHICH PSYCHOLOGICAL CONTRACTS ARE CHANGING	
From:	To:
Imposed relationships (compliance, command and control)	Mutual relationships (commitment, participation and involvement)
Permanent employment relationship	Variable employment relationship – People with skills only obtained or retained when required.
Focus on promotions	Focus on lateral career development
Finite job duties	Multiple roles
Meet job requirements	Add value
Emphasis on job security and loyalty to company	Emphasis on employability and loyalty to own career and skills
Training provided by organisation	Opportunities for self-managed learning

Source: Harpur, 2002

It has been suggested that as part of the retention strategy managers should include provision for the inevitable loss of talent and include mechanisms that reduce the impact of turnover in knowledge workers (Corporate Leadership Council, 2005).

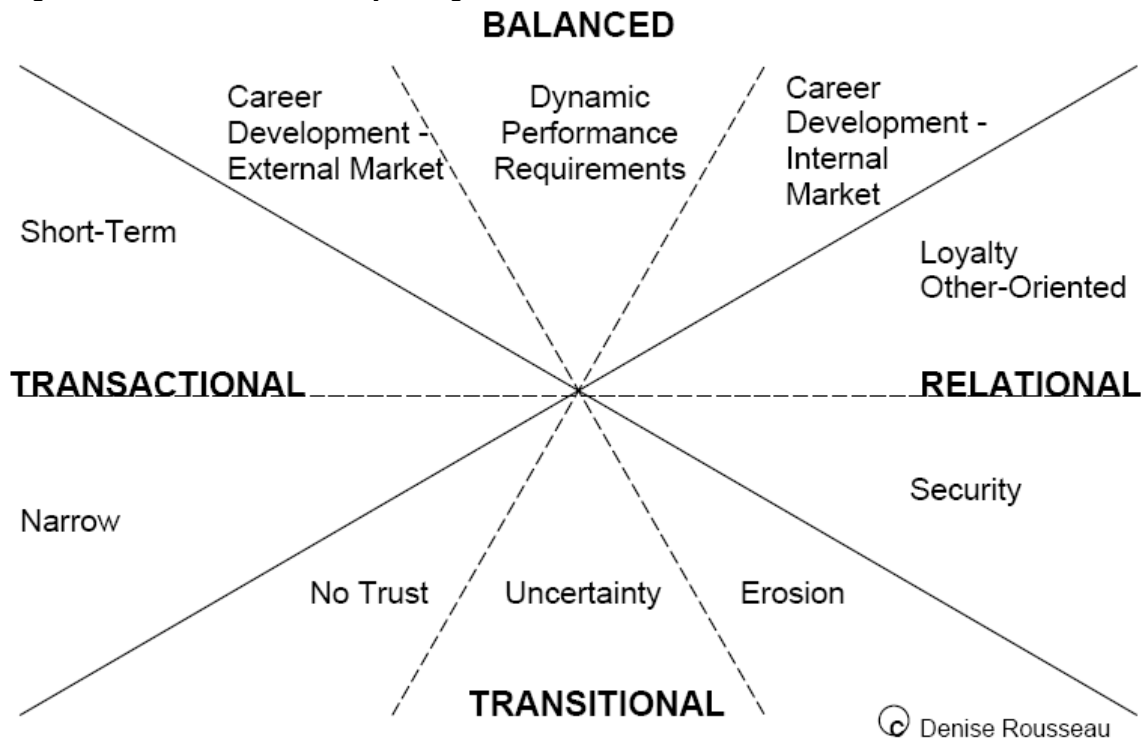
Macneil (1985) first suggested that the psychological contracts fall into two typologies. The first is the transactional phase, which is almost purely economic in nature with virtually no relationship value. The second is the relational phase, in which the employer and employee enter into socio-emotional as well as economic relationships. However, Rousseau (2000) argued that there may be intermediate or hybrid versions of the psychological contracts that lie somewhere between the transactional and relational phases. In all Rousseau identified four differing typologies of the psychological contract:

- The relational phase is long-term or open-ended and is characterised by stability and loyalty of the employer and employee.
- The balanced phase is a dynamic arrangement that has certain economic conditions and opportunities attached. The employee is obligated to develop marketable skills and the employer is committed to improving the long-term employability of the employee outside of the organisation. There are three obligations identified, namely external employability, internal advancement and dynamic performance.

- In the transactional phase the employee does only what is required of them or what they are paid to do. This phase is characterised by a narrow range of requirements by both parties and is short-term focused.
- Finally the transitional phase occurs as the employee moves from the relational to the transactional phase due to a combination of mistrust, uncertainty and erosion of future returns or contributions.

These four phases are graphically represented in Figure 2.1 below, which was developed by Rousseau (2000) as a psychological contract inventory.

Figure 2.1 – Assessment of Psychological contract



Source: Rousseau (2000) – Psychological Contract Inventory Technical Report

2.4 Career Capital

The idea of career capital is based on the idea that as we move from job to job or from one position to another within the organisation, we keep the knowledge of the previous position with us and thus gain experience and knowledge along the way. Inkson and Arthur (2001) suggest that we take our careers with us and accumulate experience to build up career capital.

With the advent of the knowledge economy and the knowledge worker, the position-based career approach has recently shifted to the portfolio-type career approach (Templer *et al.*, 1999). No longer is a person's career defined by the position they hold but rather by the knowledge and experience that they have built up and the skills they have developed. Given today's more volatile and unstable organisational environment, individuals can no longer expect lifetime employment within one organisation or a steady climb up the corporate ladder (Eby, Butts & Lockwood, 2003).

Knowledge workers are essentially career capitalists working for the advancement of their own personal sense of achievement, increased incomes and market recognition (Inkson & Arthur, 2001). There are three basic assets that they build up in their careers – individual, organisational and industry

learning – and these are the assets that they bring with them to each new work assignment.

This has all given rise to the term “boundaryless career”, which by definition means a sequence of experiences across both organisations and jobs (Eby, Butts & Lockwood, 2003). DeFillippi and Arthur (1996) write that there is a selection of predictors for calculating success in the boundaryless career. These predictors are the three ways of knowing, namely “knowing how”, “knowing why” and “knowing whom”.

Hypothesis 1: An increase in career capital and marketability during the MBA programme increases the chances of obtaining alternative employment and as a result the MBA student considers leaving the organisation.

2.5 Engagement and Commitment

Employee engagement and commitment is a symbiotic relationship within the whole organisation (Piersol, 2007). Piersol goes on to state that “[e]mployee empowerment gives an organisation the agility and competitive advantage to succeed” (2007, p. 30). There is a direct relationship found between motivated employees, customer satisfaction and financial success.



2.5.1 Job satisfaction

Many managers do not understand the psychology of the knowledge worker and that they require challenging work and work satisfaction (Demers, 2001). It is for this reason that many knowledge workers leave their organisations in search of better job satisfaction.

In his empirical study conducted on the correlation between job satisfaction and turnover, Trevor (2001) found the strongest factors to be education, cognitive ability and occupation-specific training. There is still some dispute in this area as there is an argument that work-life balance and well-being are also considered to be very strong indicators of job satisfaction.

2.5.2 Organisational commitment

The Corporate Leadership Council (2005) states that employees with high levels of commitment are significantly less likely to leave their organisations.

This commitment is divided into two different types:

- Rational commitment – This is the extent to which employees believe that managers, teams, or organisations have their best interests in mind.

- Emotional commitment – This is the extent to which employees value, enjoy and believe in their jobs, managers, teams, or organisations.

These two types of commitment affect the amount of effort that an employee will put into their job and also affect their intention to stay or leave. Commitment is a strong driver of employee performance and consequently affects the teams of which they are a part.

Some of the most successful organisations build their companies on a commitment-based ideology where people want to work in the long run (Horwitz, Heng & Quazi, 2003). The basis of attachment and retention includes compensation, quality of work and work groups as a community. These companies also select their staff for specific skills, talent or potential and for a good fit with a team or the organisation.

Commitment does not necessarily mean loyalty to the organisation. Cappelli (2000) argues that a strategy of long-term, across-the-board employee loyalty is neither possible nor plausible. There is a shift from trying to keep all the employees in the company to a focused effort at trying to keep the turnover of the best employees to a minimum. The suggestion that organisations are “managing a river not a dam” (Cappelli, 2000) in terms of talented people, implies that the flow of talent in and out of the organisation is inevitable but

should be managed in such as way as to minimise the impact on the organisation.

2.5.3 Intention to leave

Sandweis and Lewin (2000) suggest that most MBA students would actually prefer to stay with the organisation of their current employ but require that the organisation places some value on their contribution, experience and newfound skills.

Intention to leave is seen by many writers as the best predictor of turnover. This can be seen as the end result of a series of withdrawal behaviours that culminate in the employee leaving the company (Van Scotter, 2000).

The withdrawal process appears to converge around the following essential elements: characteristics of the individual, the organisation, and the job itself. They all contribute to affective responses to the job (such as job satisfaction and organisational commitment), which influence the development of negative thoughts and intentions of leaving (Rosin & Korabik, 1991). Job involvement is also thought to be associated with intention to leave, although research evidence supporting this is less consistent.

Hypothesis 2: The psychological contract between MBA students and their employers is more likely to change from relational to balanced, transitional or even transactional during the course of the MBA.

2.6 Turnover

There is a plethora of research that has been carried out on labour turnover, but most of the research has been extremely focused on either one industry or one organisation, and certainly most research was undertaken before the new knowledge economy (Sutherland & Jordaan, 2004). Human resource managers are constantly concerned with the turnover of staff in the organisation. There are four main types of turnover, as described below:

- Voluntary turnover – This is employee-initiated, meaning that the employee leaves for better opportunities or better working conditions.
- Involuntary turnover – Conversely, this is initiated by the employer in the form of retrenchments or dismissals for various reasons.
- Functional turnover – A highly desirable situation where high-performing employees stay with the organisation while low-performing or troublesome employees leave.
- Dysfunctional turnover – This is the worst scenario where the high-performing employees leave and the low-performing employees stay.

