# The impact of merger-related employee status on engagement, burnout and counterproductive work behaviour of employees of a South African Commercial Bank.

By

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**Declaration**

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**DEDICATION**

This thesis is dedicated to the memory of my mother and father who, in their selfless commitment to their children, gave everything that we might succeed in Life.

*René (1931 -2003) and Johnny (1921 – 2007) Fourie*

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I dedicate this thesis to my son Jeandré and my daughter Lianaé, with the hope that you will not see the achievement of such goals as ends in themselves, but rather that one day you will see them as another part of the exploration of and a journey through life. If this can inspire you to pursue further your own exploration of life, how simple it may be, and to reach out for new endeavours, I will have my reward.

## ABSTRACT

The banking industry today is seen as a demanding world of work where employees are constantly exposed to high demands and this may have an influence on their work engagement levels and their organisational commitment. It seems that in this industry, employee turnover and absenteeism levels are high, and some employees seem to be de-motivated in their work.

The impact of this changing world is most evident in changes in the employment relationship that exist between employer and employee. Employees are expected to give more in terms of time, effort, skills and flexibility, whereas there is a strong perception that employees receive less in terms of career opportunities, lifetime employment and job security. It is in view of the above work complexities that employee engagement has become a focus area, and in particular, to understand the mediating effects of certain psychological conditions in relation to work engagement.

Should either employment party not fulfil its contractual terms in any way, the psychological contract will be breached or violated and the employee might attempt to balance the situation by reducing his or her job efforts and making use of various counterproductive work behaviours. Transformation or change of the working circumstances, such as during or after mergers, seem to present a serious challenge to the employment relationship and the prevailing levels of job satisfaction, organisational commitment and productivity.

The research question for this study was: "To investigate whether differential exposure of employees of a retail bank to change-related stressors is associated with different configurations of perceived job demands and job resources, affective states, psychological contract, job engagement, burnout and counterproductive work behaviour, and to study the relationships between these variables with the view to understanding the development of the job engagement, burnout and performance-related behaviours of these employees".

This study utilised a quantitative descriptive research design to analyse the data using statistical procedures. All the data was statistical in nature. The sample ($n = 300$) comprised of employees of three main levels on the organigram such as, team leaders,

team managers and employees, from the Regional Head Office in Pretoria. The primary research tool utilised to conduct the study was a self-compiled questionnaire. This was hand delivered and collected from all respondents. The six questionnaires constituting the composite questionnaire were: the *Maslach Burnout Inventory (MBI-GS), Counterproductive workbehaviour Inventory (CWB), Utrecht Work Engagement Scale (UWES), the Job Characteristics Inventory (JCI), Psychological Contract Inventory (PCI)* and t*he Warwick-Edinburgh Mental Well-being Scale (WEMWBS)*.

The descriptive statistics reflected a majority of participants had been working for 1 to 4 years (34%) and 5 to 9 years (33%). The largest percentages of participants (74%) were team members while other participants were defined as team leaders (22%) and team managers (4%). The majority of these participants (59%) were also appointed prior to the merger while the median was calculated at 3 years for the amount of years the participants have remained in their current job band (salary structure). A very high percentage of participants (82%) did not manage people directly nor indirectly (83%).

It was found that an inter-correlation existed between the demographic variables and the psychological constructs, confirming that the number of years employed was associated with a lower likelihood of psychological withdrawal.  While the years of employment in the same position related positively with absorption, and negatively with perceived job resources, the level of abuse experienced, showed a positive association with the degree of psychological contract adherence by the employee and a negative correlation with the extent of perceived contract violation. Evidence was also found for the moderating effect of work engagement in the relationship between well-being and work engagement and between work engagement and some of the counterproductive work behaviour dimensions.

Evidence also revealed that mental well-being was experienced some of the time and counterproductive work behaviour almost never. The higher burnout scores, coupled with the simultaneous higher level of work engagement could possibly be viewed as an exploitable factor.

The limitations of the current study and recommendations for organisations are discussed. This study highlights the fact that virtually all the comparisons between the pre-merger appointees and the post-merger appointees were insignificant. Burnout was

however much more evident with the post-merger group. Employee or employer obligations towards the respondents were also viewed as insignificant, irrespective of the differences in psychological contract each employee experiences.

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## OPSOMMING

Die banksektor word vandag gesien as 'n veeleisende werksomgewing waar werknemers konstant blootgestel word aan hoë werkseise. Dit kan dalk 'n invloed hê op hul werksbegeestering en hul organisasieverbondenheid. Dit blyk dat hierdie industrie hoë vlakke van werknemeromset en afwesigheid ervaar en dat sommige werknemers gedemotiveerd is in hul werk.

Die uitwerking van die veranderende werksplek is veral sigbaar in die verandering van die diensverhouding tussen werkgewer en werknemer. Van werknemers word verwag om al hoe meer opofferinge te maak in terme van hulle tyd, insette, vaardighede en aanpasbaarheid, terwyl daar 'n persepsie bestaan dat hulle al hoe minder ontvang in terme van loopbaanontwikkeling, lewenslange indiensneming en werksekuriteit. Dit is binne die konteks van die waargenome kompleksiteit binne die werksplek dat werksbegeestering 'n fokusarea geword het,en in die besonder om begrip te ontwikkel vir die mediërende effek van sekere sielkundige kondisies in verhouding tot werksbegeestering.

Sou enige van die partye nie hul kontraktuele verpligtinge in enige opsig nakom nie, sal dit 'n verbreking of skending van die sielkundige kontrak tot gevolg hê en mag die werknemer poog om die situasie te balanseer deur sy of haar insette te verminder en verskeie kontraproduktiewe vorme van werksgedrag tegebruik. Transformasie van, of verandering in werksomstandighede, soos tydens of nasamesmeltings, skyn 'n ernstige uitdaging te bied vir die heersende vlak van werks tevredenheid, organisasieverbondenheid en produktiwiteit.

Die navorsingsvraag virdie studie was: "Om ondersoek in te stel of verskillende tipes blootstelling van werknemers van 'n kommersiële bank aan veranderingsverwante stressors geassosieer word met verskillende konfigurasies van werkseise en werkshulpbronne,affektiewe toestande, die sielkundige kontrak, werksbegeestering, uitbranding en kontraproduktiewe werksgedrag, metdie oogmerk om die verhouding tussen die veranderlikes te bestudeer met die doel om die ontwikkeling van die werksbegeestering, uitbranding en prestasiegerigte gedrag van daardie werknemers te verstaan".

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Die studie het gebruik gemaak van 'n kwantitatiewe navorsingsontwerp om alle data wat deur statistiese prosedures versamel word te ontleed. Die steekproef (*n=300)* bestaan uit 3 van die vernaamste vlakke op die organigram naamlik, spanleiers, spanbestuurders en werknemers van die streekshoofkantoor in Pretoria. 'n Self-saamgesteldevraelys, wat per hand uitgedeel en versamel is, is gebruik in die studie. Die ses individuelevraelyste waaruit die vraelys bestaan het,sluit die volgende in: die*Maslach Burnout Inventory (MBI-GS), Counterproductive workbehaviour Inventory (CWB), Utrecht Work Engagement Scale (UWES), die Job Characteristics Inventory (JCI), Psychological Contract Inventory (PCI)* en die *Warwick-Edinburgh Mental Well-being Scale (WEMWBS).*

Die beskrywende statistiek reflekteer 'n meerderheid van die respondent wat werkend is tussen 1 tot 4 jaar (34%) and 5 tot 9 jaar (33%). Die grootste persentasie van respondente (74%) was spanlede, terwyl die ander gedeelte van respondente verdeel is as spanleiers (22%) and spanbestuurders (4%). Die meerderheid van respondente (59%) was ook voor die samesmelting van die bank groep aangestel terwyl die mediaan bereken was op 3 jaar vir die hoeveelheid diensjare wat elke werknemer in hulle huidige posvlak was. 'n Baie hoë persentasie van respondente (82%) het glad nie ondergeskiktes direk of indirek (83%) bestuur nie.

Daar is bevind dat 'n inter-korrelasie bestaan tussen demografiese veranderlikes en die sielkundige samestelling, wat weer bevestig dat die aantal jare wat individue in diens was, geassossieer word met die moontlikheid van 'n lae psigologiese onttrekking. Terwyl die hoeveelheid diensjare in dieselfde pos posisie positief verbind word met absorpsie en negatief verbind word met waarneembare werkshulpbronne, word die vlak van wantoestand wat ervaar word, positief verband met die graad van nakoming van die sielkundige kontrak by werknemers en 'n negatiewe korrelasie met waarneembare kontrakbreuk. Bewyse was ook gevind vir die modererings effek op werksbegeestering in die verhouding tussen psigologiese welstand en werksbegeestering en tussen werksbegeestering en somige dimensies van teenproduktiewe gedrag.

Bewyse het getoon dat psigologiese welstand ook somtyds ervaar was, terwyl teenproduktiewe gedrag amper nooit ervaar was nie. 'n Hoë uitbranding telling, gelyktydig gekoppel aan hoë vlakke van werksbegeestering kan moontlik beskou word as 'n ontginbare faktor.

Die beperkinge op die huidige studie en aanbevelings vir die organisaie is ook bespreek. Dié studie beklemtoon ook die feit dat al die vergelykings tussen pre-samesmelting aanstellings en post-samesmelting aanstellings totaal onbeduidend was. Uitbranding was baie meerduidelik opsigtelik onder die post-samesmelting groep. Werknemer of werkgewer verpligtinge teenoor die respondente was ook gesien as onbeduidend, ongeag van die verskille in die sielkundige kontrak wat deur elke werknemer ervaar word.

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## CHAPTER 1
## BACKGROUND

### 1.1 Introduction

The face of the workplace has changed dramatically over the past decade and most organisations have to survive in a fiercely competitive global economy. Their survival depend on their ability to satisfy customer needs, while achieving quality, flexibility, innovation and organisational responsibility, through the commitment and co-operation of employees (Fay & Luhrmann 2004; Newell, 2002). It has often been mentioned that people are our most valuable asset, yet current practices confirm that organisations have taken to re-organising activities impacting significantly on people, such as outsourcing, downsizing, rightsizing and mergers in order to adapt to the new situation (Gowing, Kraft & Quick, 1998). Change in South Africa, over the last 10 years, was not only economical, but also political. The once stable, predictable and controlled work environment has become complex and unpredictable (Van Schalkwyk, 2004).

Over the past decade, workplaces have changed dramatically due to various factors, including the increased use of technology, globalisation, increasingly competitive markets, changes to labour legislation and new management techniques. In a large retail bank, workplaces are made up of a range of core, part-time and contract workers, and employees are increasingly required to manage their own careers. In this new climate one of the most important issues is how organisations can gain commitment from their employees. Employees who are burnt-out lack the energy to work adequately and poorly identify with their work. Usually, they have been over-exposed to work-related stressors, and experience feelings of exhaustion. In order to cope with this stress, they develop a distant, negative attitude towards work (cynicism) and/or towards the people with whom they work (Maslach, Schaufeli & Leiter, 2001).

The changing nature of work includes that the workplace has become increasingly unpredictable, with increased job insecurity as organisations expand and shrink in accordance with market demands which result in layoffs (Martin, 1997). People values have become increasingly subordinate to economic ones.  Economic forces have become the primary driving force, with other values being regarded as subsidiary.

Work is increasingly changing into a short-term contract culture, with long hours, intrinsic job insecurity and a declining sense of loyalty of employees to their employer. Over time, the changing nature of work has altered the roles of manager and worker, which ultimately leads to disengagement by the employee(Howard, 1995).

As noted by Martins (2000), organisations attempt to move towards greater flexibility, by expanding and shrinking the workforce to correspond with shifting production and service demands, resulting in a sense of job insecurity. According to Maslach et al. (2001) the impact of the changing world of work is most evident in changes in the psychological contract between employees and organisations. Employees are expected to give more in terms of time, effort, skills and flexibility, whereas they receive less in terms of career opportunities, lifetime employment and job security.

For many employees these changes cause feelings of uncertainty regarding the nature and future existence of their jobs (Snape & Redman, 2003; Snoer, 2005). These changes are on-going and together with a shrinking labour market, contribute to heightened feelings of job insecurity (Viljoen, Bosman & Buitendach, 2005). Rothmann (2003) states that employees have to cope with increasing demands, often with limited resources, and a lack of control. Organisational instability might cause some employees to shift their commitment from increasingly transient work organisations to the relative stability of their occupations (Johnson, 1996).

The changing nature of work relates directly to the future of work, its effect on workers and organisations, and the expanded knowledge that will be needed to optimize its returns. Changes in the environment in which organisations operate have a marked effect on how they behave, how they perform, and even on their survival. Such changes force organisations to adapt by re-engineering, restructuring, changing the focus or location of their production, or to downsize, each of which have led to a number of significant changes in the way that work is organised.

Although many factors ultimately contribute to the changing patterns of work, organisational theorists point to two key drivers:

- Increasing pressures on organisations to be more competitive, agile, and customer-focused — to be a "lean enterprise."

- Communication and information technology breakthroughs, especially mobile technologies and the Internet that enable work to be separated from time and space.

The financial institution on which this research focuses, has been regarded my many as the biggest retail bank in South Africa and one of the country's largest financial services groups,and has distinguished itself as a leading role player and common entity in South African civic life.

The financial institutions industry has been undergoing significant change in recent years. Changes discussed include the way services are provided, the instruments used to provide services, and the nature of the financial institutions. Factors driving these changes include technological developments, the changing role of competition, and demographically led changes in household portfolios. These changes raise challenges for the financial services industry. With the revolution in the financial industry, policymakers and regulators also face challenges, like the relative use of disclosure and market discipline versus direct supervision; the potential role of functional regulation; the role of non-regulated financial service providers; changes in the current supervisory process; cross-border transactions; and the impact of new developments on the legislative framework governing financial service providers.

Financial institutions further realign, redesign, restructure and downsize on an on-going basis (Schaufeli & Greenglass, 2001); there is increasing tension in employees to survive in the work environment. Besides coping with the impact of recessions and layoffs, employees also have to cope with increased workloads and the pressures of modern life (Anon, 2002). Employment is not only a means of financial viability, but also defines individuals' identities. Job loss - or even the threat of it, can be psychologically devastating and may influence the psychological well-being of employees (Dekker & Schaufeli, 1995). This may impact their perceived job satisfaction as well. The current trend within organisations is to move towards a model that focuses on strengths, where individuals take charge of their own lives and have optimal working conditions where they successfully cope and perform optimally.

When employees are given the opportunity to use their initiative, extend their thinking, and explore beyond the normal boundaries, they are able to establish their true

capability or potential - and as such contribute to the objectives of the organisation. Unfortunately, most individuals are raised to focus on what cannot be done (the negative), instead of on what can be done (the positive) (Strümpfer & Kellerman, 2002). The experience of stressors in the banking environment can also contribute to this negative focus. In a recent investigation into the general health of staff at a local bank (Philip, 2005), it was found that managerial staff experience high levels of stress. The contributing stressors seem to be organisational change, job satisfaction, role overload, role conflict, role confusion, responsibility, accountability, and work-life balance. All these stressors may influence the psychological well-being of employees.

Job stressors refer to any characteristic of the workplace that poses a threat to the individual, whether due to job demands that a person cannot meet or due to a lack of sufficient resources to do the job. For job stress to occur, the environmental demand of the job is typically considerably out of balance with the capability of the employee. This occurs when an individual has little control over the job, when work demands exceed his or her abilities or when job conditions thwart the attainment of personal expectations and goals. Stress is additive. Therefore, an increase in the number of stressors in the work environment results in an increase in overall job stress level (Zapf, Seifert, Schmutte, Mertini & Holtz, 2001).

Excessive job stress has been widely recognised as a source of increased discontent with one's job. According to job dissatisfaction studies, if the job-related needs an individual is looking for are not met, job dissatisfaction is likely to increase. When emotional and interpersonal stressors from a job become chronic and are not relieved, the employee may be in danger of job burnout. An individual's response to stressors will be mediated somewhat by his or her personality characteristics. In addition, events that are very stressful to one person may not be stressful to another - individuals vary in the amount of stress they can tolerate (Pretorius & Rothmann, 2001).

As careers become more complex, people are increasingly faced with actively engaging in multiple roles to fulfil job expectations. By definition, employees feel engaged when they find personal meaning and motivation in their work, receive positive interpersonal support, and operate in an efficient work environment. This is the reason managers play such a crucial role in facilitating this process, because they are responsible for creating both a supportive and trusting environment, as well as challenging their direct subordinates to overcome obstacles so they can reach new levels of performance excellence.

Workplace engagement within an organisation requires of managers to manage a countless and changing variety of social variables which, to varying degrees, impact on the attitudes of their subordinates towards their employers and their job output (Rothman & Jordaan, 2006).

Low job output/performance is a growing reality and organisations, including the financial institutions, need to manage this issue successfully with a systematic approach to mitigate the possible outcomes originating from the above stressors within the workplace, because the truth is, low job performance is a phenomenon that is increasingly becoming more problematic. The presence of workplace stressors does not automatically result in a negative impact on individuals, such as stress or burnout aspects like personality characteristics and various coping mechanisms could have a moderating effect on the level of occupational stress that is experienced by the individual (O'Driscoll & Dewe, 2001).

The research initiating question for this study could be defined as the question whether differential exposure to specific job-related challenges in the banking sector is associated with differences in job attitudes and performance-related behaviour, and if verified, what the dynamics are underlying the development of these differences in job attitudes and performance-related behaviours?

The current study will make important theoretical and practical contributions to the body of knowledge. From a theoretical perspective, it is hoped that this study will contribute knowledge to the field of workplace engagement, by shedding light on the individual and management variables that relate to people's attitude toward their working environment and employer.

This study will attempt to conceptualise work engagement, burnout and counterproductive work behaviour and its antecedents on the basis of the existing body of knowledge and investigate their antecedents in order to determine whether these antecedents can be utilised to prevent a disengaged workforce or even counterproductive work performance.

**1.2       Chapter outline for the study**

The thesis is made up of five chapters. **Chapter 1** comprises the introduction, background and the aim of the study and the structure of the thesis.

**Chapter 2** provides an overview of the theoretical underpinnings behind the theory of mergers and the various antecedents that might be utilised to prevent a disengaged workforce or even counterproductive work performance.Various outcomes will be achieved in this chapter. The concept of engagement is defined, explained and elaborated on. The job demands-resources model is presented as a guiding framework to understand the factors that elicit engagement in the specific work environment. Individual variables, such as the psychological contract, organizational justice and affectivity are presented as personal and job resources.

**Chapter 3** presents the objectives, research design and methodology of this study. The population and sample, sample size, method of collecting data are also explained. The five measuring instruments used in this study are explained and the psychometric properties of each are discussed. The instruments to be discussed are: the Job Characteristics Scale; the Psychological Contract Inventory; the Warwick-Edinburgh Mental Well-being Scale; the Utrecht Work Engagement Scale; and the Maslach Burnout Inventory – General Survey. Substantial hypotheses for the study are also presented. Data capturing and data analysis are discussed.

In **Chapter 4** the results of the statistical analyses are presented and discussed. Reporting is done in the following order: demographic profiles; exploratory factor analysis (EFA) for the Job Characteristics Scale; intercorrelations between variables; analysis of variance indicating the differences, or not, between pre-merger and post-merger appointments, and a subsequent discriminant analysis. The results are interpreted by linking it back to the literature review.