It is also important to understand that some of the voluntary turnover is avoidable and some is unavoidable. If most of the turnover is avoidable then this offers the opportunity to intervene and try to understand and prevent the turnover (Morrell, Loan-Clarke & Wilkinson, 2004a). However, if most of the turnover is unavoidable then it would be better to try to manage the process by reducing the overall costs and controlling the event.

2.6.1 Contributing factors

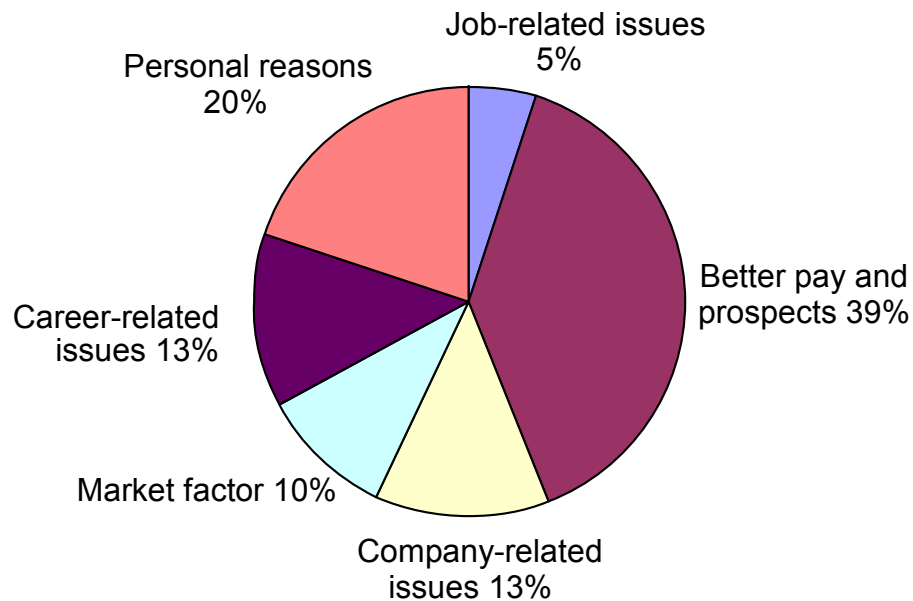
In their study, Horwitz *et al.* (2003) discovered that there were six main reasons for turnover of knowledge workers. They are described below and the percentage of participants responding to each of these reasons for leaving is shown in Figure 2.2 below.

- Job-related issues – Such as job satisfaction or general problems with the manager.
- Better pay and prospects – This is always an issue, although it does not contribute toward job satisfaction but is more of a ticket into the game (Grobler *et al.*, 2006).

- Company-related issues – These are general Human Resource hygiene factors that should be taken care of within the HR departments of the organisations. Problems with a manager will fall under this factor.
- Market factors – The state of the labour market and supply and demand conditions for the particular type of skill.
- Career-related issues – These are particular issues specific to the knowledge workers and how they intend to further their careers.
- Personal reasons – The employee may have a personal reason for emigrating or may simply want to start their own business.

The first three reasons are internal to the organisation and should be taken care of before the employee decides to leave. The next three factors are all external to the organisation and they are mostly controllable factors. These antecedents lie within the labour market approach to turnover, as discussed by Cappelli (2000). Turnover in today's fluid market economy is a reflection of the impatient freelance spirit, common to many well-educated young people such as the knowledge workers (Dobbs, 2001).

Figure 2.2 – Main reasons for knowledge workers' turnover.



Source: Horwitz, Heng & Quazi2003

Most of the theoretical focus on turnover has been on the “shock” event that may not be entirely unexpected (Morrell *et al*, 2004a). This “shock” event may be an organisational change programme, specifically aimed at shaking up the employees and taking them out of their comfort zones.

Morrel *et al.* (2004a) argue that understanding these shocks can give managers a better understanding and ability to manage change within the organisation. The first goal is to identify that the shock has occurred and that an intervention is required in order to keep personnel from leaving. Secondly, assessing the incidence and type of turnover can help in monitoring the change programme.

2.6.2 Consequences

The total financial impact of staff turnover is very difficult to measure as it has an impact on organisational culture, employee morale, social capital and organisational memory (Dess and Shaw, 2001; cited in: Morrel, Loan-Clark & Wilkinson, 2004b).

The simple cost for the organisation in Rand terms ranges from 50 – 150% of the departed worker's pay (Sandweis & Lewin, 2000). In addition, the tuition fees can be significant and if there is no form of retention contract drawn up at the beginning of the programme these costs will also have to be borne entirely by the organisation. It has been estimated that about 74% of all part-time MBA students obtain financial assistance from their organisations.

The immediate costs of the loss of a knowledge worker are laid out in Table 2.2 as set forward by Kaye & Jordan-Evans (2000). Not all these costs may be incurred but it does give an outline of the possibilities that organisations could face in the event of losing one of their talented employees. It will also differ depending on who leaves the organisation.

Table 2.2 – The Cost of Loss

Item	Cost
Newspaper ads	
Search firm	
Interview expenses: air fares, hotels, meals, etc.	
Manager's and team members' time spent interviewing	
Work put on hold until replacement is on board	
Overload on team, including overtime to get work done during selecting and training of replacement	
Orientation and training time for replacement	
Lost customers	
Lost contracts or business	
Lowered morale and productivity, time spent talking about it around the water cooler	
Sign-on bonus and other perks	
Moving allowance	
Loss of other employees	

Source: Kaye & Jordan-Evans 2000

Possibly more important than any other type of loss the organisation may endure through losing one of its most talented employees is the loss of tacit knowledge to the organisation (Sandweis & Lewin, 2000). This may take the form of losing information about the company's processes, competitor information and best practices (Harpur, 2002).

Another loss that is incurred primarily by the leaving employee is the ending of a psychological contractual relationship and breaking with an existing social network (Morrell *et al.*, 2004b). Humans are generally very social beings and breaking away from an established social network means having to create or build up another social network, which may cause large amounts of anxiety and stress.

Hypothesis 3: The changing relationship between the MBA student and the employer is likely to lead to an increase in turnover rates in MBA students.

2.7 Human Capital

Human capital has become the centre of the new world of work and the knowledge economy. The old idea of managing human resources needs to be replaced by the management of human capital (Friedman, Hatch & Walker, 1998). These employees will give the organisation its competitive advantage and could even be its very survival.

Human capital comprises three main elements: intellectual capital, social capital and emotional capital. These are the unique knowledge and skills sets that people possess (Harpur, 2002). The theory of firm-specific human capital predicts that workers build up firm-specific capital in the current job, which they will lose if they leave. The theory also predicts that the wage will reflect the returns to tenure (Bingley & Westergaard-Nielsen, 2003). The longer a worker is involved with an organisation the more capital they are likely to build up and the more commitment they are likely to show toward the organisation. In the same way, the further an employee moves up the ranks of the organisation the more they commit and become involved with the running of the organisation.

There is a great need for skills that are both demanding to train and hard to replace (Cappelli, 1997). This suggests that there should be greater employee attachment and tenure to make these firm-specific investments pay off. However, the opposite is occurring.

Hypothesis 4: The modifiers most likely to cause a change in the psychological contract during the course of the MBA programme are tenure, seniority and age.

3 CHAPTER 3: RESEARCH QUESTIONS

As described in the literature above one can see that there is a real need for research into the effects that the MBA programme has on the psychological contracts between the MBA students and their managers, and on their intention to leave their organisations. Four hypotheses have been postulated in order to determine these effects on MBA students and will guide the formulation of outcomes and results for this research report.

3.1 Hypothesis 1

H1: An increase in career capital and marketability during the MBA programme increases the chances of obtaining alternative employment and as a result the MBA student considers leaving the organisation.

3.2 Hypothesis 2

H2: The psychological contract between MBA students and their employers is more likely to change from relational to balanced, transitional or even transactional during the course of the MBA.

3.3 Hypothesis 3

H3: The changing relationship between the MBA student and the employer is likely to lead to an increase in turnover rates in MBA students.

3.4 Hypothesis 4

H4: The modifiers most likely to cause a change in the psychological contract during the course of the MBA programme are tenure, seniority and age.

4 CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

Since the need for research into the psychological contracts specific to knowledge workers was determined about five to six years ago there have been quite a few studies that have explored the nature of these contracts. In this present research the need has again arisen to research psychological contracts for knowledge workers, but now specifically for those MBA students in part-time study while still working for their organisations.

4.2 Research Methodology

As much of the exploratory research has already been carried out in this area, the present research was designed as a quantitative, cross-sectional research. This research is descriptive in nature, meaning that it is research designed to describe characteristics of a population or a phenomenon (Zikmund, 2003). It is quantitative research using close-ended questions in order to ascertain frequencies of responses to questions where orders of importance of some factors are required.

A cross-sectional design was chosen as it is a study in which various segments of the population are sampled at a single point in time (Zikmund, 2003).

4.2.1 Population of relevance

The target population for consideration for this research was all MBA students in South Africa. There are 10 recognised and accredited institutions offering MBA programmes in South Africa, some of which are full-time but most of which are part-time programmes. The part-time programmes may differ slightly in the method in which they are constructed; however, the importance for the research was that they were part-time and that the students were still working full-time for their organisations.

The delimiting factor for this population was that it had to exclude all the MBA students who were self-employed or completing their MBA degrees full-time.

4.2.2 Sampling method and size

The exact sample size was not calculated but rather the intention was to send out as many questionnaires as possible to all MBA students in the Gordon Institute of Business Science executive MBA programme for 2007/8 and

2008/9. This method of sampling is known as convenience sampling (Zikmund, 2003), as it would have been impossible to send out questionnaires to all the MBA classes in all the institutions offering accredited MBA programmes in South Africa. This was also a non-probability sample as units of the sample were selected on the basis of convenience. The Gordon Institute of Business Science is situated in Johannesburg and was therefore convenient for selection in this instance. In all, a total possible response of 335 respondents could have been achieved.

4.2.3 Unit of analysis

The unit of analysis for this research was the MBA students who were in full-time work with their organisations and enrolled for study in the part-time MBA degree programmes.

4.2.4 Construction of the questionnaire

A survey research design was utilised as the basic design methodology in order to obtain the primary data. The questionnaire was developed specifically to answer the research hypotheses as laid out in Chapter 3 of this research project. Furthermore, the questionnaire was pre-tested to ensure that there

were no structural problems and to screen out any problems with the instructions of the questionnaire (Zikmund, 2003).