**Chapter Five** discusses the results and addresses the theoretical and practical implications and the limitations of the study. In conclusion, recommendations are made and ideas are presented for future research.

# CHAPTER 2
# LITERATURE REVIEW

## 2.1        Overview

As a major role player in the South African economy, the South African financial institutions are an impressive, multidimensional sector; thereby ensuring that corporate behaviour and corporate visual identity, which contributes to the corporate image, form part of every specific financial bank. All citizens of this country are acquainted with the banking establishment under study, which is regarded as the biggest retail bank in South Africa and one of the country's largest financial services groups with a vision to become the pre-eminent bank in South Africa and on the African continent.

The face of the South African banking industry has been transformed since 1995and many banks have merged, embarked on take-overs, changed their operations, changed their visual identities, and increased their focus on service-delivery to non-traditional market segments, such as low-income earners.The history of the financial institution under study typifies a corporate journey of transition and transformation.

A few studies in the literature have proven a causal influence between workplace engagement and burnout, job stressors and performance, organizational justice and job performance, job satisfaction and employee commitment, which have implications for the differences between pre-merger and post-merger appointments. In the literature review to follow these interrelationships will be further investigated.

## 2.2        Introduction to Mergers

The current environmental forces operating in the global markets have forced organisations to reduce costs, improve the quality of products and services and locate new opportunities for growth and survival (Cartwright & Cooper, 1996). These challenges have placed pressure on organisations to change their systems, structures and processes in order to ensure the continued survival and existence of their business (Peach, 2009). In the quest for competitiveness, organisational leaders have increasingly turned to transitions like mergers and acquisitions to increase productivity and improve technological enhancements (Hoskisson & Hitt, 2004). Mergers have consequently become a popular choice of strategy for a growing number of

organisations wanting to achieve corporate diversity, growth and a competitive advantage (Cartwright & Cooper, 1996).

According to the McKinsey report (2007), merger and acquisition deals accounted for about four trillion dollars globally in the first seven months of 2007 (Capaldo, Dobbs & Suonio, 2007). This trend continues today, where companies invest large sums of money in mergers as a means of expanding their business and increasing their skills, knowledge and expertise (Rathogwa, 2008). Despite the growing popularity, mergers have become synonymous with failure. While some companies have managed to achieve short term financial gain, many mergers have been unsuccessful in capturing the synergies envisioned for the new organisation.

### 2.2.1      Defining a merger

A merger is defined as a transaction whereby two companies combine. The shareholders are all of the shareholders of the two individual firms (Firer et al., 2004). The term merger refers to the integration of two previously independent companies into a completely new single organisation, where an element of equality exists between the two companies. Although mergers have become a preferred method for rapid growth and strategic change, their success in achieving their intended purpose has become questionable, with more than two thirds of larger mergers failing to create value for its shareholders in the short and medium term (Lodorfos & Boateng, 2006).

According to Gaughan (1999) mergers can be grouped into three main categories, defined by the types of companies that come together to form the merged organisation. These categories include:

- Horizontal mergers, which take place when two companies in the same line of business combine into one single organisation.

- Vertical mergers, which take place between two companies that have a buyer-seller relationship.

- Conglomerate mergers, which take place when two companies in different lines of business combine into one single organisation. There is no buyer-seller relationship.

**2.2.2        Reasons behind companies merging**

The main motivation behind mergers and acquisitions is to grow and improve the acquiring company's profitability by acquiring another company's markets, customer base, products, research and development (R&D) facilities, manufacturing efficiencies, or by eliminating competition. Intangible assets, such as a strong brand and intellectual property have also become more important than in the past. Companies, with the possible exception of non-profit organisations, engage in mergers and acquisitions with the main aim of benefiting from the transaction in the future (Rohrbach, 2003).

Mergers in the 1990's were specifically targeted at developing the core activities of business and on improving company profit margins. In South Africa, mergers have increased significantly over the last decade due to government regulations with respect tobroad based black economic empowerment deals (Rathogwa, 2008). South African companies were forced to merge with black owned organisations in order to comply with legislative requirements and continue doing business. Decisions to merge may also be specific to the industry it operates in. An organisation that is operating in an industry saturated with competitors may find it difficult to expand or grow organically. These companies would aim to gain a competitive advantage in terms of growth, creating value, or just surviving the environmental pressure through the synergies created by the merger (Samuels, 2005).

In spite of the numerous failures, mergers continue to be a popular choice of business strategy, largely because of its ability to enlarge the company pool of assets and grow its competitive advantage. In industries that are undergoing rapid change, mergers also provide a good opportunity for the business to adapt and thrive (Devine, 2002).

Devine (2002) identified the following reasons behind company mergers:

i.      **Economies of scale**: two new companies attempt to broaden their activities while lowering their cost structures.

ii.     **Expansion**: acquiring a company in line with the business or geographic area into which the company may want to expand.

iii. **Consolidation**: regrouping into a smaller number of big companies to help fight back against newly formed giants.

Other reasons for merging include gaining access to distribution channels or new products and technologies, enhancing or increasing products and/or services, increasing market share or access to new markets and making synergistic gains. Certain companies may also hope to benefit from the financial deal when the target company is undervalued and acquired at a bargain price (Gaughan, 1999).

In spite of the perceived benefits, mergers often create significant trauma for both the acquiring and the acquired firm. While a number of reasons have been identified as possible causes of merger failures, the human factor is increasingly being identified as one of the key drivers behind these failures (Covin, Kolenko, Sightler & Tudor, 1997). Managers have come to realise that a company's intellectual and emotional assets contribute predominately to its competitive advantage. Finding ways to leverage this capability and realise these gains has, however, proven a complex and difficult process (Devine, 2002). Managers consequently need to play an instrumental role in influencing employee attitudes and leveraging both the tangible and intangible people based assets during the merger process.

### 2.2.3 Impact of mergers on the workforce

Mergers are deemed successful when they achieve high level synergies in terms of financial gain and market share. The most important challenge in realizing these synergies lie in engaging employees during the integration process (Devine, 2002). Contrary to this intended purpose, mergers have often resulted in changed environments where employees feel high levels of tension, low morale, low job satisfaction and low productivity (Rathogwa, 2008). In a study of employee reactions during a merger, it was found that employees exhibited strong negative reactions to the news of their companies merging, reacting with grief, shock and fears of layoffs and relocations. In extreme cases individuals spoke about the merger in terms synonymous with loss of a family member or loved one (Walter & Self, 2003).

The anticipated gains associated with a merger are often unrealised because of productivity losses and the traumatic effect of mergers on the company's human resources (Walter & Self, 2003). The difficulties have a real and measurable impact on

organisational performance. Managers consequently need to identify the interventions that will lessen the negativity associated with the merger process in order to allay the fears of their employees.

## 2.3 Overview of Job Stressors in the Financial Institutions

Job stressors refer to any characteristic of the workplace that poses a threat to the individual, whether due to job demands that a person cannot meet or due to a lack of sufficient resources to do the job. An increase in the number of stressors in the work environment results in an increase in overall job stress level (Zapf, Seifert, Schmutte, Mertini &Holtz, 2001). A wide variety of job stressors are discussed, which include job insecurity, job related changes, workplace related changes and organisational structure changes that prevent employees from coping with demands placed on them. This has a direct effect on their workplace engagement, counterproductive workbehaviour and the workplace deviance they exhibit in the organisation.

## 2.3.1 Job insecurity

Job insecurity is defined as "the perception of the potential loss of continuity in a job situation that can range from permanent loss of the job itself, to loss of valued job features. The loss must be involuntary, for if it is not, the individual is not powerless to maintain the continuity of the position and therefore true job insecurity would not be experienced" (Petzall, Parker, & Stoeberl, 2000, p.593).Job insecurity has also been identified as a form of work-related stressor, which is potentially detrimental to the individual's psychological wellbeing, job attitudes and behaviours (Klandermans, Van Vuuren, & Jacobson, 1996).

Klein Hesselink and Van Vuuren (1999) also define job insecurity as a perceived aspect of the organisational environment. Their description of job insecurity is based on three aspects. First, job insecurity is a subjective phenomenon. Second, job insecurity concerns the future. Third, job insecurity concerns personal retention of the job and not the continuation of the job itself. It is therefore a personal concern about the continuity of the job. De Witte (2005) also defines job insecurity as the cognitive probability of losing a job, and the affective experience of the concern with it. Klandermans et al. (cited in Klein Hesselink & Van Vuuren, 1999) state that two dimensions give rise to job insecurity, namely the perceived probability and the perceived severity of losing one's job. Ferrie (2001) agreed by stating that job insecurity could be experienced at a

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personal level (subjective) or attributed externally (objective).Figure 2.1 illustrates job insecurity as a multidimensional phenomenon, which may arise as a function of the interaction between the objective situation and subjective characteristics. Job insecurity is a phenomenon, which may have detrimental consequences for employee attitudes and well being, where such consequences may be alleviated by a number of potential moderators.

Sverke and Hellgren (2002) focused on job insecurity as a consequence that may follow upon the changing nature of work and can be described as functions of both the objective situation, for example labour market characteristics, organisational change and the individual's subjective characteristics, for example. family responsibility and employability.
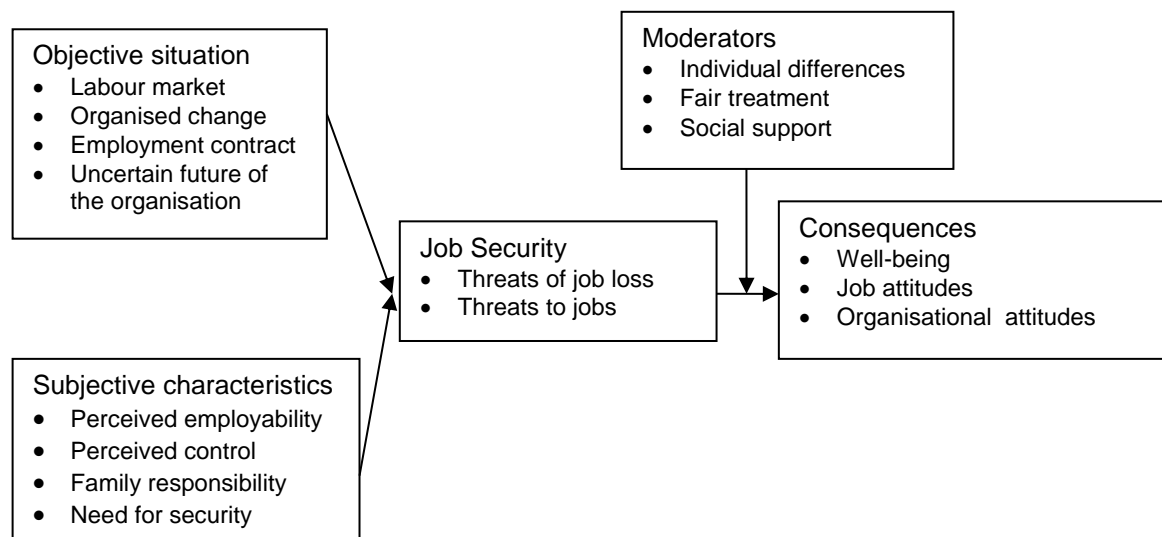


*Figure 2.1*: Integrated model of job insecurity(Hellgren, 2002, p. 24)

Hellgren (2002) developed an integrated model to define job insecurity, focusing on the influence of subjective characteristics and objective situations (as cited by Linde, 2004).The strongest feelings of job insecurity are held by the youngest and the oldest members of the workforce (Burchell et al., 1997; 1999). Smithson and Lewis (2000) reported a study that found that job insecurity emerged as a strong theme among the study population who ranged from 18-30 years of age. A lack of job security has been linked to greater job strain, particularly amongst men (De Witte, 1999), and the psychological contract is regarded in a more negative light in the case ofa higher level of job insecurity (Smithson &Lewis, 2000)

According to Mauno and Kinnunen (1999) job insecurity is conceptually distinct from the experience of job loss since as a job stressor it, "signifies that the subjective probability concerning the threat of job loss or the threat of losing an important job dimension may produce more anxiety and tension than an actualized job loss"(1999, p.147). In essence, job insecurity refers to the fear of job loss or redundancy, or the fear of loss of an important aspect of a job.

This potential stressor is especially prolific as the incidence of restructures and downsizings increase globally in order to improve organisational competitiveness and survival (Hellgren, Sverke, & Isaksson, 1999). To add to these fears the traditional contracts of employment are being rapidly replaced with temporary contracts, and in many sectors new technologies have resulted in the automation and the consequent deskilling of jobs (Schabracq & Cooper, 2002).

The trend of organisations restructuring and downsizing, has led to an increase in the level of perceived job insecurity (Kivimäki, Vahtera, Pentti & Ferrie, 2000). Not only blue-collar occupations are affected, but also professional and graduate jobs are being affected (Smithson & Lewis, 2000). In the past the workers that were laid off were mostly young, male, blue-collar workers (Greenglass & Burke, 2001). Today higher paid, white-collar workers, often at the peak of their careers, are losing their jobs. Burchell et al. (as cited in Sparks, Faragher, & Cooper, 2001) found that the youngest and the oldest employees of an organisation experience higher levels of job insecurity.

As the incidence of restructures and downsizings increase in financial institutions, it appears safe to argue that job insecurity may soon become the single most important source of workplace strain. The threat of job loss not only affects the socio-emotional well-being of an organisation's employees, but it is also associated with a number of serious health problems (Cooper et al., 2001). Further, Mauno and Kinnunen (1999) list reduced job satisfaction, decreased work and organisational commitment, and impaired work performance as possible outcomes of job insecurity. Job insecurity was found to be more prevalent in the private sector than in the public sector. Women reported higher levels of job insecurity than did men. The most significant predictors of job insecurity were psychosocial job characteristics, such as low job control, and organisational characteristics, such as poor organisational communication. Individual characteristics, such as low self-efficacy and high job involvement, at best only predicted the emotional

aspects of job loss, for example, worry and anxiety. Further, research by Büssing (1999) demonstrated that the level of job control exercised by an employee was the single most important influencing resource with regard to the level of stress experienced as a result of job insecurity.

The financial institution used in this study has been in existence for seven years since its amalgamation. It consists of numerous small business units, which are retail banking, business banking, international banking, insurance, home loans, vehicle asset finance, etc. There are approximately 33 000 employees working within this institution. It is seen as a big market leader in the financial industry, which places it under enormous pressure to remain competitive. Due to these pressures, the institution is going through constant change and transformational processes, thus job insecurity is constantly in the minds of the employees. More work has to be done with less people in order for the companies to manage their cost-to-income ratio, which again places a lot of extra pressure on the employees. The financial institution has recently been through a restructuring programme. Numerous employees were retrenched and those that remained could be seen as the survivors. It could be assumed that they lost their trust in the organisation and experienced high levels of job insecurity, accompanied by low commitment towards their organisation.

### 2.3.2        Job-related changes

Newstrom and Davies (1997) provide a simple but effective definition of work change as "any alteration that occurs in the work environment"(1997, p.398).Hostile takeovers, mergers, acquisitions, management buy-outs, outsourcing, organisational restructuring, and re-engineering are all examples of organisational change. More and more employees today are faced with changes they never asked for or anticipated. These continual, unasked for changes often give rise to stress reactions in employees, resulting in a number of negative consequences, for both the employee and the organisation (Neal &Tosi, 2003; Malekzadeh &Nahavandi,1999).

Change within the organisation causes the employees to experience stressful situations. Individuals who perceive their organisation to be undependable in carrying out their commitments to employers were, in turn, less committed to the organisation (Ashford, Lee & Bobko, 1989). According to Agho, Price and Mueller (1992) employees

who are satisfied with their jobs are likely to be better ambassadors for the organisation and show more organisational commitment.

In many organisations change is taking place at an ever-increasing rate (Schabracq et al., 2003). Globalization of the economy, ever increasing competition, and the rapid pace of technological change may be seen as responsible for bringing about the ever-increasing pace of change in the working environment on a world wide scale (Joiner, 2001; Schabracq & Cooper, 2002).

Change is inevitable for any organisation to ensure effectiveness and to stay competitive in today's business environment. Change should be managed proficiently to ensure that the required outcomes are achieved. Conversations with employees of the targeted retail bank will reveal that the perception of the management of change is that it is less than effective due to general dissatisfaction regarding elements such as training, communication and support during change efforts.

There are different types of change that call for different kinds of responses. In both personal and organisational matters, small changes call for minor adjustments, while moderate changes often require a considerable degree of adaptation, as might be seen when introducing a new product or a new technology. Less frequently, however, we encounter a dramatic change that a living system can survive only by transforming itself. In an increasingly competitive global market, companies realign, redesign, restructure and downsize on an on-going basis (Schaufeli & Greenglass, 2001), increasing tension in employees to survive in the work environment. Besides coping with the impact of recessions, layoffs and mergers, employees also have to cope with increased workloads and the pressures of modern life (Anon, 2002), which can be psychologically devastating (Dekker & Schaufeli, 1995).

The biggest issue that financial organisations have to face is to focus on how they can grow and enhance their business (Joffe, 2005) in order to survive in a very competitive market. The recent acquisition of the retail bank by a major international banking group (Anon, 2005) was in many ways a wake-up call for local banks, forcing them to increase their competition and sharpen their skills (Joffe, 2005). Not only are business growth and expansion advantageous for the organisation, but employees also appear to benefit from these created opportunities (Booysen, 2005). As a result, organisations have a

major role to play to ensure that each employee's productivity is optimised to utilise these opportunities, but also to remain competitive and to increase its return on equity and earnings per share. Organisations also have to ensure that their employees have the necessary capabilities, knowledge, skills and attributes to assist the organisation in achieving its strategy and other goals (Joffe, 2005).

To add to this, Schabracq and Cooper (2002) point out that a merger, such as the merger under study, brings about organisational change on many levels. It affects employee numbers in an organisation, but can also radically affect factors such as management style, organisational culture, and employee commitment and performance (Davis & Savage, 2003).These changes mean that employees have to cope with new groups of unpredictable and apprehensive colleagues who come from different backgrounds and who have unclear agendas. Further, employees in the newly merged company need to cope with a new set of working conditions, roles and responsibilities, policies and procedures, and sometimes work locations.

It could be hypothesized that employees who have been part of the acquired banking group, compared to employees from the acquiring banking group and employees from the newly merged banking group are exposed to different sets of change-related stressors that will affect their job engagement and performance.

### 2.3.3      Factors that drive change in the workplace

All organisations experience some degree of change on an on-going basis(Nahavandi & Malekzadeh; 1999, Senior, 1997). This type of internal on-going change is related to the recruitment of new employees, the creation of new positions and roles in an organisation and the elimination of outdated ones, and the updating and adjustment of work procedures and processes. In addition to these internal forces of change, organisations are also faced with a number of external forces that may bring about change. These external forces form part of the organisation's general and business environment and include factors such as economic climate, labour supply, new competition, changes in technology, and socio-political changes (Nahavandi & Malekzadeh; 1999, Senior, 1997).