The link for the self-administered questionnaire was e-mailed out to respondents which linked them to the questionnaire on a survey response collection website. The MBA students gave their consent by answering the first section of the questionnaire. They were then asked to complete all the following sections of the questionnaire. Anonymity of the respondents was ensured as no names, company names or IP addresses were requested or collected in the survey or on the website.

The questionnaire was divided into 5 parts.

- Section 1 gathered all the demographic details of the respondents to obtain the demographic profile of the MBA students who had responded to the questionnaire.

The next four sections were divided up into employer obligations, employer transitions, employee obligations and employee transitions. The questionnaire was developed from the work done by Rousseau (2000) on the Psychological Contract Inventory Technical Report and other work by Rousseau in this field.

The responses from the statements in each of the sections were categorised on a six-point Likert scale as shown below, ranging from “strongly agree” to “strongly disagree”.

Strongly Agree	Agree	Somewhat Agree	Somewhat Disagree	Disagree	Strongly Disagree
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Each of the statements was coded to be analysed in terms of the four types of psychological contracts, namely, transactional, transitional, balanced or relational. A Chi-Square test was performed on the coded questions to obtain the Alpha Reliability Factor. This would determine the overall psychological contract of the respondents in each of the sections.

- Section 2 of the questionnaire had twelve statements and respondents were asked to consider their relationships with their current employer and the extent to which their employer had made commitments or obligations to them during the course of the MBA programme.
- Section 3 gave the respondents nine statements and asked them to best describe, using the six-point Likert scale, the relationship their employer had toward them during the course of the MBA programme.

- Section 4 asked the respondents to what extent they had made commitments to their employers during the MBA programme. Once again the six-point Likert scale was used to rank the fifteen statements they felt best described the relationship during that period.
- Finally Section 5 asked the respondents to use the nine statements to rank their relationship with their employer during the course of the MBA programme.

4.2.5 Data gathering process

Once a good number of respondents had answered the online questionnaire the data gathering process began. The online survey website had the capability to download all the responses into a spreadsheet format, which made it simpler to enter the data into the statistical analysis tool.

The data was collected firstly into Microsoft Excel and then imported into the statistical data analysis tool. The data was sorted and all the respondents who did not complete the questionnaire or who fell into the self-employed category were eliminated. The data set was then consolidated into the final 117 respondents as a complete data set.

4.2.6 Data analysis

The data gathering tool that was used for the statistical analysis of the data was called NCSS. Descriptive statistical techniques were used such as the Chi-Square test, ANOVA and Spearman's rank correlation matrix. They were all tested to the 5% significance level (Zikmund, 2003). The value of α , or level of significance, indicates the importance that a researcher attaches to the consequences associated with incorrectly rejecting the null hypothesis.

Cronbach's alpha (or coefficient alpha) is the most popular of the internal consistency coefficients. As a rule, a value of at least 0.8 should be achieved for widely used instruments but significance is shown above 0.6.

The Spearman's rank is also a correlation very similar to the Cronbach's alpha. This correlation is calculated by applying the Pearson correlation formulas to the ranks of the data rather than to the actual data values themselves. In so doing, many of the distortions that infect the Pearson correlation are reduced considerably. The range of values is from -1 to 1. Strong association occurs when the magnitude of the correlation is close to one. Low correlations are those near zero.

The analysis of variance, frequently referred to as ANOVA, is a statistical technique specially designed to test whether the means of more than two

quantitative populations are equal. In the case of non- parametric data such as a questionnaire, the equivalent test is called the Kruskal-Wallis test. This test determines whether the populations of interest are identical to or different from one another (Kohler, 1988).

A factor analysis with a varimax rotation was also conducted in order to obtain relations between the different statements in each of the sections and the level and type of psychological contract of the respondents. The eigenvalue is reported in each of these cases. These are the "characteristic roots" of the principal components solution. There is one eigenvalue for each dimension, sometimes labelled the inertia for that dimension. Each eigenvalue is the amount of inertia (variance) a given factor explains in the correspondence table. Eigenvalues reflect the relative importance of the dimensions. The first dimension always explains the most inertia (variance) and has the largest eigenvalue, the next the second-most, and so on (Kohler, 1988).

In the factor analysis tables, values above 0.7 are significant and indicate strong correlations with their relevant factors.

4.3 Limitations of the Research

The limitations of this research were as follows:

- In no way did the researcher attempt to segment the group of MBA students into industry-specific or occupation-specific groupings. This may have had an effect on the role of the manager and the levels of engagement from the employee.
- There was no gender or race differentiation, which may also have had an effect on the retention factors specific to male or female respondents or differences between Black, White, Indian or Coloured respondents and their specific needs in terms of psychological contracts.
- Convenience sampling also had a limiting factor in that it inferred that the factors affecting the psychological contract of the MBA students in Johannesburg were the same for MBA students in other parts of the country. This may not have been the case as geographical location may have played a role in the engagement and commitment of the MBA students to the organisation in those areas.

4.4 Conclusion

The research design and methodology were intended to meet the specific requirements as laid out at the commencement of this research report. Rousseau's (2000) technical inventory report on psychological contracts was used as the basic design for the outcome of this research, along with the insights taken from academic articles written by other leading researchers in this field and the fields of human capital, career capital and turnover.

5 CHAPTER 5: RESULTS

5.1 Introduction

Rousseau (2000) put together the Psychological Contract Inventory Technical Report that has formed the basis for the questionnaire used as the tool in this research. The response rates, demographic information and statistical techniques are reviewed in this chapter. It also summarises and presents all the research results, statistical analysis and interpretation.

5.2 Response Rate

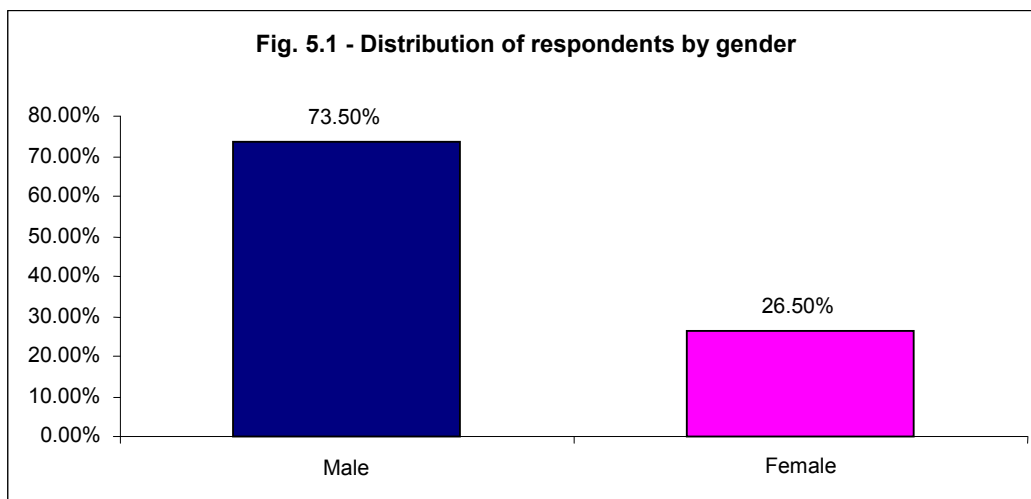
All the MBA students for both the 2007/8 and 2008/9 classes from the Gordon Institute of Business Science were requested to take part in the survey. Every class member was sent an e-mail with a link to the survey website, which gave them the opportunity to participate in the survey questionnaire. There were a total of 335 e-mails sent out and a total of 133 responses. It should however be noted that of the 133 who responded, some respondents had to be discarded as they were self-employed, which would negate the need for a psychological contract with their employer. Some respondents were also deemed unsuitable because they did not complete enough of the questionnaire for it to be used in

the survey. In the end a total of 117 completed the entire questionnaire in a usable format. This represents a response rate of 34.93%.

5.3 Demographic Information

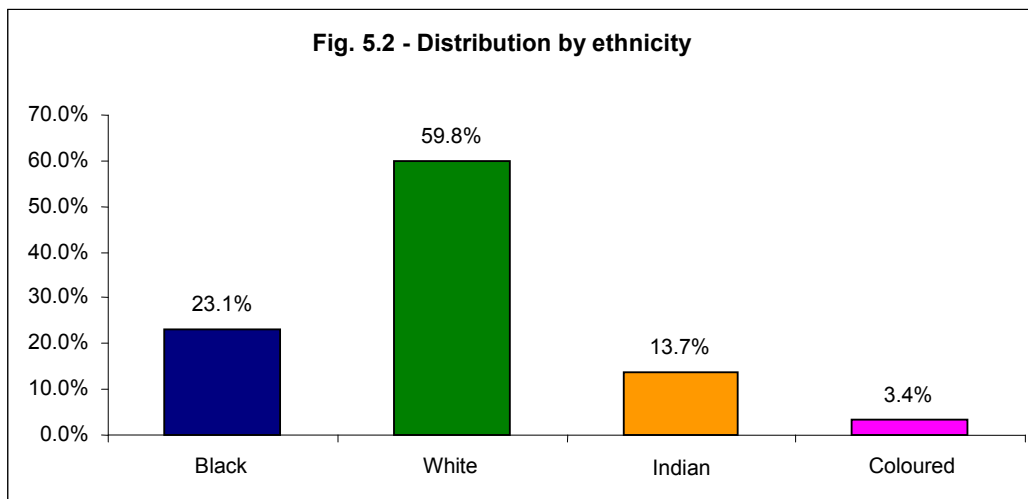
There were 10 demographic categories that the respondents were asked to complete in order to fill out the demographic profile of the MBA group. These were gender, ethnicity, age, marital status, employment status, occupation, job level, industry, number of years' service and the highest level of education achieved before starting this MBA degree.

The distribution samples of most of these categories are graphically presented below in Figures 5.1 through 5.6.



There were a total of 86 male respondents and 31 female respondents who completed the survey. This gives a percentage split of 73.5% male and 26.5% female.

The percentage of respondents was majority White at 59.8% (70 respondents), with Blacks making up 23.1% (27 respondents), Indians at 13.7% (16 respondents) and 3.4% (4 respondents) falling into the Coloured ethnicity group. This is shown graphically in Figure 5.2 below.



The age groups in Figure 5.3 below were divided into four categories. The largest category was that of the ages from 31 to 35 years old, making up more than half the respondents at 53.8%. The next largest group was the ages 25 to 30 with 25.6%, then ages 36 to 40 with 12.8% and finally the age group of 41 and greater with 7.7%.

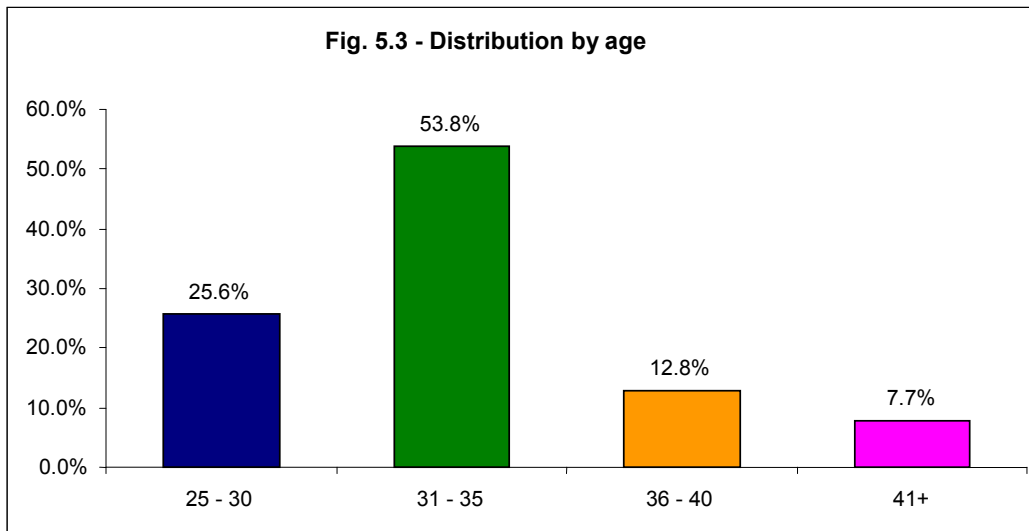
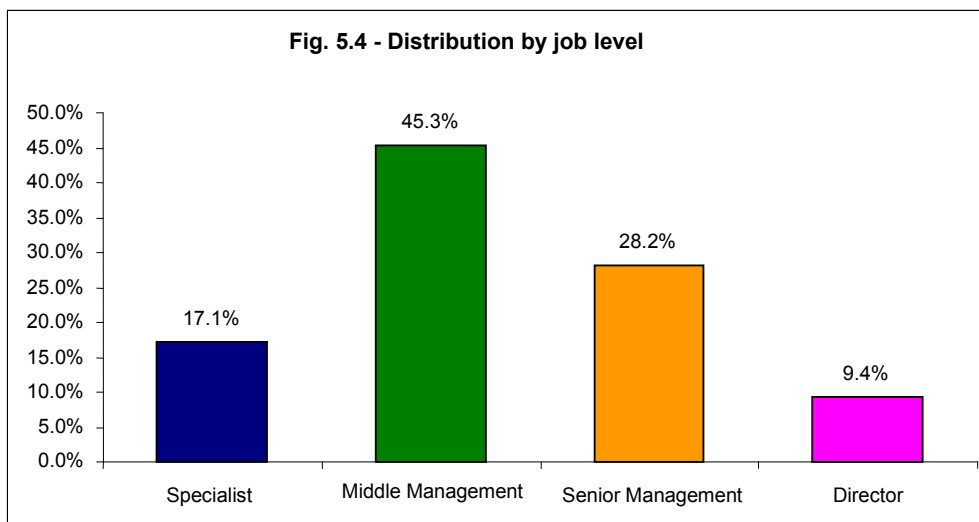
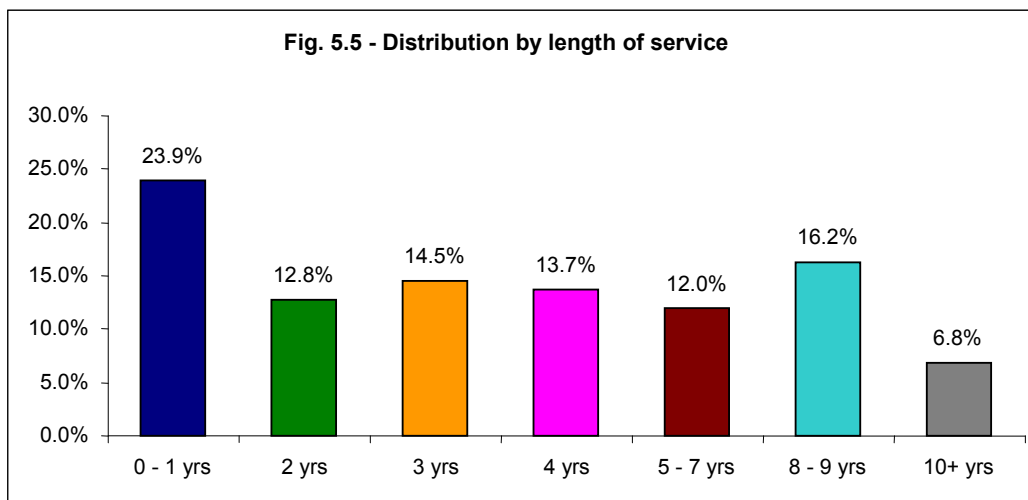


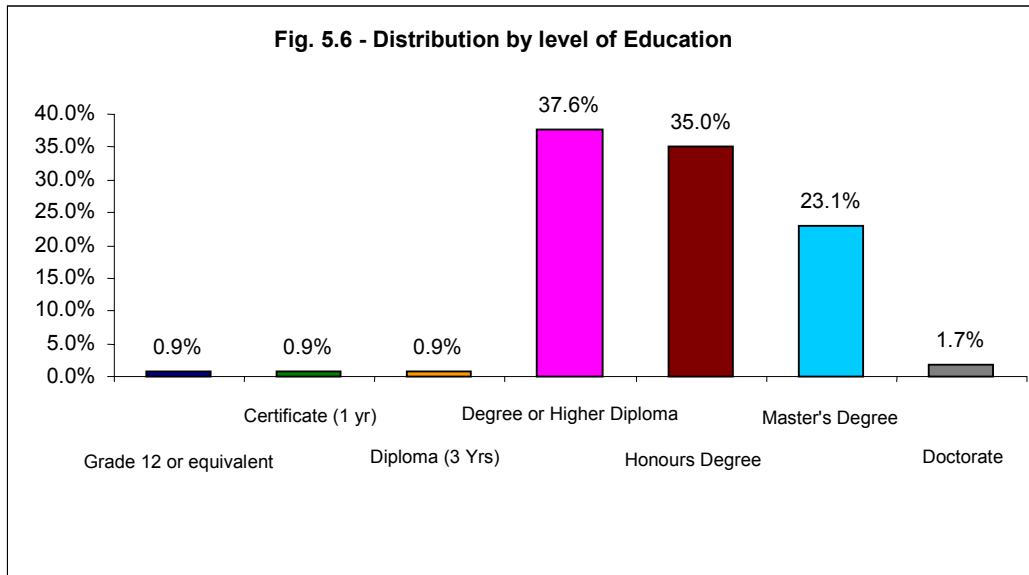
Figure 5.4 below represents the respondents' job levels. They were predominantly grouped as middle management with as much as 45.3% of the respondents falling into this category. Respondents falling into the senior management category made up 28.2% and specialists comprised 17.1%. The remaining respondents were categorised as being at the level of Director and this accounted for 9.4% of the total respondents.



In setting up the questionnaire it was decided to get the best possible spread of the number of years' service that each of the respondents had with their current employers by creating smaller splits of categories. As can be seen from Figure 5.5, the vast majority of respondents (as much as 64.9%) had fewer than 5 years' service with their current employer. Only 6.8% of respondents had 10 or more years' service.



The level of education shown in Figure 5.6 below was divided into seven categories, of which the majority was made up of those respondents having a Degree or Higher National Diploma (37.6%). Respondents having at least an Honours Degree made up 35.0% and those with a Master's Degree comprised 23.1%. The remainder was spread between those having a Doctorate (1.7%), a 3-year Diploma (0.9%), a 1-year Certificate (0.9%) or a Grade 12 or equivalent pass (0.9%).



Some of the distributions were not described graphically as their importance to the research was either merely to qualify them as fitting respondents to the survey or the question's relevance was not clear enough to have a bearing on the research being conducted. As an example the marital status showed a distribution of 71.8% married and 19.7% single respondents, but this had no significant bearing on the research data.

The question about employment status was added to the questionnaire to qualify the respondents as being full-time employed students. Contractors or self-employed respondents were discarded as their responses could possibly have skewed some of the results on their psychological contracts.

Question 6 regarding the specific occupation of the respondents was left as an open question and the responses were too specific regarding the type of occupation and too varied to be able to be grouped and return any significant results.

Neither did Question 9 return any results that would assist in formulating some significant findings. In case of further research, this question should possibly be reformulated to return responses of either the industry in which the respondents are currently working, or related to the type of work that they are doing. Currently the question is too ambiguous to be included in the study.

5.4 Research Propositions

5.4.1 Introduction

The questionnaire was divided into five sections. The first section was described in detail above and relates to the demographic cross-section of the MBA groups. The next four sections were divided into employer obligations, employer transitions, employee obligations and employee transitions.

The division of these four sections was aimed at obtaining the psychological contract profile of the respondents from the viewpoint of their own perceptions

of employer obligations to them and their own obligations to the organisation or their manager. It also aimed to explore the future direction of the relationship between the respondents and their employers.

5.4.2 Employer obligations

This section of the questionnaire included twelve statements in which respondents were asked to rank their responses on a six-point scale. Respondents were asked to consider their relationship with their current employer and the extent to which their employer had made commitments to them during the course of the MBA. The responses were coded and grouped into various categories relating to the four different types of psychological contracts as described by Rousseau (2000).