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### 2.3.4      Changes in organisational structures

Downsizings, rightsizings, mergers, and acquisitions not only affect employee numbers in an organisation, but can also radically affect factors such as management style, organisational culture, and employee commitment and performance (Davis & Savage, 2003).

#### 2.3.4.1      *Socio-political changes*

Accourding to Nehavandi and Malekzahdeh (1999) organisations are often forced to respond to cultural, social, or political changes in the general environment. Organisations may be required to adjust their culture and strategy in order to better meet demographic changes in their customer base and staff compliment. Further, organisations would need to change and re-align their operating policies and procedures as new governments change labour, financial, and other legislation.

In the South African context, the introduction of the Employment Equity Act 55 of 1998, has brought about a number of organisational challenges and changes, not least of which being increased diversity within the workforce (Thomas & Robertshaw,1999).

#### 2.3.4.2      *Types of organisational change*

Nahavandi and Malekzadeh (1999) argue that, different types of change affect people to different degrees. In essence, change that is gradual and anticipated is usually met with less resistance and tends to be less stressful than change that is sudden, unexpected and more dramatic.

The above viewpoint is supported by Nelson (2003) who argues that change is simply a normal response to internal and external forces, rather than a departure from the norm. Incremental change occurs in organisations on a continuous basis, and is normally interspersed by periods of more dramatic change. Anderson and Anderson (2001) outline three types of organisational change, namely developmental change, transitional change, and transformational change. Developmental change refers to the improvement of current policies, processes, systems, or practices within an organisation, in order to improve or better current operations. Developmental change is usually the outcome of relatively small changes in an organisation's internal and external environment, and as such is focused on the enhancement of current states rather than the radical or dramatic

problem solving processes required by profound change. As such, while developmental change is both important and challenging, it is not normally related to the strain inducing qualities of other types of change. In fact, Anderson and Anderson (2001) point out that the process of developmental change keeps people vibrant, growing, and stretching through the challenge of attaining new performance levels. For Nahavandi and Malekzadeh (1999) steady, incremental change is defined as evolutionary change. Since the organisation's employees do not experience sudden shifts in work processes and structures, they are able to adjust to these changes with little or no strain.

Anderson and Anderson (2001) further explain that transitional change is more complex, in that it requires an appropriate response to greater shifts in environmental factors from the organisation in order to ensure its competitiveness and survival. In this type of change scenario organisations are required to find ways in which they can better serve current/and or future demands. In other words, the organisation is required to move to a new, more appropriate future state. In order to do this, the organisation would need to leave its old operating state behind, and move through a period of transition in which the new or future state is put into place. Since the transition state is unique and distinct from the old state, transitional changes would normally have clear start and end dates, and as such are usually project management driven (Anderson & Anderson, 2001).

As long as people affected by the change are fully aware of, and committed to such change, then the project management of transitional change is in most instances effective. If, however, the transitional change strategy and the change programme itself are not aligned to the specific human dynamics of the organisation, then the project becomes unmanageable in that the employees impacted are likely to experience uncertainty, inertia, resistance to the proposed changes, emotional pain or grief at the loss of the past, and experience fear with regard to the individual's ability to cope with the new organisational state (Anderson & Anderson, 2001). As such, adequate planning and communication of change processes during transitional change should be implemented in order to avoid unnecessary human trauma as described above (Hodge, Anthony & Gales, 2003).

Anderson and Anderson (2001) define transformational change as the radical or fundamental move from one state of being to another. The most significant difference

between transitional change and transformational change is the degree of focus required for the human and cultural components of the change. Transformational change requires that all individuals in the organisation view both their internal and external environment, as well as themselves in a completely different way. As a result, this type of change requires a significant shift in organisational culture, behaviour, and mindset in order for the change to be implemented successfully. Anderson and Anderson (2001) caution that since transformational change requires that both leaders and employees undergo personal change, the type of approach used is of paramount importance in order to ensure success.

Nahavandi and Malekzadeh (1999) classify transformational change as revolutionary change or frame-breaking change. While this type of change may be planned, it may also occur as a result of a response to a crisis. In either case, revolutionary change causes stress, since organisations undergo considerable redirection and the change is of a dramatic and intense nature.

### 2.3.4.3 *Resistance to organisational change*

In his outline of planned change theory, Schein (1988, p.243) states: "the problem of initiating change is especially salient because of the common observation that people resist change, even when the goals are apparently highly desirable". In fact, Gill (2003) contends that resistance to change is a common phenomenon. Resistance to change is made up of a number of employee behaviours, which often aim to prevent, delay or discredit the implementation of organisational change.

For Strebel (1998), one of the main reasons why employees resist change is that change brings about an alteration of terms with regard to, "the mutual obligations and commitments that exist between employees and the company" (p. 139). These reciprocal obligations and mutual commitments between employees and organisations are defined by Strebel (1998) as personal compacts. Personal compacts describe and govern the relationship between the employee and the organisation, and they may be explicit or implied. When organisations propose changes, the terms of these personal compacts are altered. Unless managers redefine new terms with the buy-in of employees, it is highly likely that employees will resist proposed changes.

Personal compacts exist on three dimensions, namely formal, psychological, and social (Strebel, 1998). The formal dimension of personal compacts refers to the basic duties and performance requirements expected of the employee, and the level of authority and resources the employer allocates to the employee in order to fulfil these requirements. Job descriptions, letters of appointment and performance agreements form written proof of this dimension of personal compact. The psychological dimension of personal compacts refers to the unwritten aspects of the employment relationship that include feelings such as trust and dependence between employee and employer. Employee loyalty and commitment to the organisation will depend on the perception by the employee that he or she is fairly recognized and rewarded, both financially and otherwise, for a job well done. Finally, the social dimension of personal compacts refers to the employees' perception of an organisation's culture. Essentially, the employees' commitment to the organisation will depend on whether he or she believes the company practices the values that it subscribes to and upholds. Since change initiatives often lead to increased conflict and are characterized by poor communication, this dimension of personal compact is most often undermined (Strebel, 1998).

### 2.3.4.4    *Change and cynicism*

According to Schneider, Brief and Guzzo (1996) an employee's readiness for change is influenced by the organisation᾽s previous track record of successfully implementing change programmes. Failed organisational change programmes of the past make employees reluctant towards new change initiatives. Wanous, Reichers and Austin (2000) support this view, maintaining that an employee᾽s previous history of change correlates with their motivation to keep on trying to make change work. The advice given is that leaders need to confront and discuss previous change failures before moving ahead with new change initiatives.

A study by Stensaker and Meyer (2009) compared reactions to change among employees with extensive versus limited change experience. Their findings suggest that many individuals learn to cope with fast-paced change initiatives and appear to react through loyalty when implementing change. However, loyal behaviour can be based on either positive or negative feelings or thoughts, manifesting in either enthusiasm or passive reaction to change. Organisational change can bring about differing reactions among employees, who are either positive with high levels of performance, or negative

with feelings of cynicism. Organisational cynicism is defined as a negative attitude toward one᾽s employing organisation, where the employee believes that the principles of honesty, fairness and sincerity are sacrificed to further the interests of the leadership (Abraham, 2000). Cynics thus become less optimistic about change programmes because of their past experiences with change failure and management promises that did not materialise.

## 2.4    Workplace Engagement as a Barometer of the Qualities of the Work Environment

In a traditional work environment, workers do as they are told and tailor their work according to clear job descriptions (Frese, 2008). Current work conditions, however, no longer follow that model. Instead, Frese (2008) suggested that the modern-day organisational environment – characterised by global pressures, intense customer demands, lower supervision, more technology, and greater need for teamwork and communications – led to a "shift in job concept"(p.68).

There is no doubt that employee engagement is related to employee satisfaction. Although there is a lot of concern about engagement, there is a bit of confusion over what it is, exactly. Some of the words used to define employee engagement include "commitment," "participation," "involvement," "motivation," "morale," "job- fit," or "discretionary effort." Although some people use these words as if they are synonyms of engagement, these different terms do not really mean the same thing. For this study, the term "employee engagement" means:

> *A positive, enthusiastic, and affective connection with work that motivates an employee to invest in getting the job done, not just "well" but "with excellence", because the work energises the person.*

Engagement is influenced by many factors ranging from workplace culture, organisational communication and managerial styles to trust, respect, leadership and company reputation (Lockwood 2007). Employee engagement is by definition employee behaviour demonstrating high levels of employee performance, commitment, and loyalty (Seibert et al., 2004).

Schaufeli et al. (2002) define work engagement as a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption. Vigour is

characterized by high levels of energy and mental resilience, while working. Dedication refers to being strongly involved in one's work and experiencing a sense of significance, enthusiasm, and challenge. Absorption is characterized by being fully concentrated and happily engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself from work (Schaufeli &Bakker, 2004). In short, engaged employees have high levels of energy and are enthusiastic about their work.

Ellis and Sorensen (2007, p.58) also provide a two dimensional definition of engagement according to which an engaged employee is one "who knows what to do at work and wants to do the work" which means the employee has the right knowledge, as well as the attitude and willingness to do the work.

Research evidence shows that engagement and an employee's intention to stay with their organisation are influenced by the relationships held at work and the behaviours experienced. Therefore, management must be able to develop a sense of community and ensure favourable behaviours are displayed, such as trusting employees by giving them autonomy to make their own decisions. However, the literature indicates that it is not just what managers do that is important; mutually respectful relations are also important(Schaufeli & Bakker, 2004).

Employee engagement rarely occurs by accident, it is something which must be worked on and developed. It is the result of a two-way relationship, which first and foremost starts with line-managers. It is widely accepted that the greatest impact on whether an employee is engaged or not, comes from their relationship with their direct line manager.

Work engagement has been recognised for providing positive outcomes in terms of work-related wellness for several reasons. Firstly, work engagement is a positive experience in itself (Schaufeli, Salanova, Gonzaes-Rom &Bakker, 2002). Secondly, it is related to good health and positive work affect (Dememuti, Bakker, de Jonge, Jamsen, & Schaufeli, 2001; Rothbard, 2001). Thirdly, work engagement helps individuals derive benefits from stressful work (Britt, Adler, & Bartone, 2001). Fourthly, work engagement is positively related to organisational commitment (Demerouti et al., 2001) and is expected to affect employee performance (Kahn, 1990). Work engagement is thus important for managers to cultivate, given that disengagement, or alienation, is central

to the problem of workers' lack of commitment and motivation (Aktouf, 1992). Meaningless work is often associated with apathy and detachment from one's work (Thomas & Velthouse, 1990). Under such conditions, individuals are thought to become estranged from their selves (Seeman, 1972) and restoration of meaning in work is seen as a method to foster an employee's motivation and attachment to work.

Engagement can be described in terms of three levels:

1. Engaged – Employees who work with passion and feel a profound connection with their organisation. They drive innovation and move the organisation forward.

2. Not Engaged – Employees who attend and participate at work but are time serving and put no passion or energy into their work

3. Disengaged – Employees who are unhappy at work and who act out their unhappiness at work, and also undermine their colleague's work on a daily basis. Disengaged employees, on the other hand, disconnect themselves from work roles and withdraw cognitively and emotionally. Disengaged employees display incomplete role performances and task behaviours become effortless, automatic or robotic (Hochschild, 1983). Cognitive disengagement, on the other hand, means a "lack of attention toward one's work tasks" (Rich, 2008, p.13).

After conducting a theoretical analysis, Schaufeli and Bakker (2001) found that burnout and engagement are conceptually related, resulting in the identification of two underlying dimensions of work-related well-being namely (1) *activation,* ranging from exhaustion to vigour, and (2) *identification,* ranging from cynicism to dedication. Professional efficacy and absorption, which were also included in the burnout and engagements constructs respectively, could not be considered as direct opposites but rather conceptually distinct aspects that had no antithetical characteristics.

## 2.4.1    Drivers of employee engagement

As Macey and Schneider (2008, p.3) state, "the antecedents of engagement are located in conditions under which people work, and the consequences are thought to be of value to organisational effectiveness".

While there are many individual and organisational factors that determine whether, and to what extent, employees become engaged, there is no definitive all-purpose list of

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engagement drivers. While most of the organisations try to manage employee retention and motivation by increasing salaries and benefits, or by providing cash incentives, it is important to remember that people have very individual motivations, often in complex combinations, and motivation and retention are not necessarily best or exclusively managed with cash inducements(Robinson et al., 2004).

The strongest driver of engagement is a sense of feeling valued and involved, and several components thereof relate to aspects already identified as being relevant to engagement. These include involvement in decision-making; the extent to which employees feel able to voice their ideas, and to which managers listen to these views and value employees' contribution; the opportunities employees have to develop their jobs; and the extent to which the organisation is concerned for employees' health and well-being.

The engagement model illustrated in Figure 2.2 shows the strong link between various engagement drivers, feeling valued and involved and engagement. The model also indicates that a focus on increasing individual's perceptions of their involvement, with added value to the organisation, will dramatically increase employee engagement levels. The model integrates practice and deliverables into each quadrant of the model and places strategy firmly within the application quadrant. Since feeling valued and involved is considered a critical element of performance, it is important to understand what factors are related to this construct. Management plays a key role, not only as a direct link, but also indirectly, in that the line manager is instrumental in such aspects as delivering performance appraisals, smoothing the path to training, communicating, and demonstrating equality of opportunity.
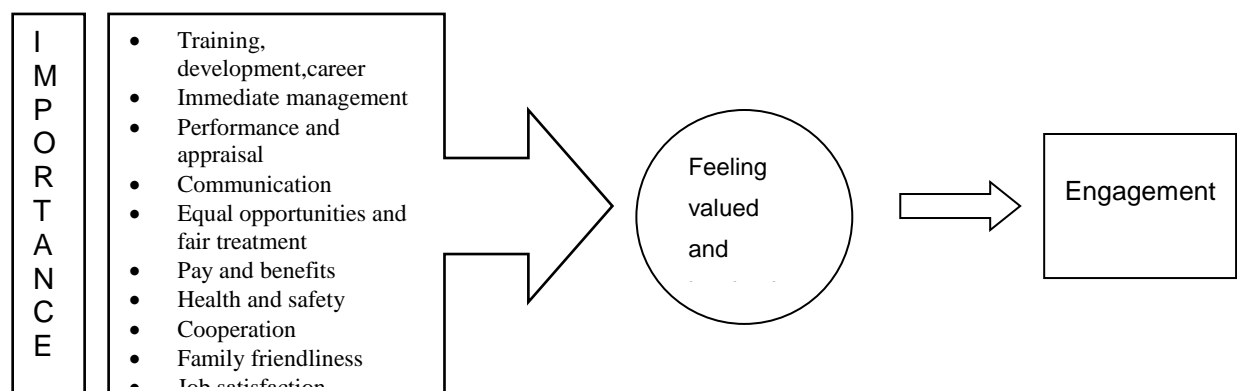


*Figure 2.2*:Model of employee engagement drivers(Robinson et al., 2004)

Positive feedback seems to enhance work engagement levels, whereas negative feedback diminishes it. Employees will be more engaged in their work if they see their work as challenging and have the freedom to be independent in their work tasks.

Work engagement seems to be particularly related to the resources available in an organisation. Job resources refer to those physical, psychological, social, or organisational aspects of the job that are: (a) functional in achieving work goals, (b) reduce job demands and the associated physiological and psychological costs, (c) stimulate personal growth and development. Job resources have motivational potential because they make employees' work meaningful, hold them responsible for work processes and outcomes, and provide them with information about the actual results of their work activities (Bakker et al., 2003; Hackman & Oldham, 1980).

Engagement is influenced by the features of the job the employee performs(such as physical work environment, role clarity and job security) and features of the organisation in which the employee works (such as vision, effective communication and employee relations). The features of the work environment can drive employees towards becoming engaged, or they can push employees towards disengagement (Corporate Leadership Council, 2004). Understanding the environmental features of organisations thus becomes crucial when trying to understand the levers of employee engagement and the key actions that can be taken to increase engagement levels (Wellins, Bernthal &Phelps, 2005).The effects of engagement are visible in behavioural outcomes, which in turn have an impact on organisational and personal outcomes (Wellins et al., 2005). Robinson et al.(2004) further adds that employee engagement levels can increase when the employee feels involved in the decision-making process and their contributions are being heard by managers. Engagement levels are also increased when employees have the opportunities to develop in their jobs.

Older workers tend to have longer years of service than their counterparts (Bureau of Labour statistics, 2008). Engaging employees with longer tenure presents a management challenge in organisations that are undergoing transitions like mergers. These employees may feel despondent or indifferent about change or may not be willing to commit to new ways of work. Robinson et al.(2004) found that engagement levels decline as an employee's length of service increases and thus advised that

managers consider the employees' development needs (including the special needs of professionals) in an attempt to keep them engaged.

People, who are engaged in their work, enjoy it and are energised by it. Even though they work hard and may get very tired physically, they feel the satisfaction of having accomplished something worthwhile (Schaufeli, 2004). Furthermore they enjoy other aspects of life besides work. So they are individuals who have balance in their life and have the ability to relax when they need to do so (Schaufeli & Bakker, 2003).

### 2.4.2.        Employee disengagement

Being motivated to do something about your problem or the difficult situation that you face is the opposite of a dysfunctional coping propensity named "behavioural disengagement" in which people decrease their effort to deal with the stressor. In a way it is seen as similar to being helpless, like when people give up on their ability to do anything about the situation (Carver et al., 1989; p.268).This method of coping has been reasoned to be maladaptive and often harmful, leading to an increase in stress (Carver el al., 1989),as well as feelings of helplessness and reduced self-efficacy (Litman & Lunsford, 2009). Carver el al. (1989)also reason that behavioural disengagement and similar coping strategies are considered to be less effective than functional strategies, because of temporary avoiding the stressor without actually addressing the source of the stressor.

Disengagement can be defined as a feeling of distancing from and devaluing of the work experience (Demerouti et al.), that is not under conscious control, but will lead to specific behavioural decisions. Workers suffering from disengagement will firstly become negative about their work, leading to an active cognitive process where workers question its meaning, and whether it is worthwhile continuing in it. Sonnentag (2005) suggested that disengagement is a coping strategy where the individual, unable to achieve restorative psychological distance from the work environment, disengages and becomes negative about the workplace.

Organisational changes as a result of mergers, acquisitions, downsizing and restructuring leads to increased pressure on employees to work longer hours, take on greater responsibility and become more tolerable towards continuous change and ambiguity (Burnes, 2005). The problem becomes exaggerated when change agents fail to include the individual in the adaptation process and also fail to manage the change

process adequately. This mismanagement impacts negatively on organisational effectiveness and employee wellbeing, resulting in the employee becoming disengaged in their work and the organisation (Marks, 2007). According to Weiner and Roberta (2008) disengagement includes feelings of alienation or loss of identity with an organisation, group or team, resulting in the following outcomes:

- Day-to-day decision-making grinds to a halt as overall decisions from the top are awaited.
- People are unsure where they will be placed or how they will contribute.
- Employees feel that their security and future are threatened.
- Employees no longer feel that they are a vital part of the company.
- Worker morale plummets.
- Battle lines are drawn. An "us vs them" stance emerges where cultural, corporate, country and continental differences are magnified and feared.
- Personal value is lost or at least undermined. The dominant question inmost peoples' minds is: "Where do I fit?"