A Pearson's correlation was done between the grouped items and the Cronbach's Alpha was reported on each of the groups, as shown in Table 5.1 below. In some cases one item loaded on to two sections, such as A16 which loads as both Loyalty and Narrow.

The description of how each of the contracts fits together was shown in Figure 2.1 and described in Chapter 2, section 2.3.



Table 5.1 - Employer obligations - Pearson's correlations				
Code	Answer Options	Rating Average	Psychological Contract	Cronbach's Alpha
A4	Supports me to attain higher levels of performance	2.89	Balanced - Dyn Perf.	0.83
A11	Helps me to respond to even greater industry standards	3.33	Balanced - Dyn Perf.	
A2	Shows real concern for my personal welfare	2.86	Relational - Loyalty	0.82
A16	Is responsive to my challenges of the MBA programme	2.94	Relational - Loyalty	
A23	Makes decisions with my interests in mind	3.28	Relational - Loyalty	
A17	Is training me only for my current job	3.63	Transact - Narrow	-0.59
A16	Is responsive to my challenges of the MBA programme	2.94	Relational - Loyalty	
A10	Has limited or no interest in my MBA studies	3.27	Transact - Narrow	
A6	Helps me develop extremely marketable skills	3.44	Balanced - Ext.Emp	0.86
A20	Gives job assignments that enhance my external marketability	3.38	Balanced - Ext.Emp	
A27	Recognises there are potential job opportunities outside of the firm	2.82	Balanced - Ext.Emp	
A34	Offers me contracts that create employment opportunities elsewhere	4.08	Balanced - Ext.Emp	

Table 5.2 below represents a five-factor solution for employer obligations. All the statement responses in this section were analysed using a factor analysis with a varimax rotation. The highest value in each of the rows is highlighted as being the most significant relation to the specific factor of the psychological contract.



Table 5.2 - Employer obligations - Factor analysis

Code	Answer Options	Rating Average	Loyalty	Internal Dev.	External Dev.	Dyn. Perf.	Narrow
A2	Shows real concern for my personal welfare	2.86	0.29	0.12	0.00	0.24	0.15
A16	Is responsive to my challenges of the MBA programme	2.94	0.03	0.10	0.01	0.75	0.03
A17	Is training me only for my current job	3.63	0.02	0.07	0.81	0.02	0.01
A23	Makes decisions with my interests in mind	3.28	0.37	0.26	0.01	0.17	0.00
A4	Supports me to attain higher levels of performance	2.89	0.47	0.22	0.03	0.07	0.05
A10	Has limited or no interest in my MBA studies	3.27	0.18	0.00	0.18	0.46	0.03
A11	Helps me to respond to even greater industry standards	3.33	0.63	0.07	0.05	0.04	0.09
A12	Offers developmental opportunities within the firm for me	3.30	0.22	0.41	0.04	0.11	0.03
A6	Helps me develop extremely marketable skills	3.44	0.10	0.55	0.04	0.08	0.10
A20	Gives job assignments that enhance my external marketability	3.38	0.09	0.62	0.04	0.04	0.10
A27	Recognises there are potential job opportunities outside of the firm	2.82	0.05	0.09	0.01	0.06	0.67
A34	Offers me contracts that create employment opportunities elsewhere	4.08	0.05	0.31	0.13	0.00	0.25
		Eigenvalue	2.51	2.83	1.34	2.03	1.51

5.4.3 Employer transition

In this section of the questionnaire nine statements were put to respondents who were asked to rank their responses on a six-point scale. Respondents were asked to consider to what extent these statements described their

employer's relationship with them during the course of the MBA programme. The responses were coded and grouped as before into various categories relating to the four different types of psychological contracts. A Pearson's correlation was done between the grouped items and the Cronbach's Alpha was reported on each of the groups, as shown in Table 5.3 below.

Table 5.3 - Employer transitions - Pearson's correlations				
Code	Answer Options	Rating Average	Psychological Contract	Alpha-Reliability
B1	Withholds information from me	3.98	Transition - Mistrust	0.85
B4	Our trust relationship has changed over the past 12 months	3.33	Transition - Mistrust	
B7	Introduces changes without involving me	3.53	Transition - Mistrust	
B10	Doesn't share important information with me	3.59	Transition - Mistrust	
B4	Our trust relationship has changed over the past 12 months	3.33	Transition - Mistrust	0.76
B5	The direction of the organisation's relationship with me has changed over the past 12 months	3.12	Transition - Uncertainty	
B8	There is uncertainty regarding its commitment to me and my studies	3.60	Transition - Uncertainty	
B3	Demands more from me while giving me less in return	3.37	Transition - Erosion	0.85
B12	My wage package has stagnated	3.29	Transition - Erosion	
B15	More and more work for the same pay	3.29	Transition - Erosion	

Table 5.4 below represents a three-factor solution for employer transitions. All the statement responses in this section were analysed using a factor analysis with a varimax rotation. This is again consistent with the measurement model proposed by Rousseau. The highest value in each of the rows is highlighted as

being the most significant relation to the specific factor of the psychological contract.

Table 5.4 - Employer transition - Factor analysis					
Code	Answer Options	Rating Average	I Mistrust	II Erosion	III Uncertainty
B1	Withholds information from me	3.98	0.10	0.04	<u>0.65</u>
B4	Our trust relationship has changed over the past 12 months	3.33	<u>0.63</u>	0.03	0.09
B7	Introduces changes without involving me	3.53	0.17	0.09	<u>0.60</u>
B10	Doesn't share important information with me	3.59	0.09	0.11	<u>0.72</u>
B5	The direction of the organisation's relationship with me has changed over the past 12 months	3.12	<u>0.73</u>	0.03	0.09
B8	There is uncertainty regarding its commitment to me and my studies	3.60	0.36	0.18	0.19
B3	Demands more from me while giving me less in return	3.37	0.20	<u>0.49</u>	0.11
B12	My wage package has stagnated	3.29	0.02	<u>0.81</u>	0.06
B15	More and more work for the same pay	3.29	0.03	<u>0.85</u>	0.05
Eigenvalue			2.31	2.62	2.57

5.4.4 Employee obligations

Respondents were asked to consider the fifteen statements on the six-point scale as to what extent they had made commitments to their employer during the course of the MBA programme. Once again the responses were coded and

grouped into various categories relating to the four different types of psychological contracts.

Table 5.5 - Employee obligations - Pearson's correlations				
Code	Answer Options	Rating Average	Psychological Contract	Alpha-Reliability
C5	My MBA degree will enhance the value of my employer	2.25	Balanced - Int. Dev	0.44
C19	This MBA degree will increase my value in this organisation	2.18	Balanced - Int. Dev	
C33	It was my idea to begin this MBA programme	1.32	Balanced - Int. Dev	
C1	I can quit whenever I want	3.69	Transact - Short-term	0.52
C8	I have no future obligations once I complete the MBA degree	3.83	Transact - Short-term	
C9	I make personal sacrifices for this organisation during the course of the MBA	2.18	Relational - Loyalty	0.71
C16	I take this organisation's concerns personally	2.46	Relational - Loyalty	
C23	I protect this organisation's image	2.03	Relational - Loyalty	
C3	I perform only required tasks	4.11	Transact - Narrow	0.81
C17	Since starting the MBA programme I only do what I am paid to do	4.29	Transact - Narrow	
C24	The number of responsibilities I commit to has diminished over the past 12 months	3.86	Transact - Narrow	
C6	The MBA programme will build contacts outside the firm that enhance my career potential	1.72	Balanced - Ext. Emp.	0.68
C27	I continuously work to enhance my marketability	1.77	Balanced - Ext. Emp.	
C20	I increase my visibility to potential employers outside the firm	2.50	Balanced - Ext. Emp.	

The Cronbach's Alpha was reported on each of the groups as shown in Table 5.5 above, once the Pearson's correlation was carried out on the related groups.



Table 5.6 - Employee obligation - Factor analysis

Code	Answer Options	Rating Average	Narrow	External Dev.	Internal Dev.	Loyal	Short-term	Dyn. Perf.
C3	I perform only required tasks	4.11	<u>0.76</u>	0.00	0.00	0.06	0.00	0.01
C17	Since starting the MBA programme I only do what I am paid to do	4.29	<u>0.82</u>	0.00	0.00	0.03	0.00	0.02
C24	The number of responsibilities I commit to has diminished over the past 12 months	3.86	<u>0.52</u>	0.00	0.03	0.05	0.01	0.02
C1	I can quit whenever I want	3.69	0.02	0.00	<u>0.70</u>	0.01	0.00	0.00
C8	I have no future obligations once I complete the MBA degree	3.83	0.00	0.02	<u>0.70</u>	0.00	0.01	0.00
C9	I make personal sacrifices for this organisation during the course of the MBA	2.18	0.03	0.02	0.00	<u>0.60</u>	0.01	0.00
C16	I take this organisation's concerns personally	2.46	0.13	0.00	0.00	<u>0.66</u>	0.00	0.02
C23	I protect this organisation's image	2.03	0.03	0.00	0.00	<u>0.53</u>	0.00	0.11
C5	My MBA degree will enhance the value of my employer	2.25	0.02	0.02	0.01	0.06	0.00	<u>0.66</u>
C19	This MBA degree will increase my value in this organisation	2.18	0.03	0.00	0.00	0.01	0.01	<u>0.75</u>
C33	It was my idea to begin this MBA programme	1.32	0.00	0.01	0.01	0.00	<u>0.86</u>	0.00
C4	I accept increasingly challenging performance standards	1.78	0.04	0.06	0.02	0.10	0.21	0.20
C6	The MBA programme will build contacts outside the firm that enhance my career potential	1.72	0.02	<u>0.59</u>	0.00	0.00	0.06	0.00
C27	I continuously work to enhance my marketability	1.77	0.01	<u>0.74</u>	0.00	0.03	0.00	0.04
C20	I increase my visibility to potential employers outside the firm	2.50	0.09	<u>0.60</u>	0.01	0.00	0.01	0.00
Eigenvalue			2.51	2.06	1.49	2.14	1.19	1.85

Table 5.6 above represents a six-factor solution for employer obligations. The statement responses in this section were again analysed using a factor analysis with a varimax rotation. The highest value in each of the rows is highlighted as being the most significant relation to the specific factor of the psychological contract. In some cases no factor is highlighted as there was no relation higher than 0.4 which then becomes insignificant and shows no relevant analysis.