Restructuring associated with mergers invariably has a negative impact on employees in terms of job losses, job uncertainty, ambiguity and heightened anxiety, emotions which are not necessarily offset by any organisational benefits such as increased productivity and financial profits. Kotter (1996) calls this a state of carnage resulting in wasted resources and burnout. Employee disengagement is a clear sign that the post-merger organisation has become dysfunctional and has resulted in failure (Weiner & Roberta, 2008).

Frustrated employees lead to disengaged employees who are more likely to leave an organisation. Increased levels of turnover contribute to increased manpower costs where the costs of replacing employees are significantly greater when compared to the costs of retaining individuals.

### 2.4.3    The relationship between work engagement and burnout

The origins of the term "burnout" have been traced to popular and trade psychology articles which examined the problems experienced by human services workers. Maslach (2003) defines job burnout as a psychological syndrome that involves a

prolonged response to stressors in the workplace. Specifically, such burnout results from chronic strain caused by an incongruence, or misfit, between the worker and the job. Burnout, as measured in occupations outside the human services, consists of three key dimensions: an overwhelming feeling of exhaustion, feelings of cynicism and detachment from the job, and a sense of ineffectiveness and lack of accomplishment. Indeed, burnout results from reactions to chronic work-related stressors (Gonzalez-Roma et al., 2006) and is, as such, a phenomenon uniquely connected to the workplace (Maslach, 2003). Pioneer research on burnout was conducted by Christina Maslach (2003), who characterized burnout as a combination of physical and emotional exhaustion, cynicism, and a perception of professional inefficacy.

The environment in which employees in South Africa and elsewhere in the world currently function demands more of them than did any previous period. The employment relationship has changed, altering the type of work that people do, when they work and how much they do (Barling, 1999). Burnout is a metaphor that is commonly used to describe a state or process of mental exhaustion (Schaufeli & Enzmann, 1998). Engagement has been defined as an energetic state in which the employee is dedicated to excellent performance at work and is confident of his or her effectiveness (Schutte, Toppinen, Kalimo & Schaufeli, 2000).

Burnout has been defined as a work-related stress reaction that can be found among employees in a wide variety of occupations that is commonly used to describe a state of mental weariness (Bakker, Demerouti, & Schaufeli, 2002; Schaufeli & Enzmann, 1998). According to Maslach and Leiter (1997), burnout is an erosion of work engagement by means of the fact that energy turns into exhaustion, involvement turns into cynicism, and efficacy turns into ineffectiveness. Both engagement and burnout can be seen as two prototypes of employee well-being, as viewed in terms of the two independent dimensions of pleasure and activation (Watson & Tellegen, 1985). Low levels of activation and pleasure can identify burnout whereas high levels of activation and pleasure identify engagement.

Burnout can be seen as a chronic affective response syndrome, a type of stress that develops in response to stressful working conditions (Cordes & Dougherty, 1993). It does not develop overnight. With the onset of burnout, an engaged, positive and energetic relationship with one's work progressively turns into disengagement, a loss of

energy, limited commitment and a sense of ineffectiveness, which, over time, becomes real in the form of reduced accomplishment (Maslach & Leiter, 1997).

Coffman and Gonzalez-Molina (2002) indicate that, in general, employees start out energized, engaged, and ready to take on the responsibility of the job. However, over the first six months of employment only 38% remain engaged and after ten years engagement drops to about 20%.

Burnout and engagement are further reported to be opposite in that they have different consequences and different predictors (Schaufli & Bakker, 2004). Kahn (1990) compared burnout with disengagement and said that disengaged employees are ones who withdraw from the job physically, emotionally, and cognitively, which, in turn, likens it to the state of burnout (Freeney & Tiernan, 2006). An important distinction between engagement and burnout is that burnout relates specifically to job demands. Engagement, on the other hand, is indicated by job resources such as job control, the availability of learning opportunities, access to necessary materials, participation in the decision-making process, positive reinforcement, and support from colleagues (Freeney & Tiernan, 2006).

Recent research indicates then that the conditions of engagement and burnout are unquestionably linked, or indeed opposites of one another. It should be understood that an engaged employee will not be burned out, but an employee who is not burned out is not necessarily engaged (Freeney & Tiernan, 2006).

When people experience burnout, they usually experience a gradual sense of loss that develops over an extended period of time. With the onset of burnout, an engaged, positive and energetic relationship with one's work progressively turns into disengagement, a loss of energy, limited commitment and a sense of ineffectiveness, which, over time, becomes real in the form of reduced accomplishment (Maslach & Leiter, 1997).

Studies have shown that the possible causes of burnout can be categorized into organisational, biographical and personality factors. The organisational factors that can contribute to burnout include work overload(Rantanen, 1998), role conflict and role ambiguity (Meltzer & Nord, 1981), a lack of feedback, and career concerns, such as a

lack of career progress (Cooper, Dewe, & O'Driscoll, 2001).The biographical factors that could contribute to burnout include age, work experience and gender (Marais,1989). Burnout is said to be more prevalent among younger workers and negatively related to work experience. Kunzel and Schutte (1986) explain the prevalence of burnout among the younger work force and less experienced workers in terms of reality shock. Cherniss (1980), however, relate it to an identity crisis due to unsuccessful occupational socialization. Maslach, Jackson and Leiter (1996) have observed that symptoms of burnout reduce with growing age or work experience. Women are prone to emotional exhaustion, while menare prone to depersonalisation. Schaufeli and Enzmann (1998) tend to explain this in terms of sex-role dependentstereotypes. Men typically hold instrumental attitudes, whereas women are more emotionally responsive, and seem to disclose emotional and health problems more easily.

The greater the gap, or mismatch, between the person and the job, the greater the likelihood of burnout, conversely, the greater the match, the greater the likelihood of engagement with work. Research is needed to test the fit of the model of Maslach and Leiter (1997) in the South African context. Also, this model does not differentiate between factors which contribute to burnout and work engagement, because the two concepts are regarded as opposites by Maslach (1998). Storm and Rothmann (2003) and Naudé and Rothmann (2003) found that different sets of causal factors play a role in burnout and work engagement respectively.

At an organisational level burnout can potentially have negative consequences such as absenteeism, high staff turnover, job dissatisfaction, and impaired performance (Aiken, Clarke, Sloane, Sochalski & Silber, 2002; Iverson, Olekalns, & Erwin, 1998). These organisational consequences primarily stem from the feelings of hopelessness and failure, and the poor job-related self-esteem characteristic of this syndrome (Maslach, 1993).

There are two different schools of thought regarding the relationship between burnout and work engagement. Schaufeli and Bakker (2004) and Maslach and Leiter (1997) assume that burnout and engagement are two opposite poles of one continuum. They rephrased burnout as an erosion of engagement with the job, whereby energy turns into exhaustion, involvement turns into cynicism, and efficacy turns into ineffectiveness. In

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their view, engagement is characterized by energy, involvement, and professional efficacy, which are the direct opposites of the three burnout dimensions.

The second school of thought defines and operationalises work engagement in its own right (Schaufeli & Bakker, 2001; 2004). Instead of being mutually exclusive states, burnout and engagement are considered independent states that are, by their very nature, negatively, but not perfectly related. Kahn (1990) compared burnout with disengagement and mentions that disengaged employees are ones who withdraw from the job physically, emotionally, and cognitively which, in turn, relates it to the state of burnout (Freeney & Tiernan, 2006).

According to Etzion (1984) burnout is a slowly-developing process that starts without warning and evolves almost unrecognised up to a particular point. Suddenly and unexpectedly, one feels exhausted and one is not able to relate this devastating experience to any particular stressful event.

It is clear that most organisations will have employees who feel burnt out, and those who are highly engaged in their work. The important question is how burnout influences individual engagement, and how engagement influences individual burnout. The contention is that an understanding of engagement could yield an understanding about how to alleviate burnout (Maslach et al., 2001). It is believed that, in the process of building an environment where employees are likely to become engaged, many of the problems associated with stress and dissatisfaction in the workplace will be overcome (Freeney & Tiernan, 2006).

### 2.4.4 Counterproductive workbehaviour as a barometer of the work environment

Employee performance and productivity are vital and employers must be aware of the risks of unethical behaviour within their companies and try to reduce this. Typically, organisational members engage in counterproductive (Spector & Fox, 2005) or dysfunctional (Robinson, 2008) behaviour when they willfully commit acts that have the intention of harming organisations or people within them (Spector & Fox, 2005).Unreliable employees might engage in a variety of undesirable behaviours, ranging from theft and sabotage to absenteeism and insubordination. In so doing, they also generate substantial direct and indirect costs for their employers. Although a variety

of techniques might be used to control counterproductive behaviour in the workplace (Murphy,1993), the screening of those persons who will tend to undermine the success of the organisation should be the starting point to fighting corruption (Hogan & Hogan, 1989).

### 2.4.5　　Typology of workplace deviance behaviour

According to Robinson and Bennett's (1995) typology of workplace deviance behaviour, it consists of two dimensions, namely the severity of the deviance and whether the deviance is intended to harm an individual or the organisation as a whole. Four quadrants are formed, namely production deviance, property deviance, political deviance, and personal aggression. Production deviance refers to behaviours that directly interfere with work being performed in the organisation – reading a newspaper instead of working, chatting excessively with co-workers, and so on. Property deviance refers to employees destroying or misusing an organisation's property. Political deviance refers to milder interpersonal harmful behaviour. The last quadrant, personal aggression, is a more harmful interpersonal behaviour.

Eventually, Counterproductive Work Behaviour (CWB) has emerged as a major area of concern among employers and employees. These behaviours are a set of distinct acts that share the characteristics that they are volitional (as opposed to accidental or mandated) and harm or intend to harm organisations and/or organisation stakeholders, such as clients, co-workers, customers, and supervisors (Spector & Fox, 2005).

In addition, counterproductive work behaviour encompasses a wide range of workers' negative behaviours that threaten the survival, productivity and other legitimate objectives of an organisation. During the last decade, research on these behaviours has been extensively diverse. As a result, the term 'counterproductive work behaviour' became the umbrella of any negative behaviour that is directed against the workplace such as antisocial behaviours, delinquency, deviance, retaliation or revenge (Bies, Tripp & Kramer, 1997). Robinson and Bennett (1995) developed a two dimensional typology of workplace deviance and classified it into 4 different categories as illustrated in Figure 2.3.In developing this typology, a multidimensional scaling technique, was put together which allowed them to classify deviant behaviours by highlighting the similarities and differences between them as well as their underlying dimensions. Based on these

dimensions, four clusters or families of misbehaviour emerged, which they referred to as the4P's of misbehaviour. These are: *Production deviance, Property deviance, Political deviance and Personal aggression.*

**Harmful to the Organisation itself**

**Production Deviance**

- Calling in sick when not
- Making personal calls
- Waste resources
- Intentionally slow working
- Excessive breaks

**Property Deviance**

- Stealing from Organisation
- Misuse discount privilege
- Covering up mistakes
- Accepting kickbacks
- Sabotaging equipment

**Less severe Behaviour** ←→ **More severe Behaviour**

**Political Deviance**

- Uncivil behaviour
- Boss blaming employee for own mistakes
- Starting negative rumors
- Spreading gossip
- Boss asking employee to work beyond job description

**Personal Aggression**

- Physical aggression
- Verbal aggression
- Sexual harassment
- Boss following rules to letter of law
- Boss refusing to give earned benefits or pay

**Harmful to Individuals in the Organisation**

*Figure 2.3*:Typology of deviance behaviours(Robinson & Bennett, 1995)

### 2.4.6    Conceptualising counterproductive workbehaviour

Counterproductive work behaviour can broadly be defined as "behaviours by employees intended to harm their organisation or organisation members, such as theft, sabotage, interpersonal aggression, work slowdowns, wasting time and/or materials, and spreading rumors" (Fox& Spector, 2002, p.269).Counterproductive work behaviour (CWB) also includes acts directed toward organisations rather than people (although people are often indirect targets). This includes destruction and misuse of organisational property, doing work incorrectly, or failing to notify superiors about mistakes and work

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problems (e.g., a machine malfunction), and withdrawal (e.g., calling in sick when not ill).

The model, put forth by Spector and Fox (1999), casts counterproductive work behaviour as a response to various stressors at work. In this model, threats to well-being, or stressors, induce negative emotional states like anger or anxiety and these emotions, which are the affective outcomes of stressors, lead to strains. Strains are outcomes of the job stress process that can be physical (e.g. headache), psychological (e.g. job dissatisfaction), or behavioural (e.g. work withdrawal). According to the model (Spector & Fox, 1999), stressors have their effects on counterproductive work behaviour through perceptions of control and autonomy, and through emotions.

Counterproductive work behaviour can also be described as a manifestation of a behavioural strain (Fox, Spector, & Miles, 2001). In short, negative perceptions of the work environment (i.e. stressors) relate to negative emotion, which is positively correlated with counterproductive work behaviour.Spector (1998) and Spector and Fox (1999) developed a job stress/emotion/CWB model that suggests that behaviours are responses to job stressors at work. According to this view, people monitor and appraise events in the environment (Lazarus, 1991), and certain events that are seen as threats to well-being are job stressors that induce negative emotional reactions, such as anger or anxiety (Spector, 1998).

Figure 2.4 illustrates the Spector and Fox (1999) model, demonstrating a flow from environment to perception, to negative emotion, to CWB, but there are several mitigating factors. Individuals vary in their propensity to appraise situations as stressful both among one another and across time, so perceptions of control and personality are two important factors to consider.
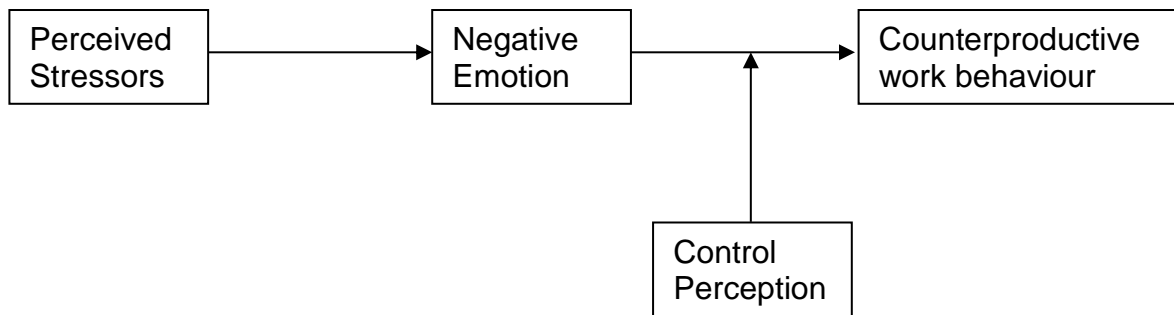
*Figure 2.4*: Spector and Fox's CWB Model(Spector and Fox, 1999)

Sackett (2002) had proposed that counterproductive behaviours be grouped into two main categories. The first, *property deviance*, involves the misuse of employer assets. The second, *production defiance*, involves violating norms about how work is to be accomplished.

There are two major influences playing a role in counterproductive work behaviour. The first influence is related to environmental conditions, such as job stresses, and individual personality (Sagie et al., 2003). Poor work performance is caused by these environmental conditions and individual characteristics (Spangenberg et al., 2000). Counterproductive work behaviour can be viewed as an interrelated set of behaviours making it necessary to define counterproductive work behaviour as voluntary acts by an employee that harms the organisation or the organisation's members (Spector, Fox, Penney, Bruursema, Goh, & Kessler, 2005).

Given the pervasiveness and cost of counterproductive work behaviour, it is important to identify and understand the predictors of ccounterproductive work behaviours. In order to understand how attitudes may be related to counterproductive work behaviour, the following section examines job satisfaction as a potential predictor of counterproductive work behaviour (Dalal, 2005).

Spector (1997) notes that a limited number of studies have investigated the causes of counterproductive behaviours in organisations. It is, however, important for organisations to create workplaces that enhance job satisfaction and commitment, which could assist in reducing counterproductive behaviours.

Organisational members engage in counterproductive or dysfunctional behaviour when they wilfully commit acts that have the intention of harming organisations or people within them (Spector & Fox, 2005).

The question is why some workers display this behaviour and others do not; which workers are more likely to display this negative behaviour, and who or what is likely to be the target of counterproductive work behaviour (Fox, Spector & Miles, 2001). There are five different dimensions that explain how employees directly cause counterproductive work behaviour:

The first and most reliable dimension associated with counterproductive work behaviour is workers' beliefs and perceptions (Fox, Spector & Miles, 2001). These are workers' beliefs that they would not be caught or would not be punished if they display counterproductive behaviour in the organisation. However, workers' job satisfaction has also explained variability in counterproductive work behaviour (Boye & Jones, 1997; Hacket, 1997). In these two studies workers were more likely to engage in antisocial behaviours, such as theft and violence, or be absent (Hacket, 1997), when their job satisfaction was low.

The second dimension includes research on workers' psychological states, such as frustration, stress, and negative emotions. Spector (1997) found that frustration explained a significant variability in counterproductive work behaviour when assessing the role of antisocial behaviours. Likewise, workers' retaliatory behaviours against the organisation were predicted by their level of stress and negative emotions. These emotions played a moderating role between stressors and counterproductive work behaviour (Fox, Spector & Miles, 2001).

The third dimension that facilitates workers' counterproductive work behaviour is situational circumstances. These circumstances refer to instances when organisations provide limited information and limited empathy to workers after executing practices that are considered unjust (Greenberg, 1993). Workers then are more likely to steal from the organisation to get even and stabilize the inequity that was brought about by the unfair practices (Greenberg, 1990; 1993).

The fourth dimension describes who or what becomes the target of employee's counterproductive work behaviour. This is an important issue, especially to mental health services, because shifting the target of counterproductive behaviours from the organisation to vulnerable clients can be very damaging. It has been found that workers' perception of who is to blame for the injustice determines what they are likely to target their counterproductive work behaviours on, either onto their organisation or their supervisor (Jones, 2004). This means that if the injustice included procedural justice characteristics, it is more likely that workers will focus their counterproductive behaviour onto the organisation. However, when interpersonal and informational unfair practices are identified as injustice, it is more likely that workers will target their counterproductive behaviour onto their supervisors.

Finally, the last dimension relates to the role of gender in self-control and counterproductive work behaviours. Males display more deviance than women in general (Clark &Hollinger, 1983; Douglass & Martinko, 2001; Martinko & Moss, 1998; Neuman, 1998). Some explanations stress the role of socialization styles, males' propensity to be more instrumental when displaying negative emotions and males' belief that others have more control of the situation (Hollinger & Clark, 1983). Consistent with this reasoning, it is expected that male workers commit more counterproductive work behaviours than their female counterparts (Eagly & Steffan, 1986; Martinko, Gundlach & Douglass, 2002).

Given the pervasiveness and cost of counterproductive work behaviours, it is important to identify and understand the predictors of counterproductive work behaviour. In order to understand how attitudes may be related to counterproductive work behaviour,the following section examines job satisfaction and organisational commitment as a potential predictor of counterproductive work behaviour (Dalal, 2005).

*Job Satisfaction*

Job satisfaction can be considered as either a single global attitude or as a collection of specific attitudes (i.e., facets) towards a job. Global job satisfaction is an evaluation that an individual makes about a particular job as a concerted whole and that reflects the extent to which people like or dislike their jobs (Spector, 1997). In contrast to a global attitude, job satisfaction can also be considered in terms of facets (Smith, Kendall, & Hulin, 1969; Spector, 1985; Weiss et al., 1967), which are individual attitudes about

particular aspects, of a job. Facets typically include satisfaction with pay, the nature of the work itself, supervisors, and co-workers, among others.

*Organisational Commitment*

Job satisfaction and its facets are not the only attitudinal variables that have important implications for work behaviour. Indeed organisational commitment is related to important work-related behavioural outcomes. In the early 1990's organisational commitment was conceptualized as a three-component variable (Meyer & Allen, 1991). The first component, affective commitment, could be thought of as the emotional investment that a person makes in an organisation. People who are highly affectively committed to an organisation will more strongly identify with that organisation and will become more involved in that organisation (Mowday, Steers, & Porter, 1979). The second component, continuance commitment, represents a form of commitment based upon the calculation of the perceived cost of leaving. Continuance commitment was thought to be independent of affect towards an organisation, and to be more based on objective factors (e.g., retirement benefits, or reward packages). The final category, normative commitment, was thought of as an obligatory, morally based form of commitment that compels a person to stay with an organisation because it is the "right" thing to do. Essentially, as a person internalizes the normative requirements of the organisation, normative commitment develops as a sense of obligation to remain with the organisation and do what is in the best interest of that organisation. Conceptually, all three components of commitment are distinct from one another.

In terms of reciprocity, it can be concluded that counterproductive work behaviour be viewed as a reaction to a negative attitude which results from some perceived negative action. For instance, a supervisor might make humiliating comments to a subordinate who would then become dissatisfied. The dissatisfied subordinate may in turn engage in counterproductive work behaviour as a way of reciprocating the behaviour of the supervisor.

**2.5      Moderators of the Relationship between Job Stressors and Performance-Related Consequences**

Based on the literature, attention will be given to a number of moderators and there effects on job performance. Moderating variables exert a strong contingent effect on a given independent-dependent relation. Four of the moderators that were focused on are

the: Job demands-resources model, Psychological contract, Organisational justice and Affectivity.

When employees perceive a demand confronting them as potentially threatening or eventually harmful, they will use up energy and time to cope with this stressor and in their immediate reactions to it (e.g., anxiety and discomfort). Therefore, work-related stressors are thought to reduce an employee's ability to perform by diverting their effort away from performing job functions and toward coping with the stressors (Cohen, 1980).

The high levels of job stressors are invariably associated with involuntary physiological responses that interfere with performance (Lazarus, 1999; Motowidlo, Packard, & Manning, 1986). These high levels of stressor tend to create conditions of information overload, which in turn may lead to a narrowing of individuals' perceptual attention so that they ignore performance-related information and cues, thus deleteriously affecting their job performance(Cohen, 1980).

The Job Demands–Resources (JD-R) model was developed, taking cognisance of the two underlying psychological processes, job demands that lead to exhaustion, and a motivation-driven process in which insufficient resources lead to disengagement (Bakker, Demerouti & Schaufeli, 2001).

The psychological contract is an individual's belief regarding the terms of an exchange agreement, beyond those of any formal contract between an individual and the organisation (Rousseau, 1995), and has become an increasingly important concept of study in the workplace. Psychological contracts serve as an important regulator of employer-employee exchange relationships in general.

Organisational justice generally refers to perceptions of fairness in treatment of individuals internal to that organisation. The three main components of organizational justice are distributive, procedural, and interactional justice (which includes informational and interpersonal justice). In view of the widespread recognition of the importance of fairness as an issue in organisations, it stands to reason that theories of justice have been applied to the question of understanding behaviour in organisations.

*Affect* can be thought of as an umbrella term surrounding a broad range of feelings that individuals experience, including *feeling states*, which are in-the-moment, short-term affective experiences, and *feeling traits,* which are more stable tendencies to feel and act in certain ways. Positive and negative affectivity showed a practically significant correlation with both the affective and cognitive job insecurity scales and work engagement.

### 2.5.1        The job demands/resources model

The job demands-resources (JD-R) model (Bakker & Demerouti, 2007) is used in this study as a guiding framework to examine the impact of merger-related employee status on the engagement, burnout and counterproductive work behaviour of employees of a retail bank.

The JD-R model explains how employees' working conditions influence their health and commitment to the organisation through two independent processes. The JD-R model also attributes employee wellbeing to the characteristics of the work environment (Xanthopoulou et al., 2007). Work characteristics can be divided into two broad categories:

• job demands

• job resources.

Furthermore the JD-R model's strength lies in its ability to explicate two parallel processes that influence employee well-being. These include (Hakanen, Bakker, & Schaufeli, 2006):

• a de-energising process in which *job demands* exhaust an employee's mental and physical resources, which could lead to burnout and eventually ill health

• a motivational process in which *job resources* promotes work  engagement

This model assumes that job resources and job demands evoke two different but related processes. The first is a motivational process, in which job resources stimulate the employees' motivation to foster engagement and organisational commitment. Secondly, there is a de-energising process, whereby high job demands deplete the employees' mental and physical resources, leading to job burnout and health impairments (Schaufeli & Bakker, 2004).The JD-R model is considered to be a better model to predict employee well-being, work engagement and burnout than older type of models, as it can be used to assess any type of job.

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The job demand-resources model (JD-R) was developed from a need to provide a more comprehensive work specific environmental theory explaining antecedents of both burnout and engagement. The model relies on the assumption that workplaces have site specific or occupation specific risk factors associated with job stress, and that these factors can be classified as demands or resources (Bakker & Demerouti, 2007; Bakker, Demerouti & Verbeke, 2004).

Figure 2.5 illustrates the full JD-R model, proposing that job demands are the main initiators of the health impairment process that leads to negative organisational outcomes, while job resources are the most crucial predictors of engagement and consequently, of positive outcomes. The model further proposes that although job demands are not always negative, they can lead to psychological strain in the absence of adequate resources (Bakker & Demerouti, 2007) and are adequately functional in achieving work goals. In either case, be it through the satisfaction of basic needs or through the achievement of work goals, the presence of job resources leads to engagement, whereas their absence evokes a cynical attitude towards work
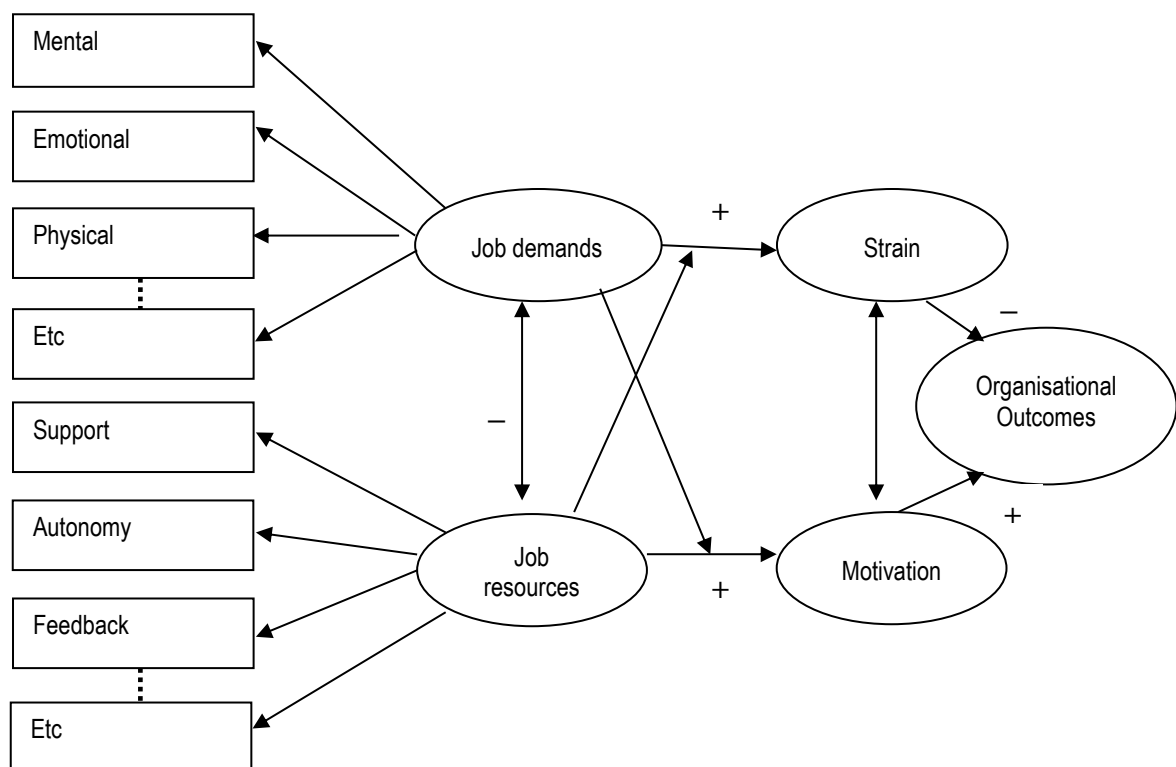


*Figure 2.5*: The job demands– resources model(Bakker & Demerouti, 2007)

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The JD-R model has some predecessors in the literature, for example it is consistent with Hackman and Oldham's (1975) theory of job characteristics that accentuates the importance of the motivational potential of job resources like autonomy and feedback. Therefore, according to Bakker and Demerouti (2007), workers value job resources either in their own right, or because they constitute the means by which other, more valued, resources may be obtained.

*Job demands* represent aspects of the job that could potentially cause strain in cases where they exceed the employee's adaptive capability. Job demands are physical, psychological, social or organisational aspects of work that require a physical and/or psychological effort (cognitive or emotional), and are associated with certain physiological and/or psychological costs. Job demands can further be grouped into quantitative and qualitative job demands. Quantitative job demands include time pressure and work overload. Qualitative demands include emotional demands, role ambiguity, role conflict and an unfavourable physical work environment. Although these demands are not necessarily negative, they become job stressors when they require an effort and/or they require certain costs that produce negative effects, like depression, anxiety or burnout (Schaufeli & Bakker, 2004).

Job demands may further lead to job stress when employees are confronted by demands which require effort when they have not recovered from stress caused by previous demands (Meijman & Mulder, 1998). The JD-R model supports this view by recognizing that demanding characteristics of the working environment, work pressure, overload, emotional demands, and poor environmental conditions may lead to the impairment of health and ultimately to absenteeism (Schaufeli & Bakker, 2004; Semmer, Zapf, & Dunckel, 1995; Zapf et al., 1999).Figure 2.6 illustrates the demanding aspects of work (job demands) which lead to constant pressure and in the end, to exhaustion. Exhaustion describes a reduction in the emotional resources of an individual. When asked how they feel, burnt-out employees typically answer that they feel drained or "used up" and physically fatigued.
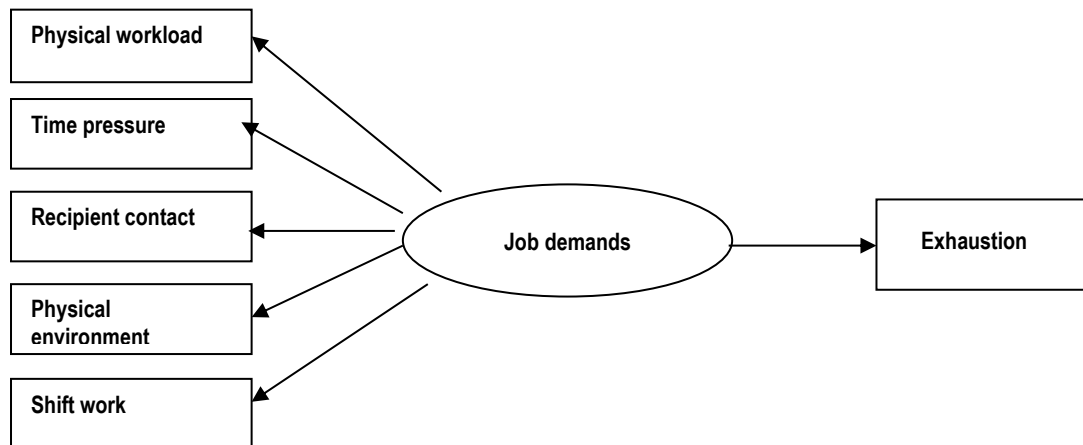
*Figure 2 6*: The JD-R Model: Job Demands (Bakker & Demerouti, 2007)

***Job resources,*** concern the extent to which the job offers opportunities to individual employees. It also refers to those physical, psychological. social or organisational aspects of the job that: (1) reduce job demands and the associated physiological and psychological costs, (2) are functional in achieving work goals, and (3) stimulate personal growth, learning, and development (Demerouti et al., 2001). Job resources have been recognised by Kahn (1990) as characteristics of work situations that shape the degree to which people employ and express themselves physically, cognitively, and emotionally during role performance.

According to the Job Demands–Resources model (JD-R; Bakker &Demerouti, 2007), job resources become salient and gain their motivational potential when employees are confronted with high job demands. Such conditions represent so-called ''active jobs'' in which employees become motivated to actively learn and develop their skills. Hakanen, Bakker, and Demerouti (2005) tested this interaction hypothesis in a sample of Finnish dentists employed in the public sector. It was hypothesized that job resources (e.g., variability in the required professional skills, peer contacts) are most predictive of work engagement under conditions of high job demands (e.g., workload, unfavourable physical environment).

Hackman and Oldham (1980),further identified specific job characteristics that motivate employees. These job characteristics induce so-called critical psychological states (e.g. meaningfulness), which drive people's attitudes and behaviours. Examples of job resources are time control, performance feedback, a supportive leader, and trusting

relationships with colleagues. Resources may be placed at the level of the organisation (e.g. salary, career opportunities, job security), at the level of interpersonal and social relations (e.g. supervisor and co-worker support, team climate), at the level of the organisation of work (e.g. role clarity, participation in decision-making), and at the level of the task (e.g. performance feedback, skill variety, task significance, task identity, autonomy). It either plays a fundamental motivational role (by developing employee growth, learning and development) or an extrinsic motivational role (by being instrumental in achieving work goals) (Schaufeli & Bakker, 2004).Figure 2.7 also illustrates how the resources are critical in determining work engagement. Job resources might have a motivational potential, whereas poor access to adequate job resources can preclude goal accomplishment, which is likely to cause failure and frustration. In such a situation, disengagement from work can be an important self-protection mechanism that may prevent the future frustration of not obtaining work-related goals. Here disengagement refers to distancing oneself from one's work, work objects (e.g., computers, clients), or work content (e.g., providing services) and represents an extensive and intensive reaction

in terms of an emotional, cognitive, and behavioural rejection of the work.
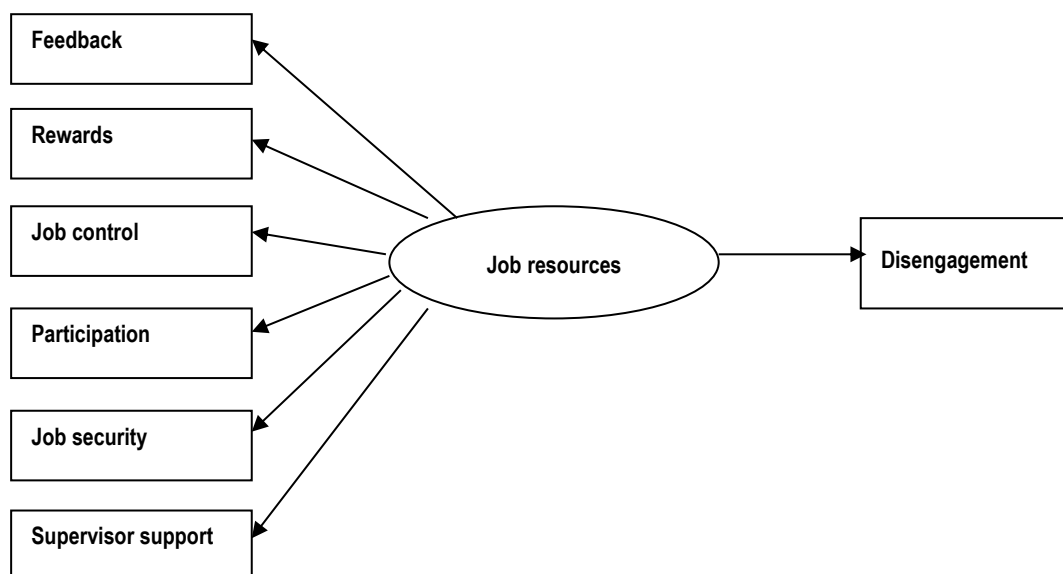


*Figure*2.7: The JD-R model: Job Disengagement(Bakker & Demerouti, 2007)

The JD-R model also predicts four interaction effects: (1) high demands associated with low resources will produce worker burnout, (2) high demands associated with an abundance of job resources will produce worker engagement (3)low demands associated with low resources will produce worker apathy and (4) low demands

associated with high resources will produce worker boredom (Bakker,2007). It would seem that most research using the JD-R model focuses on the first two interaction effects; burnout and engagement.

The JD-R model provides a valuable diagnostic tool for organisations in that the job is defined in terms of specific tasks and demands, and what employees believe is needed (resources) to fulfill these tasks. It therefore provides organisations with a 'snapshot' of what is going on in their organisations at a particular time, and allows them to take remedial action if necessary. However it is noted that the model does not address the obligations of management to manifest consistent, ethical and trustworthy behaviour (Mayer & Davis, 1999) and decision-making.

In addition, while employees within organisations are asked to nominate the resources necessary for them to complete their work, the psychological contract (Rousseau, 1995) is not considered within the model. Miller (2001), in his discussion of the psychological contract's role within a just workplace, observed that "people may not always be able to articulate what their entitlements are in any particular relationship, but they know when a sense of rightness has been violated or when someone has "crossed the line (p. 532)". Therefore it is posited that while the JD-R model provides essential site specific feedback to organisations and may well have considerable applied utility for that reason, there is a possibility that the model may overlook some primary psycho-social features of the work environment.

The JD-R model is still considered to be a better model to predict employee well-being, work engagement and burnout than older types of models, as it can be used to assess any type of job. The basic structure of the JD-R model was maintained even when applied in different national and international contexts (Demerouti et al., 2001).

The de-energising process is built on the premises of Hockey's (1997) Compensatory Regulatory-Control (CRC) model which states that stressed employees struggle with protecting their primary performance goals (benefits) in the midst of dealing with increased job demands that require an increased amount of mental effort (costs). An employee's compensatory effort has to be mobilised to deal with this struggle. If the compensatory effort is continuous, then the employee will experience energy loss, which could possibly result in burnout and eventually ill-health. This process is associated with physiological and psychological costs, such as increased sympathetic

activity, fatigue and motivation loss (Hakanen et al., 2006, p. 498). This existence of this process was confirmed by a cross-lagged longitudinal study conducted on Finnish dentists in which job demands were positively correlated with burnout and depression over a period of three years (Hakanen, Schaufeli & Ahola, 2008).

### 2.5.2      The psychological contract

Over the past decade, workplaces have changed dramatically due to various factors, such as downsizing and restructuring, which are commonplace in the world of work and many employees can no longer expect to have a lifelong career in the same organisation. Workplaces are now made up of a range of core, temporary, part-time and contract opportunities, and employees are increasingly required to manage their own careers (Rousseau, 1997).