5.4.5 Employee transition

In this last section of the questionnaire another nine statements were put to respondents who were asked to rank their responses on a six-point scale. The respondents were asked to consider to what extent the given statements described their relationship with their employer during the course of the MBA programme. Once again the responses were coded and grouped into various categories relating to the four different types of psychological contracts.

The Pearson's correlation was run between the grouped items and the Cronbach's Alpha was reported on each of the groups, as shown in Table 5.7 below.



Table 5.7 - Employee transition - Pearson's correlation				
Code	Answer Options	Rating Average	Psychological Contract	Alpha-Reliability
D1	I cannot believe what this employer tells me	3.98	Transition - Mistrust	0.94
D7	There has been a breakdown in trust during the past 12 months	3.97	Transition - Mistrust	
D13	My employer has become inconsistent in what he/she says and does	3.82	Transition - Mistrust	
D5	It's difficult to predict the future of this relationship	3.25	Transition - Uncertainty	0.78
D11	It's difficult to anticipate my future commitments	3.17	Transition - Uncertainty	
D14	My commitments to this employer are uncertain	3.25	Transition - Uncertainty	
D8	My intention is to leave this employer within the next 12 to 24 months	2.87	Transition - Uncertainty	
D6	I'm getting the same pay for more work	3.20	Transition - Erosion	0.89
D12	I expect less from this employer tomorrow than I receive today	3.76	Transition - Erosion	
D8	My intention is to leave this employer within the next 12 to 24 months	2.87	Transition - Uncertainty	

A three-factor solution for employee transitions is shown in Figure 5.8 below. The statement responses in this section were also analysed using a factor analysis with a varimax rotation. The highest value in each of the rows is highlighted as being the most significant relation to the specific factor of the psychological contract.

Table 5.8 - Employee transition - Factor analysis

Code	Answer Options	Rating Average	I Trust	II Erosion	III Uncertainty
D1	I cannot believe what this employer tells me	3.98	<u>0.70</u>	0.10	0.10
D7	There has been a breakdown in trust during the past 12 months	3.97	<u>0.72</u>	0.16	0.05
D13	My employer has become inconsistent in what he/she says and does	3.82	<u>0.72</u>	0.13	0.08
D6	I'm getting the same pay for more work	3.20	0.09	0.13	<u>0.73</u>
D12	I expect less from this employer tomorrow than I receive today	3.76	0.31	0.19	0.32
D5	It's difficult to predict the future of this relationship	3.25	0.36	<u>0.47</u>	0.06
D11	It's difficult to anticipate my future commitments	3.17	0.31	<u>0.53</u>	0.07
D14	My commitments to this employer are uncertain	3.25	0.17	<u>0.63</u>	0.10
D8	My intention is to leave this employer within the next 12 to 24 months	2.87	0.06	<u>0.64</u>	0.14
Eigenvalue			3.44	2.97	1.65

5.4.6 Modifiers

In addition to the tests conducted on both employer and employee obligations and transitions, there were a couple of modifiers identified that may lead to a change in the psychological contracts between the MBA students and their employers. These modifiers were age, job level, length of service and level of education. All are represented in Table 5.9 below.



Table 5.9 - Hypothesis 4 - Modifiers

Modifier	Code	Answer Options	Probability Level	Mean	Statistical Test (SC or A)
Age	A16	Is responsive to my challenges of my MBA programme	0.009	2.17	0.24 SC
	A10	Has limited or no interest in my MBA studies	0.007	1.97	-0.25 SC
	A10	Has limited or no interest in my MBA studies	0.05	2 – 3.2 4 – 2.5	0.64 A
	C6	The MBA programme will build contacts outside the firm that enhance my career potential	0.041	2 – 1.7 4 – 2.1	0.67 A
	C23	I protect this organisation's image	0.003	2.16	0.28 SC
	C24	The number of responsibilities I commit to has diminished over the past 12 months	0.039	1.99	-0.192 SC
	C24	The number of responsibilities I commit to has diminished over the past 12 months	0.019	1 – 4.4 4 – 2.6	0.76 A
Length of service	B12	My wage package has stagnated	0.026	2 – 2.3 7 – 3.9	0.82 A
	C6	The MBA programme will build contacts outside the firm that enhance my career potential	0.026	2 – 1.1 5 – 2.0	0.82 A
	C8	I have no future obligations once I complete the MBA degree	0.013	3.82	0.23 SC
	C8	I have no future obligations once I complete the MBA degree	0.002	1 – 2.6 4 – 4.7	0.96 A
	C16	I take this organisation's concerns personally	0.032	3.40	-0.2 SC
Job Level	A2	Shows real concern for my personal welfare	0.017	2 – 3.2 4 – 2.0	0.78 A
	A6	Helps me develop extremely marketable skills	0.024	2 – 3.8 4 – 2.4	0.74 A
	B3	Demands more from me while giving me less in return	0.011	2 – 2.9 4 – 4.5	0.82 A
	B12	My wage package has stagnated	0.023	1 – 2.9 4 – 4.3	0.74 A
	B15	More and more work for the same pay	0.014	2 – 2.9 4 – 4.6	0.79 A
	C3	I perform only required tasks	0.016	2.35	0.22 SC
	C5	My MBA degree will enhance the value of my employer	0.032	2.22	-0.2 SC
	C16	I take this organisation's concerns personally	0.009	2.23	-0.24 SC
	C23	I protect this organisation's image	0.041	2.22	-0.2 SC
	C24	The number of responsibilities I commit to has diminished over the past 12 months	0.034	2.36	0.2 SC
	D5	It's difficult to predict the future of this relationship	0.033	2 – 2.5 4 – 4.0	0.70 A
D11	It's difficult to anticipate my future commitments	0.039	2 – 2.7 4 – 4.0	0.68 A	
Level of Education	B4	Our trust relationship has changed over the past 12 months	0.0004	4.68	-0.32 SC
	B4	Our trust relationship has changed over the past 12 months	0.007	3 – 6.0 6 – 2.5	0.91 A

Each of these items was tested at the 5% probability level against each of the statements in all four of the sections described above. Only those statements showing significance at this level were reported. Two separate tests were carried out in order to obtain the best relationships.

The first was the Spearman's rank correlation (SC) test. The Spearman's rank correlation coefficient measures the monotonic association between two variables in terms of ranks. It measures whether one variable increases or decreases with another even when the relationship between the two variables is not linear or normal. The mean value of the responses was also reported to ascertain to which end of the distribution the responses fell.

The second test was an ANOVA (A), which is a one-way analysis of variance and compares the means of two or more groups to determine if at least one group mean is different from the others. In these cases the mean values were also reported to identify which of the groups were significantly different from each other. In this way it could be determined how the group could be split up in terms of the modifier.

5.4.7 Conclusion on findings

The five sections of the survey questionnaire generated significant results. These results supported the literature discussed in Chapter 2 of this research report. The results will be discussed in more detail in Chapter 6 and insights will be given as to the psychological contracts of MBA students during the course of the MBA programme.

6 CHAPTER 6: DISCUSSION OF RESULTS

6.1 Introduction

The psychological contract has been defined as the perceptions of the employee and employer and what their obligations toward each other are (Cullinane & Dundon, 2006). The existing literature described in Chapter 2 of this research report suggests that there are four main types of psychological contracts (Rousseau, 2000) and that they can change from time to time. They are dependent on the level of commitment and understanding between the employer and the employee.

The introduction of the knowledge worker in the knowledge economy has also had a profound effect on the strength and power base of the psychological contract and the ability of organisations to hold onto these highly valuable employees (Kinnear & Sutherland, 2000). This, coupled to the need for these knowledge workers to build up their own career capital as suggested by Inkson & Arthur (2001) and to be more internally focused, has led to a paradigm shift in the way in which employers engage and try to manage the talent within their organisations.

This research was designed to investigate the effects that the MBA programme has on these psychological contracts between the MBA students and their employers during the course their studies.

6.2 Hypothesis 1

H1: An increase in career capital and marketability during the MBA programme increases the chances of obtaining alternative employment and as a result the MBA student considers leaving the organisation.

Templer *et al.* (1999) write that with the advent of the knowledge worker and the knowledge economy the position-based career has shifted to a portfolio-type career. MBA students are concerned with building up their own career capital and marketability and this can be seen in the answers to the statements C6, C20 and C27 in Table 5.5, where the mean answers were 1.72, 2.50 and 1.77 respectively. This grouping showed a strong Cronbach's Alpha of 0.68. According to the psychological contract measurement model proposed by Rousseau (2000), these answers group into the balanced psychological contract weighted toward the external employment factor.

In addition, the mean answer to the statement C33, which states that it was the MBA student's idea to begin the MBA programme, was strongly agreed to at

1.32. This would suggest that there was an overwhelming desire for these MBA students to increase their own career capital and marketability. It is known from the psychological profiling of MBA students during the applications phase of the MBA that they are very driven, typically A-type personalities, so it is not surprising that it would have been their own idea to pursue further advanced education in the form of this MBA degree.

MBA students would prefer to stay with the organisations of their current employ but require that the organisations place more value on their contribution and give them more responsibilities and more challenging work (Sandweis & Lewin, 2000). This can be seen in Table 5.5, where most MBA students still felt that they were being loyal and making personal sacrifices for the organisation. This grouping of statements, C9, C16 and C23, had a Cronbach's Alpha of 0.71 and the responses were 2.18, 2.46 and 2.03 respectively.

In Table 5.1, however, it can be seen that most MBA students felt that their employers were not giving them the challenging assignments they required, nor were they assisting them to develop these marketable skills. The Cronbach's Alpha for the balanced psychological contract, external employment factor returned a value of 0.86 and the responses were all weighted on the high side to show that they disagreed with the given statements. This was true for all except for statement A27, which indicated that

the MBA students felt that their employers did recognise that they had potential for job opportunities outside of the firm.

These results showed that the MBA students still felt that they were committed to the organisation but felt that they were not obtaining the required support and assistance from their managers, and that their employers were not committed to enhancing their long-term employability, either with the organisation or externally.