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

Psychological contracts consist of individuals' beliefs about the terms and conditions of the exchange agreement between themselves and their organizations (Rousseau, 1989; 1995). They refer to the way the employment relationship is interpreted, understood and enacted by employees at the interface between themselves and their employing organization (Millward &Brewerton, 1999). A major feature of the psychological contract is its idiosyncratic and subjective nature, which arises due to the fact that the psychological contract is made up of an individual's personal beliefs of what the agreement with his or her organization involves (Rousseau, 1995).

The definition of the psychological contract has been refined by Rousseau and Argyris and redefined as:

> "*An individual's belief in mutual obligations between an employee and an employer. This belief is predicated on the perception that a promise has been*

*made (e.g. of employment or career opportunities) and a consideration offered in exchange for it (e.g. accepting a position, foregoing other job offers), binding the parties to some set of reciprocal obligations*" (Rousseau & Tijoriwala, 1998).

The psychological contract is one type of promissory contract. The promissory contract consists of three components, including promise, payment and acceptance (Rousseau & Parks, 1993). A **promise** consists of a commitment to a future course of action. In the eyes of the individual, the psychological contract is perceived by individuals as the promises by the organisation to the employee.

**Payment** occurs when something is offered in exchange for the promise which the person values. When, for instance, an organisation rewards employees in a manner that is consistent with the perceived promises underlying the psychological contract. In other words, promises followed by an employee's effort leads to expectations of payment or organisational fulfilment of obligations. This process creates psychological contracts which, when violated, may lead to strong negative feelings (Rousseau & Parks, 1993). The third component of the promissory contract is acceptance, which reflects voluntary agreement to engage in the contract terms.

**Acceptance** implies that  both parties (employee and employer) are accountable for the terms of the psychological contract since they chose to engage in the agreement. Both employer and employee are responsible for carrying out the contract and either party may choose to violate or break the agreement.

There is a (often incorrect) belief in the mutuality of the contract, as they change and evolve over time, and there are several contract makers present in the company who include immediate supervisors, co-workers and HR departments (Rousseau, 2004). Rousseau further states that the psychological contract gives employees the feeling that they are able to influence their destiny in the organisation since they are party to the contract.

According to Rousseau (2001) psychological contracts appear to develop in a variety of ways, often during the actual recruitment process. Some of the perceptions and beliefs stem from explicit information given in a contract or at the interview, for example information about salaries and working hours (Rousseau, 1995). Other perceptions and

beliefs by the (potential) employee develop through gathering information from a variety of sources, such as, job announcements, recruiters, interviewers, supervisors, and co-workers.

Psychological contracts as viewed by employees can be transactional, transitional, relational, or balanced (Rousseau, 2000; 2004; Thompson & Bunderson, 2003). Transactional contracts are of short term duration, primarily focused upon economic exchange, with clearly specified roles and responsibilities. Relational contracts are about the exchange of socio-emotional currency in exchange for the organisation providing continued training and development, as well as long-term job security. This type of contract is seen as the more valuable type for firms dependent on employees for their future sustainability, as they are encouraged to contribute their commitment and loyalty to the organisation in exchange for their professional development (Flood et al*.,* 2001; Rousseau & McLean Parks, 1993, Thompson & Bunderson, 2003).

Balanced psychological contracts are open-ended arrangements with both parties contributing to each other's learning and development, conditioned on the economic success of the employer. Transitional contracts refer to a "state of mind" reflecting the consequences of organisational change and transition that is at odds with a previously established employment arrangement, for example, a disruption of the psychological contract, and is evidenced in mistrust, uncertainty and an erosion of expectations (Rousseau, 2004).

Basically, the psychological contract is more often regarded as an agreement between adults (Spindler, 1994) rather than a paternalistic arrangement in which the employer as parent attends to the needs of the employee as child. It is understood that the contract that is formed between adults resembles more of a "covenant" than a contract, since it rests "on a shared commitment to ideas, to issues, to values, to goals, and to management processes"(p.341).

### *2.5.2.1    Function of the psychological contract*

A psychological contract emerges when one party believes that a promise of future return has been made, a contribution has been given, and thus, an obligation has been created to provide future benefits (Robinson & Rousseau, 1994). As beliefs in reciprocal

and promised obligations between employee and employer, psychological contracts can, when violated, generate distrust, dissatisfaction, and possibly the dissolution of the relationship itself (Rousseau, 1989). Fulfillment of a psychological contract functions as a communication variable representing the organization's commitment to fulfill their promises. This commitment sends a message to the employee that the organization values them and their work and can serve to decrease an employee's anxiety and uncertainty regarding the unknown value they hold. When promises are not fulfilled, the message from the organization is that the employee is not valued enough to follow through on promises made to them.

The psychological contract also implies that an individual has a variety of expectations of the organisation and that the organisation has a variety of expectations of the individual. Expectations such as these are not written into formal agreements between employer and organisation, yet they operate powerfully as determinants of behaviour (Roehling, 1997). This contract between employers and employees is continuously changing. There is no long-term job security anymore, and employees do not necessarily want boring day-in and day-out jobs, simply to earn a big enough pension to retire. According to Harter (2001), employees want to engage with work that has meaning and is an extension of their personalities and dreams.

Each employee's psychological contract is unique as each employee has his or her own innate set of expectations, yet it is possible to divide these contracts into two broad categories, namely **relational** and **transactional contracts.** Relational contracts are based on trust and loyalty, while transactional contracts are based on financial gain and an expectation of a short term advantage in return (Garrow, 2003).

### 2.5.2.2        *Violation of the psychological contract*

According to Rousseau and McLean Parks (1993), psychological contract violations occur when an employee perceives that the organization has failed to fulfill one or more of its obligations comprising the psychological contract. There are two basic causes of such violations: *reneging* and *incongruence* (Morrison & Robinson, 1997; Rousseau, 1995). Reneging occurs when the organization knowingly breaks a promise to the employee, either on purpose or because of unforeseen circumstances. In contrast, incongruence occurs when the employee and the organization have different

understandings regarding who has lived up to what promises. Therefore, under incongruence, the organization believes that it has lived up to its commitments, but the individual perceives that the organization has failed to keep one or more of its promises.

Violations of the psychological contract produce a more intense reaction because of the association with general beliefs about respect, codes of conduct, and other relationship behaviours. Guest (1998) concludes that unmet expectations cause moderate dissatisfaction and violation of psychological contracts reflects strong dissatisfaction because of broken promises. Guest (1998) has also noted a strong correlation between job dissatisfaction and contract violation and studies have confirmed that there is a mediating effect between these two variables. This would suggest that continuous dissatisfied or unhappy employees would be more prone to psychological contract violation. If employees are already dissatisfied they may become more vigilant in noticing salient discrepancies in their perceived psychological contracts, particularly the relational aspects.

Kim (2009) found that employees who perceived that they were treated fairly by their company tended to develop and maintain communal relationships (psychological contract) with the company and were more likely to show commitment, trust, satisfaction, and control mutuality than when they perceived that they were treated unfairly.

It is important to remember that the psychological contract is all about reciprocity, and the difference between an expectation and an obligation can mean the difference between feelings of simple disappointment and outright feelings of violation and injustice (Millward & Brewerton, 2000). This would mean that what occurs in the exchange relationship may not be regarded as a discarding of obligation or responsibility, but rather a disillusionment or discontent with an action. The status of the psychological contract mediates the perceived practices of the employer regarding whether employees stay or not, referred to as "retention-relevant outcomes" (Guzzo, et al., 1994).

The psychological contract changes because an employee's perception changes. After all, the psychological contract is an inherently perceptual matter, reflecting what the employee believes he or she is expected to provide the employer (with respect to the

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employment relationship) and what the employer owes the employee in return (Rousseau, 1989).

Changes in the psychological contract can occur at any stage of organizational attachment, as early as the recruitment stage and on toward retirement. The strength of the psychological contract has been measured and can be used as a way to gauge the status of the employment relationship (Rousseau, 1995). Every employee experiences ups and downs in encouragement and disappointment in their employment relationship. One employee may have a fairly strong psychological contract, whereas another employee may have experienced more ups and downs in the employment relationship so that their psychological contract strength may be much lower than that of other employees in that organization (Rousseau, 1995).

Generally, employees go on with their work and there may appear to be no changes in the employment relationship. However, as discussed earlier, changes are imminent, and may be gradual and unnoticeable, resulting in a shift outside the zone of tolerance (Rousseau, 1995). Employees may not realize such changes in the psychological contract have occurred. A basic model of the psychological contract represents a basic view of the Psychological Contract, significantly including the influential factors, the expected outcomes and the support structures which are often overlooked in attempting to appreciate and apply Psychological Contract theory.Figure 2.8 below provides a straightforward interpretation of these factors and influences operating in Psychological Contracts.
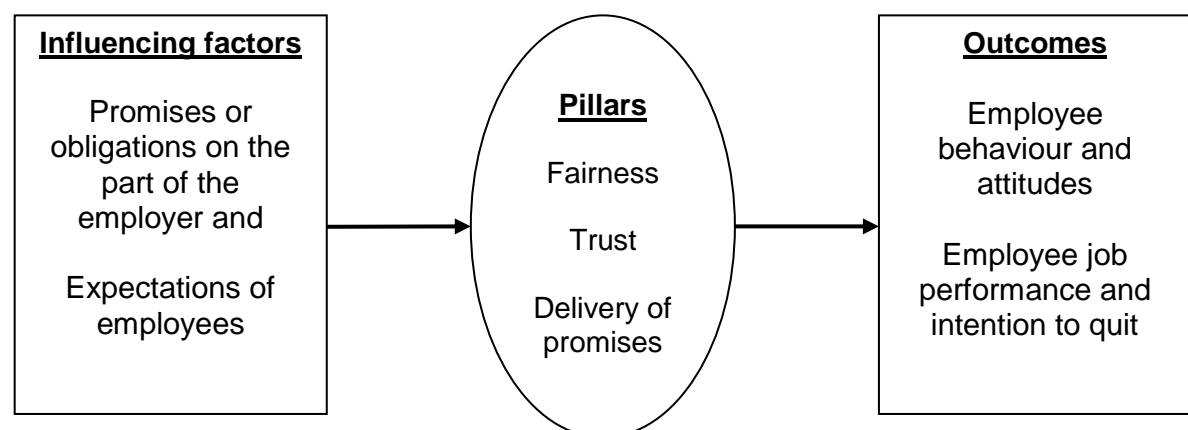


*Figure 2.8:* A simplified model of the psychological contract(CIPD Report, 2006)

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

i.    The extent to which employers implement Human Resource policies and activities influence the state of the psychological contract.

ii.   The state of the psychological contract reflects employees' sense of fairness, perception of trust and the belief that the employer will deliver inferred promises.

iii.  The more positive the psychological contract, the greater job satisfaction and organisational commitment are and less absence at work (Guest & Conway, 2004).

When any organisation restructures, such as with a merger, an altered employment relationship develops in which the psychological contract plays an essential role. The psychological contract should not be a rigid unwritten set of expectations, but should be flexible enough to accommodate the new changes in the organisation (Rousseau, 2004).

With a merger a new deal is negotiated during which new principles, beliefs and expectations are established for the new relationship. The psychological contract will contain these new expectations and beliefs. However, establishing a new relationship is not an easy task, as a result of the uniqueness of people. People within institutions demonstrate different behaviours which ultimately influence the change process (Dackert, Paul, Sten-Olof &Curt, 2003). According to Skodvin (1999), the dynamics of the merger process focus on factors such as risk, uncertainty, conflict and negotiation associated with change.

These contracts are psychological in that they are constructed in the minds of individuals. They are not written or formalised, although some of the terms of the contract may be based on written documentation or other formal communications. Psychological contracts are wholly perceptual. They are beliefs about objective facts but are not necessarily congruent with objective facts. The contracts are constructed by individuals through their understanding and interpretation of information they have received from a variety of sources. Psychological contracts, therefore, are a set of beliefs, based on perceptions and held in the minds of individuals, about their obligations to other parties and other party's obligations to them.

### 2.5.3        Organisational justice

The concept of organisational justice has been studied extensively over the past years. The concept of justice and fairness permeates many actions and reactions that occur in organisations and is essential to the functioning of modern society. This is because when a decision, procedure or interaction is seen as inappropriate, employees will usually experience a fairness violation (Nowakowski&Conlon,2005). Justice perceptions, and specifically the relationship between fairness and various organisational outcomes, such as valued attitudinal and behaviour outcomes (for example, satisfaction, turnover, withdrawal and organisational commitment), have been directly linked in recent research (Colquit et al., 2001).

### *2.5.3.1        Conceptualisation of organisational justice*

Justice in organisational settings can be defined as the focus on the antecedents and consequences of two types of subjective perceptions, namely the fairness of outcome distribution and allocation and the fairness of the procedures used to determine outcome distributions and allocations (Colquitt et al., 2001). According to Greenberg (2001), organisational justice attempts to describe and explain the role of fairness in the workplace. One of the primary benefits of organisational justice is that it can be used to explain a wide variety of organisational behaviours. When practices are perceived to be unfair, they cause frustration, threaten employees' self- and social images, and, in some instances, even produce moral outrage (Greenberg, 1990).

Research has established that people's perceptions of fairness and justice are largely based on their norms and values (Greenberg, 2001). What people believe to be fair depends on their repeated exposure to specific standards and instilled expectations that form the basis of fairness assessments. However, when people have internalised different norms and values, they may have different perceptions of fairness. If behaviour complies with these expectations it is considered fair, whereas violation of these expectations is considered unfair (Beugre, 2005; Greenberg, 2001).

People internalise these different norms and values mainly because they come from different cultures (Greenberg, 2001). In general, people agree that justice is important, but they often define it differently in practice. Thus, understanding peoples' perceptions

of fairness also requires taking into account the norms that prevail in their specific culture (Greenberg, 2001).

In specific contexts, such as organisational layoffs, employee selection and performance appraisals (Taylor et al., 1995), individual reactions were found to be a function of perceptions of fairness. Furthermore, the extent to which individuals perceive justice in the organisation was related to positive outcomes, such as job satisfaction, organisational commitment, citizenship behaviours and actual turnover (Tepper, 2000). Recent research showed that the relationship between justice perceptions and individual behaviours is mediated by social exchange relationships (Masterson et al., 2000).

### 2.5.3.2     *Forms of organisational justice*

Earlier justice research focused primarily on distributive justice that involved the perceptions of the fairness of the distribution and allocation of outcomes. Further studies have led to the investigation of other forms of justice, such as procedural and interactional justice. A recent study by Cropanzano, Slaughter and Bachiochi (2005) established that individuals do not base their judgements of fairness only on the outcomes (distributive justice) they receive. They also evaluate the process (procedural justice) by which these are received, as well as the interpersonal treatment they experience in the process (interactional justice).

Colquitt et al. (2001) advocate the distinction between the various forms of justice rather than viewing justice as a single variable, while Copranzano et al. (2005) confirm the interaction between the different forms of justice. The key advantage of representing justice in this manner is that identifying specific forms of justice makes it easier to identify the elements that might be lacking and to recommend changes to enhance fairness perceptions (Nowakowski & Conlon, 2005; Reb et al., 2006).

### 2.5.3.3     *Distributive justice*

The first fairness construct studied was distributive justice. Adams (1965) originally defined this form of justice in terms of equity. According to Adams (1965), people determine fairness by evaluating their perceived inputs relative to the outcomes they receive. Then they compare this ratio to some referent standard to establish whether the

outcomes are fair in relation to their inputs.

Because determining the concept of "contributions" or "inputs" can be difficult, different operative definitions of equity have emerged. Thus, various equity rules exist, such as past performance, tenure and rank. Most people support the allocation rule that favours themselves over others (Nowakowski & Conlon, 2005). However, equity is not the only standard that can be applied to determine a fair outcome (Nowakowski & Conlon, 2005). For example, equality rules argue that people should be rewarded equally, everyone receiving exactly the same or having the same opportunity to receive the reward. Other rules, such as needs rules, argue that people should be rewarded based on their need or level of deprivation. Some researchers also suggest a distinction between allocations based on business needs and those based on personal needs. The rules of equity, equality and need may be applied in different situations in organisations. For instance, salary increases are typically based on past performance (equity), while everyone might receive the same set contribution towards their medical aid payments (equality), or the printing department may be allocated a bigger stationery budget or more office space (business need) (Nowakowski & Conlon, 2005). However, there is little agreement on when each type of rule should be used or when the rule will be viewed as most fair.

Studies have shown that people from different cultures favour different rules for distribution or allocation of outcomes (Greenberg, 2001). When allocating rewards, Americans, for example, generally favour the equity rule; people from India prefer distribution based on need, while those in the Netherlands favour the equality rule for distribution (Greenberg, 2001).

### 2.5.3.4 *Procedural justice*

The justice literature became more complex with the introduction of procedural justice as a complement to distributive justice. Original work on procedural justice was conducted in the context of legal procedures. Researchers noticed that parties in dispute resolution procedures not only responded to the outcomes they received, but also to the process that was followed in determining these outcomes (Nowakowski & Conlon, 2005). This resulted in the development of the construct of procedural justice. This is defined as the fairness of the process that is used to arrive at decisions (Nowakowski & Conlon, 2005). Central to the development of procedural justice is the

work done by Thibaut and Walker (1975). They determined that control or influence over the process, also called "voice", plays an important role in creating high levels of procedural justice.

Further work by Leventhal (1980) suggested that procedures in dispute resolution had to meet six criteria in order to be fair, namely:

- Accuracy: The procedures must be accurate and information presented by both parties must be honest and correct.
- Consistency: The same procedure must be used with all people and it must be the same procedure every time.
- Ethical: Procedures must conform to the prevailing morals and ethics.
- Correctable: There must be a mechanism to correct or change bad decisions.
- Bias suppression: The person making the decision (third party) does not have a vested interest in the outcome or make decisions based on personal beliefs.
- Representation: An opportunity for both parties to state their case must be provided, thus providing the "voice" or process control.

### 2.5.3.5    *Interactional justice*

The focus of research on justice gradually moved away from legal procedures towards organisational procedures. One of the reasons for this was that in organisations a variety of situations lend themselves to the use of procedures. Variations in these procedures and outcomes occur with organisational decisions, for example, regarding selection and salaries (Nowakowski & Conlon, 2005). The application of justice theory to organisations has made evident certain issues in terms of procedures and outcomes. For example, in the same company the same supposedly fair procedure could create very different employee reactions, depending on the way in which different managers implement and enforce the procedure. Bies and Moag (1986) initially referred to this aspect of justice as interactional justice.

Interactional justice is further differentiated into two separate forms of justice, namely interpersonal and informational justice (Greenberg, 1993). These two forms focus more on the behaviour of the decision-makers than on the structural aspects of procedures or the specific outcomes (Nowakowski & Conlon, 2005).

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In summary, interactional justice is the most relevant justice perception for employee-employer relationships. When individuals perceive that they are being treated with honesty, respect, and openness, they perceive high levels of interactional justice. Given that individuals are in constant interaction with their team members and leaders, both leaders and team members may be held responsible for interactional justice perceptions (Masterson et al., 2000).

Distributive justice has its origins in equity theory (Adams, 1965), which argues that individuals compare their input–output ratios with those of others in order to determine the level of fairness. When individuals perceive inequity, they modify their effort, or change their perceptions of inputs or outcomes (Robbins, Summers & Miller, 2000).

According to Folger and Skarlicki (1999), employees' negative feelings about or resistance to change can be overcome by applying fairness principles.  Fairness principles provide an opportunity to mitigate some of the adverse organisational consequences of individuals' resentment-based resistance to change. However, an organisation's obligation to employees entails more than fair treatment with respect to the salaries and benefits given in exchange for labour (distributive justice), and more than fair treatment regarding the implementation of policies and procedures that determine those levels of compensation (procedural justice). In addition, organisations have a moral obligation to treat an employee with sufficient dignity as a person (interactional justice).

Colquitt etal. (2001) focus on nine different outcomes that are most commonly researched in the organisational justice field. These outcomes include: outcome satisfaction; job satisfaction; organisational commitment; trust; evaluation of authority; organisational citizenship behaviours (OCB's); withdrawal; negative reactions; and performance. Table  2 .1provides a summary of these key organisational outcomes and the form of justice that plays a role in each.

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Table 2.1

*Organisational outcomes and related forms of justice*

| OUTCOME | FORM OF JUSTICE |
| --- | --- |
| Outcome satisfaction | Distributive |
| Job satisfaction | Procedural |
| | Interactional |
| Commitment | Distributive |
| | Procedural |
| Trust | Procedural |
| | Interactional |
| Evaluation of authority | Distributive |
| | Procedural |
| Organisation commitment behaviours (OCB) | Procedural |
| Withdrawal | Distributive |
| | Procedural |
| | Interactional |
| Negative behaviour | Interactional |
| Performance | Procedural |

### 2.5.3.6    Antecedents of justice perceptions

*Employee Participation*

One antecedent to justice perceptions is the extent to which employees feel that they are involved in decision-making or other organizational procedures. Higher levels of justice are perceived when employees feel that they have input in processes in contrast towhen employees do not perceive that they have the opportunity to participate (Bies & Shapiro, 1988;Folger &Greenberg,1983). The opportunity or ability to participate in decision-making improves an individual's perceptions of procedural justice, even when the decision is unfavourable to the individual (Bies & Shapiro, 1988). In addition, other studies have shown that employee input is related to both procedural and interpersonal justice perceptions (Kernan & Hanges, 2002).

A second antecedent to organizational justice perceptions is organizational communication with employees. Communication has been shown to be related to interpersonal and informational justice perceptions (Kernan & Hanges, 2002). The

quality of communication by an organization or manager can improve justice perceptions by improving employee perceptions of manager trustworthiness and also by reducing feelings of uncertainty (Kernan & Hanges, 2002). It is important that the information provided be accurate, timely, and helpful in order for the impact on justice perceptions to be positive (Schweiger & DeNisi, 1991).

Justice perceptions can be influenced by others, such as co-workers and team members. Team level perceptions of justice form what is called a 'justice climate,' which can impact individuals' own views of justice (Li & Cropanzano, 2009). Employees working within a team may share their perceptions with one another, which can lead to a shared interpretation of the fairness of events (Roberson & Colquitt, 2005). Individuals can "learn" justice evaluations from team members and these can lead to homogeneity of justice perceptions within teams, creating a strong justice climate (Roberson & Colquitt, 2005). Thus, group-level perceptions of justice can be conceptualized as an antecedent to individuals' justice perceptions.

Employees' perceptions of injustice within the organization can result in a myriad of outcomes both positive and negative. Outcomes are affected by perceptions of organizational justice as a whole or by different factors of organizational justice. Commonly cited outcomes affected by organizational justice include trust, performance, job satisfaction, organizational commitment, organizational citizenship behaviours (OCBs), counterproductive work behaviours (CWBs), absenteeism, turnover and burnout.

One of the key constructs that has been shown to play a role in the formation of justice perceptions is affectivity. The precise role of affect in justice perceptions depends on the form of affectivity being examined (emotions, mood, disposition), as well as the context and type of justice being measured. Affectivity may serve as an antecedent, outcome, or even a mediator of organizational justice perceptions.

### 2.5.3.7    The significance of organisational justice in the workplace

The significance of treating employees in a fair manner has been demonstrated by research carried out in different contexts (e.g., layoffs, drug testing and pay cuts) in both laboratory and field settings (Konovsky, 2000). It has consistently been shown that perceptions of fairness or justice relate to important work attitudes and behaviours like OCB, turnover intentions, organisational commitment, employee theft, job satisfaction and work performance (Cohen-Charash & Spector, 2001; Colquitt et al., 2001; Folger & Konovsky, 1989; Greenberg 1990a, 1993a; Masterson, Lewis, Goldman & Taylor, 2000; Moorman, 1991).

Bies (2001), in contrast, had found that the reactions to injustice may include anger and feelings of betrayal, which in efforts to restore justice, may contribute to retaliatory behaviour (Bies & Tripp 1996, 2001). As a result of unfair treatment, employees may engage in counterproductive work behaviours (may damage the property or spread rumours) and turnover (Colquitt et al., 2001; Cropanzano et. al., 2001). There is also sufficient evidence in the literature that dissatisfied employees retaliate directly when faced with organisational injustice, by theft, vandalism and sabotage, or indirectly with withdrawal of OCB, psychological withdrawal and resistance behaviour (De More, Fisher & Baron, 1988; Greenberg & Scott, 1996; Homans, 1961; Hulin, 1991; Jermier, Knights & Nord, 1994).

### 2.5.3.8    Relationships between organisational justice and various outcomes

In an organisational system, justice is important at least from two perspectives: (a) "it is an important end in itself – a virtue that organisations should pursue" (Rawls, 1971) and (b) "because of negative consequences that result from its absence" (Adams, 1965; Crosby, 1984). Therefore, a just workplace is a desirable goal.

The perspective of negative outcomes has substantial support in organisational justice and when individuals consider management's decisions and actions to be unfair or unjust, they undergo feelings of anger, outrage and resentment (e.g., Folger, 1987; Greenberg, 1990b; Sheppard, Lewicki & Minton, 1992; Skarlicki & Folger, 1997). Research has shown that affected employees not only become angry but they might also retaliate or even display the opposite reaction, by becoming disengaged.

### 2.5.3.9    Organisational justice's effect on job performance

Job performance represents "employees' adherence to and completion of formal job duties" (Katz, 1964, p. 134). Perceptions of distributive and interactional justice have a weak relationship with performance. However, perceptions of procedural injustice have a moderate to strong relationship with performance (Colquitt et al., 2001). In other words, perceived procedural injustice may affect performance negatively.

### 2.5.3.10    Organisational justice's effect on job satisfaction

Job satisfaction can be defined as "a positive feeling about one's job resulting from an evaluation of its characteristics" (Robbins et al., 2008, p. 21). Job satisfaction further refers to the satisfaction an individual feels with the conditions of his or her job in general. Job satisfaction may be influenced by perceptions of procedural justice. If employees perceive procedures to be unfair, they will report lower general job satisfaction. Interpersonal justice, that is, how they are treated, also plays a role in overall satisfaction (Coetzee, 2005; Colquitt et al., 2001).

As for justice dimensions, both distributive and procedural justice have been found to have positive effects on job satisfaction among correctional workers (Lambert, 2003). However, some researchers has found procedural justice to be highly correlated with job satisfaction (e.g., Mossholder, Bennett & Martin, 1998; Wesolowski & Mossholder, 1997) while others have shown distributive justice to predict job satisfaction more strongly than procedural justice (McFarlin & Sweeny, 1992) in line with the two factor theory argument. The theory suggested that organisation-referenced outcomes are predicted by procedural justice and person–referenced outcomes by distributive justice. Furthermore, Masterson, Lewis et al. (2000) showed procedural justice to predict job satisfaction more strongly than interactional justice, although both had significant independent effects.

Furthermore, Goldman et al. (2000) showed procedural justice to predict job satisfaction more strongly than interactional justice, although both had significant independent effects. However, Cohen-Charash et al. (2001) found in their meta-analysis that general job satisfaction is similarly and relatively highly related to all three justice types, meaning that there is a positive association between justice dimensions and job satisfaction.

### 2.5.3.11 *Organisational justice's effect on organisational commitment*

Organisational commitment reflects an overall systematic reaction of employees towards the organisation for which they work (Colquitt et al., 2001). It is also defined as "the degree to which an employee identifies with a particular organisation and its goals and wishes to maintain membership in the organisation" (Blau & Boal, 1987,

p. 290). There are three separate dimensions to organisational commitment (Robbins et al., 2008) which are: **Affective commitment,** which is "An emotional attachment to the organisation and a belief in its values". **Continuance commitment which** refers to" The perceived economic value of remaining with an organisation compared to leaving it" and **Normative commitment which** can be described as "An obligation to remain with the organisation for moral or ethical reasons".

Although both distributive and procedural justice are key predictors of work place attitudes, research generally demonstrates that procedural justice explains a greater proportion of the variance in organisational commitment (Folger & Konovsky 1989; Konovsky, Folger & Cropanzano 1987; Martin & Benettt 1996; McFarlin & Sweeney, 1992). Tyler et al. (1997) argued that when researchers distinguish between procedural and distributive justice, they often find that procedural justice is more influential in predicting a variety of attitudes including commitment.

Affective commitment, being an organisational outcome, is usually expected to be associated mainly with procedural justice, rather than distributive justice (Konovsky & Cropanzano, 1991). Cohen-Charash et al. (2001) also supported this prediction that affective commitment has a significant and stronger relationship with procedural justice than distributive justice or interactional justice, although the latter two are highly related to commitment as well.

Continuance commitment, on the other hand, is usually predicted to be unrelated to justice (Konovsky & Cropanzano 1991). However, Cohen-Charash et al. (2001) found that continuance commitment is negatively related to procedural and interactional justice. That is, when employees perceive fairness in procedures and respectful treatment, they perceive themselves to have more investments in the organisation and will therefore not leave it. However, when procedures and treatment are unfair, one will likely feel that there is little to lose by moving to a new employer.

As for normative commitment, people may feel obliged to the organisation because of its fair procedures, again, supporting a social exchange view of organisational justice. The meta-analysis findings demonstrate that multiple aspects of organisational commitment are related to multiple justice types indicating that the role justice plays in organisational commitment is stronger than its role usually assumed (Cohen-Charash et al., 2001).

### 2.5.3.12  *Organisational justice's effect on withdrawal*

Withdrawal includes behaviours and intentions such as absenteeism, turnover and neglect of duties. This behaviour can occur as a result of a negative evaluation of the organisation as a whole, or it may be based on a single unsatisfactory outcome or an interpersonal experience with a person in authority (Colquitt et al., 2001). Thus, perceptions of distributive, as well as procedural and interactional injustice, can influence withdrawal behaviour.

### 2.5.4  Affectivity

According to Rothmann (2003), measuring employees' effectiveness in coping with the demands in the workplace and stimulating their growth in areas that could possibly impact on individual well-being and organisational efficiency and effectiveness are crucial. It appears that job insecurity may affect employees' levels of burnout and work engagement and that affectivity may also influence the stress outcomes of these relationships.

Personality dispositions such as positive and negative affectivity, were found to play a role in the stressor-strain relationship, and are therefore expected to influence the relationship between job insecurity and work engagement.

Positive affectivity is characterised by positive feelings experienced across situations, by sociability, social dominance, energy, adventurousness and ambition. Negative affectivity on the other hand is characterised as a reflecting neuroticism, a low level of self-esteem and an exhibition of frequent negative emotions. (Meeks & Murrell, 2001). Individuals featuring high on negative affectivity and low on positive affectivity respectively are expected to experience the outcomes (work disengagement) of job

insecurity as being more severe than those measuring low on negative affectivity and high on positive affectivity.

Negative and positive affectivity are viewed as relatively permanent and stable dispositions (Meeks & Murrell, 2001).

### 2.5.4.1    *Definition of affectivity*

Affect is a broad construct, referring generally to the experience of emotion, either pleasant or unpleasant, with varying levels of intensity, arousal, duration, and triggers or patterns of activation. Negative (or unpleasant) affectivity refers to a dispositional tendency to experience aversive emotional states; to perceive the world as threatening, problematic, and frustrating; and to demonstrate heightened reactivity to stress. Positive (or pleasant) affectivity refers to a dispositional tendency to experience pleasant or rewarding emotional states, willingness to actively engage in the environment, and low reactivity to unpleasant stimuli (Horan & Blanchard, 2003; Watson & Tellegen, 1985).

Watson and Clark (1984) define affect as an umbrella term which includes a broad range of feelings that individuals experience, including *feeling states*, which are short term affective experiences, and *feeling traits,* which are more stable tendencies to feel and act in certain ways Weiss (2002) defined it as "a positive (or negative) evaluative judgment one makes about one's job or job situation" (p184.)

Dispositional affect can be examined through an approach that summarizes the wide variety of possible human affective experiences into a few critical underlying dimensions. It emphasizes aspects of trait pleasantness (e.g. Staw & Barsade, 1993) or a combination of the pleasantness and energy dimensions, creating the two independent constructs of positive affectivity (PA) and negative affectivity (NA) (Watson, Clark, & Tellegen, 1988).

Positive affect and negative affect, which are aspects of employees' happiness, may on their own, or in interaction with job insecurity, lead to burnout and work engagement, or even disengagement in the event of negative affect(Watson, 2002).Affect can be assessed as a short-term state or long-term trait. Watson (2002)further explains that, viewed as a long-term trait, these constructs are typically referred to as negative and positive "affectivity".

### 2.5.4.2 *Positive affectivity*

Judge et al. (1999) identify seven dispositional traits that predict management's ability to cope with change. These seven traits are (a) locus of control; (b) self-efficacy; (c) self-esteem; (d) positive affectivity (underlying personality disposition manifested in characteristics such as well-being, energy, and affiliation); (e) openness to experience; (f) tolerance for ambiguity; and (g) risk aversion (propensity of individuals to avoid risk). The seven traits were related to each other, thus allowing the authors to group them into two independent factors. These factors were labeled positive self-concept and risk tolerance.

The positive self-concept factor was composed of internal locus of control, positive affectivity, self-esteem, and self-efficacy. The risk tolerance factor was composed of openness to experience, low risk aversion, and tolerance for ambiguity. Six of the seven traits (all but risk aversion) were positively related to a positive coping with organisational change. Risk aversion was negatively related. These findings were consistent with both self-reports and independent assessments.

When looking at the relationship between coping and the two factors, it is then clear that having a positive self-concept and a high tolerance for risk helps a manager cope with the transformation that he or she may be experiencing within an organisation. The authors also explored the relationships between coping with organisational change and the following career outcomes: (a) job satisfaction; (b) organisational commitment; (c) extrinsic career outcomes (salary, ascendancy-past and prospective movement); and (d) job performance. Coping successfully with transformation was also related positively to these career outcomes, thereby implying that individuals, who are more successful, will adapt better. Perhaps, this adaptability allowed them to be successful.

Therefore, positive affectivity will increase affective commitment and in turn increase the individuals' commitment to organisational output (Peccei & Rosenthal, 1997).

### 2.5.4.3 *Negative affectivity*

The second variable of interest in the study is Negative Affectivity (NA), which is a trait that describes the tendency of an individual to experience a variety of negative emotions across time and situations. Individuals high in negative affectivity are

characterized as being easily distressed, agitated, upset, pessimistic, and dissatisfied. Individuals characterized by high negative affectivity tend to view themselves negatively and dwell upon mistakes, disappointments, threats and shortcomings.

Watson and Clark (1984) defined negative affectivity (NA) as a mood-dispositional dimension reflecting pervasive individual differences in the experience of negative emotion and self-concept. Trait anxiety and neuroticism are commonly used measures of negative affectivity. According to Watson and Clark, individuals high in Negative Affectivity tend to have a negative view of self, and experience a wide range of negative mood states such as nervousness, distress and tension.

Bosman et al. (2005) confirm that individuals who experience low levels of positive affectivity and high levels of negative affectivity, also experience lower levels of work engagement and higher levels of exhaustion/disengagement.

Oshagbemi (2000) describes job satisfaction, for instance, as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. However, selective perception may result in positive and negative affectivity (dispositional tendencies to experience pleasant or unpleasant emotional states), which may impact on job satisfaction (Agho et al., 1992). For instance, an employee high in positive affectivity may selectively perceive the favourable aspects of the job, and thereby increase job satisfaction. Furthermore, Agho et al. (1992) argues that positive and negative affectivity impacts not only directly on job satisfaction, but may "contaminate, or bias the measurement of other exogenous variables believed to be determinants of satisfaction" (p.186). Thus job satisfaction research has to control for the affectivity variable.

### 2.5.4.4    *Affectivity and burnout*

Iverson, Olekalns and Erwin (1998), had discovered that negative affectivity will increase one's susceptibility to events that result in negative experiences or emotion and the rate at which stressors are reported, because people who score high on negative affectivity have:

- a predisposition to interpret situations negatively
- an increased tendency to process information selectively that emphasises the

negative aspects of the situation

- a decreased tendency to actively control the environment, as reflected by the use of lower direct coping strategies in stressful situations

To summarize, job affect is important since real-time affective experiences may be one of the mechanisms by which work context features (such as job design or superior's leadership style) and individual differences (such as negative affectivity) eventually influence cognitions about the job and subsequent judgment-driven behaviours such as quitting (Fisher, 2000). If organisations seek to improve the quality of work life, job affect as an important contributor to job satisfaction and attitudes, will require serious consideration, since affect influences overall judgment independent of beliefs (Weiss & Cropanzano, 1996). Efforts to improve mood and emotions at work may result in better job attitudes and a resultant ripple effect. Fisher (2000) also states that in the work contextit is important to note that, "whilst it may be difficult to control mood as such, due to its decidedly vague and diffuse causes, events that provoke specific positive and negative emotions may be more readily" (p. 188). The author concludes that the net positive affect at work is more influential than the intensity of affect in influencing satisfaction. Organisations should thus attempt to free the work environment of the many minor irritations and hassles that tip the scale to more frequent, (even minor) negative effect. Employers should seek to build in more frequent positive reinforcements or 'uplifts,' rather than infrequent but more intense formal promotions, awards, public celebrations, *etcetera,* if they wish to enhance job attitudes.

## 2.6    Overview

The aim of the Literature Review was to explore in more detail the theory pertaining to the research question. It was the researcher's intention to examine more closely those variables that give rise to engagement/disengagement, counterproductive workbehaviour and burnout as possible factors associated with the pre- or post-merger appointment of employees. At the outset, it was imperative to understand the background to mergers and to comprehend the meaning of 'stress' and the various stressors and how they relate particularly to dysfunctional behaviour in the bank environment. An exploration of the various organisational and occupational stressors was conducted, setting the scene for differentiating between persons appointed pre-and post-merger.

The concept of engagement was thoroughly investigated by making use of the Job-demands Resources Model as a guiding framework for understanding the factors that elicit engagement in the bank environment. The variables that were presented were: job insecurity, organisational changes, organisational justice and affectivity. Engagement was defined and observed in many forms, but it centred on performing challenging work that allows for personal growth in an environment where meaningful interpersonal relationships can be developed and sustained. The psychological contract was defined and conceptualized as an important ingredient to a healthy relationship between employer and employee, thereby ensuring sustainability of any business.