It is again not surprising then that the majority of responses to the statement D8, with a mean value of 2.87, were that the MBA students intended to leave their current employer within the next 12 to 24 months. The frequency distribution showed that the majority that agreed they would be leaving in this period was as much as 65.8% of all respondents.

It can therefore be deduced that the MBA students felt that they did not have the required support from their employers to increase their career capital and marketability. This in turn then inevitably leads to an increase in intention to leave.

6.3 Hypothesis 2

H2: The psychological contract between MBA students and their employers is more likely to change from relational to balanced, transitional or even transactional during the course of the MBA

To determine if the psychological contract has indeed changed during the course of the MBA programme one needs to build on the assumption that the MBA students started out with a relational, or at least balanced, psychological contract with their managers or employers. As mentioned in the opening chapter the nature of the relationship between the MBA students and their managers is very positive and they often discuss what the benefits will be to both parties at the outcome of the MBA degree.

If we consider firstly the fact that for the vast majority of the MBA students, it was their own idea to begin the MBA programme, they must have been able to convince their employers to allow them the opportunity to enrol and begin the programme. This Master's degree is very demanding on both the time and commitment of the student and the employer should have been made aware of this commitment before the employee began. In addition, most respondents agree that their employers were supporting them to increase their employability both within the firm and externally, as laid out in Hypothesis 1 above. This

suggests that the psychological contract must have been relational or at least balanced to begin with.

The factor analysis for employer obligations in Table 5.2 does not load highly on loyalty or internal development, with the highest relation shown at A11 (0.63) and A20 (0.62). However, both of these statements still suggest factors external to the organisation. The highest loading factors, above 0.7, are under the external development, dynamic performance and narrow factors that fall under the balanced or transitional psychological contracts.

Table 5.6 shows the factor analysis carried out for employee obligations and again the table does not load very highly on loyalty or internal development. The highest relations shown, again above 0.7, load more under narrow, short-term and dynamic performance.

The employer transition factor analysis in Table 5.4 does not show very high loading values under any of the three factors, except for the statements regarding wage package and more work for the same pay, which showed significant values under the erosion factor.

Finally, the employee transition factor analysis in Table 5.8 only shows loading values above 0.7 under uncertainty and trust. The erosion factors were expected to be much higher in this table, especially given that the majority of

MBA students intended to leave the organisation with the next 12 to 24 months.

If one looks again at Figure 2.1, which shows the assessment of the psychological contract as proposed by Rousseau (2000), one can plot the highest loading factors of the four factor analysis tables above to obtain the general assessment of the psychological contracts of the MBA students. In all cases the factors that loaded the highest fall into the narrow and short-term transactional region, with some factors loading into the external balanced region and the uncertainty and trust transitional region. This suggests that the psychological contract of the MBA students is assessed as being mostly transactional in nature.

We can therefore surmise that the psychological contracts between the MBA students and their employers has indeed changed from a relational or balanced contract to a mostly transactional contract during the course of the MBA programme.

6.4 Hypothesis 3

H3: The changing relationship between the MBA student and the employer is likely to lead to an increase in turnover rates in MBA students.

Having found Hypothesis 2 to be true, that the psychological contract between the MBA student and their employer has changed, the possibility that this will lead to an increase in the turnover rates in these MBA students may now be investigated.

Horwitz *et al.* (2003) describes the six main reasons for turnover in knowledge workers. These six reasons were shown graphically in Figure 2.2, indicating the most common factors to be better pay and prospects at 39%. However, these factors do not always contribute to job satisfaction but are rather a ticket into the game (Grobler *et al.*, 2006).

It is interesting to note that personal reasons account for up to 20% of all turnover in knowledge workers. These personal reasons are mostly likely caused by conflict or changing relationships with managers or employers. The psychological contract is a very personal relationship between the MBA student and their manager and is very likely to cause friction or conflict between the two parties. The MBA student is on a steep learning curve in

comparison to the rest of the organisation. The MBA students become frustrated and disengage with the organisation, leading to a series of withdrawals and eventually the search for alternative employment.

Intention to leave is seen by many academics as being the best predictor of turnover (Harpur, 2002). The mean value of the responses to the statement that the intention was to leave their current employer within the next 12 to 24 months was 2.87 and, as already stated in the previous section, this accounts for as much as 65.8%. This strongly suggests that the majority of MBA students will be leaving their current employers within that time period.

6.5 Hypothesis 4

H4: The modifiers most likely to cause a change in the psychological contract during the course of the MBA programme are tenure, seniority and age.

The results shown in the first three hypotheses may have some modifiers that could cause some variants in the results if analysed individually. The modifiers are the age of the MBA student, the length of service or tenure at the current employer, and the seniority of the MBA student (classified into job level and level of education). These will be discussed individually below.

6.5.1 Modifier by age

There has been much written about the effects of generation on the characteristics of individuals. “Generation X” individuals are said to react differently to work situations than individuals falling into the “generation Y” category. Human resource professionals constantly warn of the seriousness of generational conflicts in the work place. Giancola (2006) has argued, however, that this generation gap is more myth than reality and that HR professionals should instead focus on the real talent management issues of the 21st century. This research has therefore steered clear of entering into this debate about generational effects and rather suggests that age, or life-stage, will have more of an effect on the reactions of the MBA students toward their employers during the course of the MBA programme.

The first items on Table 5.9 show significant probability at the 5% level when measured against the age of the respondents. A Spearman’s rank correlation was drawn against statements A16 and C23, with mean values of 2.17 and 2.16 respectively, suggesting that the younger MBA students felt that their employers were more responsive to their challenges on the MBA programme and that they were more inclined to protect the image of their organisations. In the same way a negative correlation was drawn against statements A10 and C24 which indicates that the younger MBA students did not agree that their

employer had limited interest in the MBA studies or that they had committed to a fewer number of responsibilities over the past twelve months.

The ANOVA test carried out against items A10, C6 and C24 also showed significant variation in results to suggest that there were differences in the way older and younger MBA students felt about their relationships with their organisations. The significantly differing groups are indicated with their mean values in the Table 5.9. Most notably the older MBA students (group 4) agreed with the statement that they had committed to fewer responsibilities over the past 12 months, while the younger students (group 1) disagreed with the same statement.

6.5.2 Modifier by tenure

The longer a worker is involved with an organisation the more capital they are likely to build up and the more commitment they are likely to show toward the organisation (Bingley & Westergaard-Nielsen, 2003). Knowledge workers will build up their own career capital during their tenure with a company, but will also build up relationships and even friendships with their co-workers that become more and more difficult and stressful to break if they were to leave their organisations.

The next section of Table 5.9 shows that there were significant differences between the lengths of service of the MBA students. Most significant was the statement C8 with a mean value of 3.82, suggesting that the shorter the tenure at the organisation, the fewer future obligations they felt they needed to fulfil upon completion of their MBA degree.

The ANOVA test carried out on the same statement revealed that those students with longer tenure (group 4, mean 4.7) disagreed with the statement while the students with shorter tenure (group 1, mean 2.6) agreed that they had no future obligations once completing their degree.

It stands to reason that the longer the tenure at an organisation the more obligated and the more attached the employee will be to that organisation. Employees will build up stronger relationships over time with their managers and co-workers and may become emotionally involved, creating friendships and special bonds within their working environment (Morrell *et al.*, 2004b). These relationships can become barriers to their intentions to leave as they may not want to break those friendships or may feel that they are letting their fellow workers down by moving on to a new organisation.

6.5.3 Modifier by seniority

Trevor (2001) found that that the strongest correlation factors between job satisfaction and turnover are education, cognitive ability and occupation-specific training. Job satisfaction also leads to much higher levels of commitment and engagement with the organisation (Corporate Leadership Council, 2005). It is therefore likely that the happier an MBA student is in their job and the more committed and engaged with the organisation they are, the more likely they are to be promoted and move up in seniority level.

The Spearman's rank correlations and ANOVA tests carried out on the statements shown in the job level section of Table 5.9 show that there are significant differences in responses between the job levels of MBA students. Interestingly, those students at the lower job level (group 2, mean 2.5) agreed with the statement that it was difficult to predict the future of the relationship with the organisation and their anticipated future commitments while the more senior level students (group 4, mean 4.0) disagreed with both of these statements. In addition, the lower job level students (group 1, mean 2.9) thought that their wage package had stagnated while the director level (group 4, mean 4.3) disagreed.

The level of education section of Table 5.9 was most interesting, showing a negative correlation on the Spearman's rank and significant variation between

groups for the statement B4 regarding the change in the trust relationship over the past 12 months. This suggests that those MBA students who entered into the MBA programme with a lower level of education felt very strongly that the trust between them and their employer had significantly changed over the period of the MBA programme whilst those with higher education felt that this was not the case.

In summary of this section on modifiers it can be seen that there are significant differences in the responses given by MBA students of differing age groups, tenure and seniority. Consequently, employers should bear these factors in mind when drawing up their contracts with potential candidates for the MBA programme. These factors will have a significant effect on the psychological contracts between them and the employees embarking on their MBA studies and can be used in talent management programmes to ensure that they hold on to these talented, valuable employees.

6.6 Conclusion

The conclusions drawn from each of the four hypotheses described above have each yielded interesting insights into the effects of the MBA programme on psychological contracts between the MBA students and their employers. The research has also shown that, in general, these psychological contracts

change during the study period of the MBA programme and that these changes will inevitably lead to an increase in turnover rates of MBA graduates.

These conclusions have been ably supported by the literature presented in this research report. The research objectives as defined by the four hypotheses laid out in Chapter 3 have been met and have contributed to the literature available on psychological contracts and turnover.

7 CHAPTER 7: CONCLUSION

In today's ultra-competitive world, knowledge and the management thereof is being viewed as the major contributing factor to organisational success (Sutherland & Jordaan, 2004). The role of the knowledge worker is becoming even more important, giving the organisation its competitive advantage (Trevor, 2001). Individuals and organisations are recognising the need to keep learning and to keep improving their knowledge base to stay ahead of the competition.

Masters Degrees in Business Administration are seen as one of the best forms of building up the knowledge base of the organisation and improving its ability to stay ahead of its competitors in the business world. Knowledge workers also recognise that completing an MBA degree builds up their own knowledge and career capital and gives them the advantage to expedite their move up the corporate ladder. Carmichael & Sutherland (2005) found that the overwhelming majority of MBA students believed that the benefits far outweighed the costs of the programme, both financially and personally.

South Africa has a particularly urgent need for increased education and specifically higher education. Business schools are becoming more and more important in this area and as the private sector in South Africa tries to compete

in the global economy (Aina, 1994), these business schools will play an increasingly critical role in that development. India, for example, already has 1200 business schools across the country and they continue to improve their standings year upon year in the IMD's World Competitiveness Report (2008).

Unfortunately there seems to be an extraordinarily high turnover rate in MBA graduates. It has been estimated that as much as 60% of all MBA students intend to leave their organisations within two years of completing their degrees (Harpur, 2002). This research supports that claim in finding that 65.8% of the MBA students who completed the questionnaire for this research intended to leave their organisations within that time period.

The relationship between employers and employees has certainly changed with the advent of the knowledge economy and the construct of the psychological contract is central to that relationship. If the psychological contract is relational, whereby both parties interact with one another in a positive symbiotic relationship, the MBA student will have the job satisfaction, autonomy and increased responsibilities that they seek, and the employer will receive the innovation, creativity and overall success that they require (Demers, 2001). However, if the psychological contract is merely transactional, whereby the MBA student does only what is required and there is no positive feedback from the employer, this will inevitably lead to the MBA student seeking alternative employment.

It has been shown in the findings of this research report that the violation of the psychological contract leads directly to an increase in intention to leave of MBA students. However, this violation of the psychological contract may not be as obvious to the employer as it is to the MBA student. The MBA student is in a very steep learning curve and wanting to use more and more of their new found talents and skills while the employer may not notice that the MBA student is becoming frustrated. In addition the MBA student may perceive that their standing and value to the organisation has automatically increased by virtue of the enrolment in the MBA programme, and that they are not receiving the additional respect and responsibilities that they believe they deserve.

Morrell *et al.* (2004a) wrote that “shock” events that cause increases in turnover may not be entirely unexpected. The MBA programme may classify as a “shock” event to the psychological contract between the MBA student and their employer. Both parties have agreed to the programme and are both well aware of the commitment that is required, but are not fully prepared for, or do not fully understand, the changes that are about to occur in the mind and attitude of the MBA student.

This research has shown that age differences, length of service and seniority play an important role in the perceptions and attitudes of the MBA students toward the perceived obligations between them and their employers. Depending on the life-stage of the MBA student they will have different

requirements and world perceptions as to what they require and what is expected of them in order to maintain the positive relationship between them and their employer. Understanding the life-stage of the student could mean the difference between keeping them within the organisation or losing them to the competition.

7.1 Recommendations for Management

In order for managers to retain and develop their talented employees, they must have a deeper understanding of the basic construct of their relationship with those employees. This research has already shown that in most cases the relationship has changed from being a positive relational one to a transactional relationship during the course of the MBA programme. The MBA students perceived that they were not receiving the necessary support from their management and as a result intended to leave the organisation.

Increasing the engagement and support of the MBA student during their study period would not only improve the chances of retaining talent but it could lead to the creation of a much more positive, creative and happy workforce, which in turn would lead to greater success for the organisation.

Furthermore, meeting the requirements of the psychological contract will lead to the MBA student having feelings of obligation toward the organisation and in turn will lead to increased commitment and engagement (Wöcke & Sutherland, 2008).

It is also very important for managers to understand the life-stage of their employees embarking on the MBA programme. This will have a profound effect on the perceptions and commitment of the student during the course of the programme. It will ultimately also have an effect on the psychological contract between the two parties, either negatively if these factors have been ignored, or positively if cognisance has been taken of the different ways in which students react depending on their life-stage.

Finally, developing career paths and challenging development opportunities for the MBA students will increase their commitment to the organisation. They will see their exchange with the organisation as mutually beneficial and therefore be less inclined to seek alternative employment.

7.2 Recommendations for Future Research

Whilst the areas of psychological contracts and turnover have been explored by many academics over the past few years, there still exists a need to focus

on the finer aspects of these phenomena and how to better understand their constructs to assist organisations in their quest for improved talent management.

Three areas for further research are suggested below:

- 1) Investigate and develop a model or assessment tool, similar to that proposed by Rousseau, to allow managers to assess and understand the psychological contract of their employees wishing to enrol for MBA programmes.
- 2) Examine and compare the differences in perceptions of employee and employer obligations from the viewpoints of both the MBA students and their managers. This would further highlight the need for better understanding of the psychological contracts before embarking on the MBA programme.
- 3) Further develop the extent to which the modifiers identified in this research have an effect of the psychological contracts between MBA students and their employers, and how they may be better predictors of turnover in MBA graduates.

7.3 Conclusion

It is vitally important that organisations continue to promote higher education and increased learning for their employees; however, these organisations should strive to better understand the specific psychological contracts that exist between their valuable employees and their managers. It is also important that these organisations realise and appreciate the changes that are occurring in the minds and attitudes of the MBA students as they make their way through the MBA programme, and it is vital for the companies to continually engage with and communicate with their employees to ensure that they maintain the relational psychological contracts that they had with them at the outset.

Consequently it is just as important for the MBA students to engage and communicate with their employers as to exactly what their expectations are, and to share their experiences with the employers so that they too may hold on to the positive relationships that they have built up.

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APPENDIX 1: SURVEY QUESTIONNAIRE

Dear fellow MBA student:

My name is Michael Jeffery and I am conducting research on behalf of the Gordon Institute of Business Science in order to partially fulfil the requirements of my Masters Degree in Business Administration.

The psychological contract has been defined as the perceptions of the employee and employer and what their obligations towards each other are (Cullinane & Dundon, 2006).

The research I am conducting has been designed to gain insight into the factors affecting the psychological contracts of MBA students and their employers, and to determine if and why there is a change in the psychological contract between the MBA student and their employers during the course of the MBA programme.

Thank you for participating in this questionnaire. Below are five short sections that should take 10 minutes in total to complete. Please complete all five sections.

Please be aware that your responses will be completely anonymous and confidential and neither you nor your organisation will be identified in any way in the questionnaire. In completing the questionnaire you indicate that you voluntarily participate in this research and you can pull out at any time without penalty.

Section 1 - Demographic Details					
1. Gender					
Female			Male		
2. Ethnicity					
Black	White	Indian	Coloured	Other	
3. Age					
25 - 30	31 - 35	36 - 40	41+		
4. Marital Status					
Single	Married	Divorced	Engaged	Live in	Widowed
5. Employment Status					
Full-time		Contractor		Self-employed	
6. Occupation					
Open-ended					
7. Job Level					
Specialist	Middle Management	Senior Management	Director		
8. Industry					
Advertising		Eng. & Construction		Medical	
Automotive		Entertainment		Mining	
Banking		Financial		Other	
Building		Food & Beverage		Power & Energy	
Chemical		Government		Retail	
Consulting		ICT		Sales & Marketing	
9. Number of years service					
0 - 1		2		3	
4		5 - 6		7 - 9	
10 yrs +					
10. Level of education					
Gr. 12 or equivalent		Degree or Higher Diploma		Doctorate	
Certificate (1 year)		Honours degree		Masters degree	
Diploma (3 years)					



Section 2 - Employer obligations						
Please consider your relationship with your current employer and the extent to which your employer has made the following commitment or obligation to you during the course of your MBA studies?						
Answer Options	Strongly Agree	Agree	Somewhat Agree	Somewhat Disagree	Disagree	Strong Disagree
Shows real concern for my personal welfare						
Is responsive to my challenges of the MBA programme						
Is training me only for my current job						
Makes decisions with my interests in mind						
Supports me to attain higher levels of performance						
Has limited or no interest in my MBA studies						
Helps me to respond to even greater industry standards						
Offers developmental opportunities within the firm for me						
Helps me develop extremely marketable skills						
Gives job assignments that enhance my external marketability						
Recognises there are potential job opportunities outside of the firm						
Offers me contracts that create employment opportunities elsewhere						



Section 3 - Employer transition						
To what extent do the items below describe your employer's relationship to you while you have been on the MBA programme?						
Answer Options	Strongly Agree	Agree	Somewhat Agree	Somewhat Disagree	Disagree	Strongly Disagree
Withholds information from me						
Our trust relationship has changed over the past 12 months						
Introduces changes without involving me						
Doesn't share important information with me						
The direction of the organisations relationship with me has changed over the past 12 months						
There is uncertainty regarding its commitment to me and my studies						
Demands more from me while giving me less in return						
My wage package has stagnated						
More and more work for the same pay						



Section 4 - Employee obligation						
To what extent have you made the following commitments or obligations to your employer during the course of the MBA programme?						
Answer Options	Strongly Agree	Agree	Somewhat Agree	Somewhat Disagree	Disagree	Strongly Disagree
I perform only required tasks						
Since starting the MBA programme I only do what I am paid to do						
The number of responsibilities I commit to has diminished over the past 12 months						
I can quit whenever I want						
I have no future obligations once I complete the MBA degree						
I make personal sacrifices for this organisation during the course of the MBA						
I take this organisation's concerns personally						
I protect this organisation's image						
My MBA degree will enhance the value of my employer						
This MBA degree will increase my value in this organisation						
It was my idea to begin this MBA programme						
I accept increasingly challenging performance standards						
The MBA programme will build contacts outside the firm that enhance my career potential						
I continuously work to enhance my marketability						
I increase my visibility to potential employers outside the firm						



Section 5 - Employee transition

To what extent to the items below describe your relationship with your employer during the course of the MBA programme?

Answer Options	Strongly Agree	Agree	Somewhat Agree	Somewhat Disagree	Disagree	Strongly Disagree
I cannot believe what this employer tells me						
There has been a breakdown in trust during the past 12 months						
My employer has become inconsistent in what he/she says and does						
I'm getting the same pay for more work						
I expect less from this employer tomorrow than I receive today						
It's difficult to predict the future of this relationship						
It's difficult to anticipate my future commitments						
My commitments to this employer are uncertain						
My intention is to leave this employer within the next 12 to 24 months						



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