In this chapter the meaning of organisational justice was discussed with a view to explaining how employees make fairness judgments. The discussion overviewed theories from procedural justice, distributive justice and interactional justice. Employees may respond in various ways to a perceived injustice.  They can live with it, change their behaviour to remove the injustice, rationalize it or leave the organization.  The experience of injustice is harmful to individuals and organizations – hence the need for organizations to eliminate injustice, provide accessible and effective mechanisms for responses to injustices and allow employees to voice their concerns.

## CHAPTER 3
## RESEARCH METHODOLOGY

### 3.1        Introduction

This chapter presents the overall plan of the research that was conducted and the structure that was used in order to obtain answers to the research-initiating questions. Before elaborating on the research design and methodology, it is necessary to revisit the objectives of this study. In summary, the purpose of the research was:

> ➢ To investigate whether differential exposure of employees of a retail bank to change-related stressors is associated with different configurations of perceived job demands and job resources, affective states, psychological contract, job engagement, burnout and counterproductive work behaviour, and to study the relationships between these variables with the view to understanding the development of the job engagement, burnout and performance-related behaviours of these employees.

The specific objectives are:

Objective 1:   To verify the psychometric properties of the selected measurement instruments.

Objective 2:   To study the descriptive information associated with the responses of the respondents in terms of the diagnostic implications thereof.

Objective 3:   To compare the group differences in perceived job demands and resources, affective states and psychological contract among employees from the Acquired Bank, and employees from the Newly Merged Bank.

Objective 4:   To compare the group differences in job engagement, burnout and counterproductive workplace behaviour among employees from the Acquired Bank, and employees from the Newly Merged Bank.

Objective 5:   To study perceived job demands and resources, affective states and psychological contract as predictors of job engagement, burnout and counterproductive workplace behaviour respectively within each employee group.

Objective 6:    To provide the retail bank under study with a diagnosis of the working environment within the bank and to offer recommendations with respect to the management of the challenges encountered.

## 3.2        Research Design

An empirical, exploratory study was undertaken to find answers to these above-mentioned objectives.  An exploratory study is "a valuable means of finding out what is happening; to seek insights; to ask questions and to assess phenomena in a new light" (Saunders, Lewis & Thornhill, 2007, p. 133). Exploratory studies are essential and can almost always yield new insights for research (Babbie & Mouton, 2006). Furthermore, this study followed a correlational, ex post facto design. Leedy (1997) describes this as "making careful descriptions of observed phenomena and/or exploring the relationships between different phenomena" (p.232). The ex post facto or causal-comparative research is used for this facet of the research project. This describes relationships between something that occurred in the past (after the fact) and subsequent responses. The intent is to uncover possible cause-and-effect relationships among these phenomena (Leedy, 1997).

The reason for using this type of design was to determine the impact of the retail bank merger on, and the relationship between, work engagement, burnout and the counterproductive work behaviour of employees. An *ex post facto* design entails a systematic empirical enquiry in which the scientist does not have direct control over the independent variables under investigation, because their manifestations have already occurred (Kerlinger & Lee, 2000).

*Ex post facto* designs do not allow for the random assignment or experimental manipulation of variables as is the case in the experimental designs. This resultant lack of control is a major source of erroneous interpretations that may originate from explanations of complex events (Kerlinger & Lee, 2000). The other drawback of *ex post facto* designs relates to a lack of power to randomise, as well as the inability to manipulate the interpretations. In order to deal with the inherent weaknesses of the ex post facto design, clearly formulated hypotheses are required.

The instrument used to gather the data consisted of a self-compiled questionnaire comprising of 6 sub-sections.

Dessler (2000) points out the following in terms of using questionnaires as a method of data collection:

- ➢ It is a quick and efficient way to obtain information from a large number of individuals;
- ➢ It is less costly than interviewing a vast number of people; and
- ➢ Questionnaires secure participants' anonymity.

The major drawbacks of using questionnaires are however, outlined by Bless and Higson- Smith (1995):

- ➢ the response rate for questionnaires tend to be low;
- ➢ the literacy levels of respondents are not known to the researcher in advance; and
- ➢ the researcher runs the risk of receiving incomplete questionnaires that will have to be discarded.

This research further involves a descriptive-diagnostic study, as this study is concerned with describing the characteristics of employees of the retail bank.This means that the status of these various variables will be determined, as well as the relationship between these various variables. This research is of a fact finding nature which describes, analyses and interprets the prevailing situation in the retail bank and will then recommend remedial measures or alternative courses of action for the future. This research design will include correlation analyses in order to clarify the contribution of the different predictors to the levels of engagement and performance-related behaviours among the different groups of respondents

## 3.3	Research Methodology

The research methodology focuses on the kind of tools, procedures and sampling used in the research process (Babbie & Mouton, 2006). According to Theron (2007), a sample will only be considered representative to the extent to which it provides an accurate portrayal of the characteristics of the sampling population. In addition to the representativeness of the sample, sample size is a crucial aspect to consider, especially when Multiple Analysis of Variance is the chosen method of analysis. The

questionnaires used in this research were delivered by hand to enable respondents to complete the questionnaires in their own time.

### 3.3.1　　Research participants

The northern regional head office of the retail bank, located in Pretoria, was approached to participate in this study. The services offered by this regional office range from home loans, credit cards, car finance, personal loans and other financial services as well as providing technical and human resource support to internal personnel. A list of all managers and professional employees in the sample were obtained from the Human Resource Director, Northern Region. The researcher and the Human Resources Director then drafted a letter that was sent via e-mail to the relevant managers and professional employees in the sample. This letter was to inform the managers and employees in the sample about the purpose and confidentiality of the research. The researcher held meetings with the HR Director, Northern Regional Region where the reasons and method of the study was discussed and emphasised.

Each participant in the study also signed an informed consent form that gave a comprehensive explanation of the study. Participation was voluntary. The time period from sending out the formal letter asking the applicants to participate to capturing the data was approximately five months during 2011.

### 3.3.2　　Sample method and sample size

A non-probability sampling method was used for this study. Non-probability sampling techniques provide the opportunity to use subjective judgement to select a sample purposefully and to reach difficult-to-identify members of the population. The specific technique used was purposive (judgemental) sampling. Purposive sampling enables the researcher to use judgement to select cases that will best enable him or her to answer the research questions and meet the objectives. This form of sample is often used by researchers who wish to select cases that are informative and who adopt the grounded theory strategy (Saunders et al., 2007). No true random method was used to select the various level employees to participate in the study.

Surveys were distributed to the Head of HR by hand, who took the responsibility to distribute the surveys to an even number of team leaders, team managers and employees in various occupations and business units (departments). For the purposes

of the present study, only employees at managerial level (team leader and team manager) and employee level were included. In order to maintain confidentiality and anonymity, business unit information and participants names were not revealed. Completed surveys were returned directly to the researcher in a sealed box.

A main concern in sampling is the size of the sample (Terre Blanch & Durrheim, 1999). The sample size must be adequate to allow inferences to be made about the population from the research findings. However, Bryman and Bell (2003) contend that the absolute rather than the relative size of a sample is what increases validation and therefore the sample must be as big as possible. This research study aimed at a sample size of 400 individuals. Hair, Anderson, Tatham and Black (in Hussey and Eagan, 2007) recommend a sample size of 100 to 200 when using the maximum likelihood estimation (MLE) procedure. A total of 400 questionnaires were distributed to the regional head office of the retail bank in Pretoria, of which 300 completed questionnaires comprising of team managers, team leaders and employees, pre and post merger appointments were returned, indicating a response rate of 75%.

## 3.4 Measuring Instruments

The following measuring instruments were used in measuring the constructs under study.

### 3.4.1 Measurement of perceived job demands and resources

The Job Characteristics Scale (JCS) has been developed by Jackson and Rothman (2005) to measure job demands and job resources for employees. The JCS consists of 48 items. Various demands and resources in the organisation were identified and measured on a 4-point scale ranging from 1 (never) to 4 (always).

According to Strydom, Rothmann, and Mostert (2004) five factors were extracted from this measuring instrument. These factors are: growth opportunities, organisational support, advancement, overload and job insecurity. Growth opportunities refer to having enough independence, opportunities to learn and enough variety in your work. Organisational and social support refers to the availability of information, relationships with supervisors/managers, social support by co-workers and participation. Advancement refers to moving forward in your work and includes career opportunities,

remuneration and training. Overload refers to mental load, emotional load and the amount of work. Job insecurity refers to feelings of insecurity in the current job. The JCS was found to have adequate internal consistency with Cronbach alphas ranging from 0.74 - 0.92. According to Rothmann et al. (2006), the JCS is valid, reliable and equivalent for different organisations (Rothman & Joubert, 2007).

### 3.4.2       Measurement of the psychological contract

The *Psychological Contract Inventory* (PCI) is designed to serve two basic purposes: 1) as a psychometrically sound tool for assessing the generalisable content of the psychological contract for use in organisational research, and 2) as a self-scoring assessment to support executive and professional education. The employment relationship was assessed using Rousseau's (2000) Psychological Contract Inventory (PCI), which has been used in a range of international studies (Dabos & Rousseau, 2004; Hui, Lee & Rousseau, 2004; Maharaj, 2003). The instrument assesses the individual's perception of the employer's obligation and their obligations to the employee. The PCI assesses the degree of fulfilment, change or violation, with regard to these obligations. A five point rating scale is used. A scoring system is provided to measure the various components of the psychological contract.

Items from the Psychological Contract Inventory (Rousseau, 2000) were used to assess employees' perceptions of their psychological contract. For the employer scales, forty items were used to determine the employee's perception of the employer's obligations to them.

Psychological contracts are viewed by employees as transactional, relational, or balanced (Rousseau, 2000; Thompson & Bunderson, 2003; Rousseau, 2004). *Transactional contracts* are of short term duration and primarily focus upon economic exchange with clearly specified roles and responsibilities. Employees experience little or no organisational loyalty, develop marketable skills and have a low intent to stay with the organisation in the long term. They are also less willing to take on additional responsibilities. *Relational contracts* are about the exchange of socio-emotional currency in exchange for the organisation providing continued training and development, as well as for long-term job security. This type of contract is seen as the more valuable for organisations and is dependent on employees for their future sustainability as they are encouraged to contribute their commitment and loyalty to the

organisation in exchange for their professional development. Employees develop company-specific skills that are less marketable. *Balanced psychological contracts* are open-ended arrangements with both parties contributing to each other's learning and development and are conditioned on the economic success of the employer. Employees are more dependent on co-workers for support, mutual trust and respect and are more committed to the organisation and participation is expected (Flood et al, 2001, Thompson & Bunderson, 2003).

For the employer scales, the items for the transaction, relational, and balanced subscales were prefaced with "To what extent has your employer made the following commitments or obligations to you? To what extent have they indicated…" An example of an item is "A job for a short time only". Items for the transition subscale were prefaced with the stem: "To what extent do these statements describe your employer's relationship to you?" A five point Likert scale from *1 = Not at all* to *5 = To a great extent* was used.

For the employee scales, 40 items were used to determine the employee's perception of their obligations to the organisation. The transactional, relational and balanced items were prefaced with "To what extent have you made the following commitments or obligations to your employer? To what extent have you indicated you may…" An example of an item is "Quit whenever I want". The items in the transition subscale were prefaced with "To what extent do these statements describe your relationship with your employer?" A five point Likert scale from 1 = Not at all to 5 = to a great extent was used. According to Rousseau (2000) initial analyses of the PCI scales met the traditional standards for convergence and reliability, with a minimum Cronbach's alpha coefficient of .70 (p. 8).

### 3.4.3        Measurement of the affective disposition

The Warwick-Edinburgh Mental Well-being Scale (WEMWBS) was developed to capture a broad concept of positive mental well-being. This includes psychological functioning, cognitive-evaluative dimensions and affective-emotional aspects of well-being. It covers most aspects of positive mental health currently in the literature, including both hedonic and eudemonic perspectives, namely positive affect (feelings of optimism, cheerfulness, and relaxation), satisfying interpersonal relationships and positive functioning (energy, clear thinking, self-acceptance, personal development,

mastery and autonomy). It does not include items specifically on life satisfaction, but hedonic well-being is well represented. Items are summed to give an overall score that can be presented as a mean score or graphically. The responses, numbered 1 to 5, are aggregated to form the Well-being Index, which can range from 14 (those who answer 'rarely' on every statement) to 70 (those who answer 'All of the time' to all statements). Cronbach's alphas during scale development were found to range from .89 (student sample) to .91 (general population).

### 3.4.4        Measurement of workplace engagement

The aim of this study is to determine the level of work engagement among employees of the retail bank and subsequently, to investigate which job resources are positively or negatively correlated with workplace engagement.

Schaufeli et al. (2002) developed a 17 item self-report questionnaire to assess work engagement (the Utrecht Work Engagement Scale – UWES). The instrument reflects three underlying dimensions including Vigour (V1) (9 items) such as, "I am bursting with energy in my work"; Dedication (DE) (8 items), such as "My job inspires me", and Absorption (AB 7 items) such as "I feel happy when I'm engrossed in my work". Items will be measured on a 7-point Likert Scale
ranging from never (0) to always (6).

Schaufeli and Bakker (2001) introduced the construct of Work Engagement as the opposite pole of burnout, and the Utrecht Work Engagement Scale (UWES) (Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002) was developed for the purpose of measuring work engagement. Work engagement may be described as a positive, fulfilling work-related state that is characterised by vigour, dedication, and absorption (Schaufeli et al., 2002). While work engagement is primarily characterised by vigour and dedication, it is possible that absorption plays a less central role in the work engagement concept.

In South African studies, the following alpha coefficients were obtained: Vigour (.78 to .80), Dedication (.87 to .89), and Absorption (.69 to .78) (Coetzer, 2004; Storm & Rothmann, 2003). In a study conducted among protection officers in South Africa, a two factor structure consisting of Vigour/Dedication and Absorption was confirmed (Muller,

2004; Van der Linde, 2004). The Cronbach alpha coefficients obtained varied between .51 (for Absorption) and .91 (for Vigour/Dedication).

### 3.4.5 Measurement of burnout

The Maslach Burnout Inventory – General Survey (MBI-GS) (Maslach, Jackson &Leiter, 1996) will be used to measure burnout. The MBI-GS has three subscales: Exhaustion (EX) (five items; e.g. "I feel used up at the end of the workday"), Cynicism (CY) (five items, e.g. "I have become less enthusiastic about my work") and Professional Efficacy (six items, e.g. "In my opinion, I am good at my job").Internal consistencies (Cronbach alpha coefficients) reported by Maslach et al. (1996) varied from .87 to .89 for Exhaustion, and .73 to .84 for Cynicism. Test-retest reliabilities after one year were .65 (Exhaustion) and .60 (Cynicism) (Maslach et al., 1996). All items are scored on a seven-point frequency rating scale ranging from 0 (never) to 6 (daily). High scores on EX and CY and low scores on PE are indicative of burnout (i.e., all PE items are reversibly scored).

Regarding the MBI-GS, internal consistencies are equally satisfactory, ranging from .73 (Cynicism) to .91 (Exhaustion) (Leiter & Schaufeli, 1996). Reliability analyses done by Schutte et al. (2000) showed that the Exhaustion and Professional Efficacy sub-scales were sufficiently internally consistent, but that one Cynicism item should be removed in order to increase the internal consistency beyond the criterion of .70. According to them, this might be caused by the ambivalence of the particular item: "I just want to do my job and not be bothered". In South African samples where the MBI-GS was used, Rothmann and Jansen van Vuuren (2002) found satisfactory alpha coefficients: Exhaustion = .79; Cynicism = .84; Professional Efficacy = .84.

### 3.4.6 Measurement of counterproductive work behaviour

The Counterproductive Work Behavior Checklist (CWB-C) was developed by Spector and Fox (2002). To measure a wide range of CWB by collapsing other available scales measuring these types of behaviors and eliminating overlapping items. Respondents indicate how often they engage in specific behaviours on the job. The scale consisted of 33 items indicating how often an employee had performed each one of the listed behaviours. Response options range from 1 (never) to 5 (every day), with high scores representing higher incidence of counterproductive behaviours.

In addition to the total scale, the CWB-C can be reduced to five dimensions measuring typical actions described by specific behaviour, such as abuse (harmful and nasty behaviours that affect other people), production deviance (purposely doing the job incorrectly or allowing errors to occur), sabotage (destroying the physical environment), theft and withdrawal (avoiding work through being absent or late (Fox & Spector, 1999; Spector et al., 2006). Bennett and Robinson (2002) reported a Cronbach alphaof .81.

## 3.5        Statistical Analysis

The analysis techniques that will be utilised in this study are quantitative in nature. The following analyses will be performed on the data: (a) Internal consistency evaluations of the instruments used utilising Cronbach's Alpha and Factor analysis (FA), (b) Analysis of variance (ANOVA) of the differences in perceived job demands and job resources, affective states, psychological contract, job engagement, burnout and counterproductive work behaviour among the employees from the acquired bank, and employees from the newly merged bank; (c) discriminant analysis with perceived job demands and job resources, psychological contract, affective states, job engagement, burnout and counterproductive workplace behaviour as predictors of the pre-merger/post-merger classification.

One-Way Analysis of variance (ANOVA) is considered to analyse the variances between and within groups of a particular sample. ANOVA relies on an assumption of equal variance in the two distributions being compared (Kerr et al., 2002).

## 3.6        Summary

In this chapter the research design and methodology that was followed to obtain answers to the research-initiating questions. The investigation was conducted as a cross-sectional study for which a primary data design was followed. The method of sampling was a non-probability, purposive technique.

This chapter described the participants in the study and elucidated the questionnaire that was used for this study. Further, it reported the psychometric properties of each instrument that was used in the final questionnaire. These included the Maslach Burnout Inventory (MBI-GS), Counterproductive workbehaviour Inventory (CWB), Utrecht Work Engagement Scale (UWES), the Job Characteristics Inventory (JCI),

Psychological Contract Inventory (PCI) and the Warwick-Edinburgh Mental Well-being Scale (WEMWBS).

The substantive research hypotheses were presented and, finally, data capturing and the methods used for data analysis were explained. Chapter 4 presents the results of the data analyses and the interpretation thereof in detail.

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# CHAPTER 4
# RESEARCH RESULTS

## 4.1        Introduction

Chapter 4 provides the reader with the findings and analyses based on the questionnaire that was completed by the respondents. The descriptive information pertaining to the sample is presented first, followed by an overview of the psychometric properties of the various psychometric tools utilised. This will be followed by an overview of the intercorrelations among various constructs and its dimensions, as well as the correlations among the demographic variables and the psychometric constructs and dimensions. The final set of analyses will reflect the differences between the pre-merger and post-merger appointees and will culminate in an attempt to identify the most important predictors of the pre-merger/post-merger classification.

## 4.2        Discussion of Demographic Profiles

Three categories of employees were identified for the purpose of the drawing of the stratified random sample: namely Team Managers, Team Leaders and Team Members. Within each category a random selection was made keeping in mind the need to have a fair representation of employees appointed before the merger and those appointed after the merger. Upon inspection of Figure 4.1, significant differences are indicated between the different employment levels; seventy-four percent (74%) are team members, twenty-two percent (22%) are team leaders and four percent (4%) are team managers.
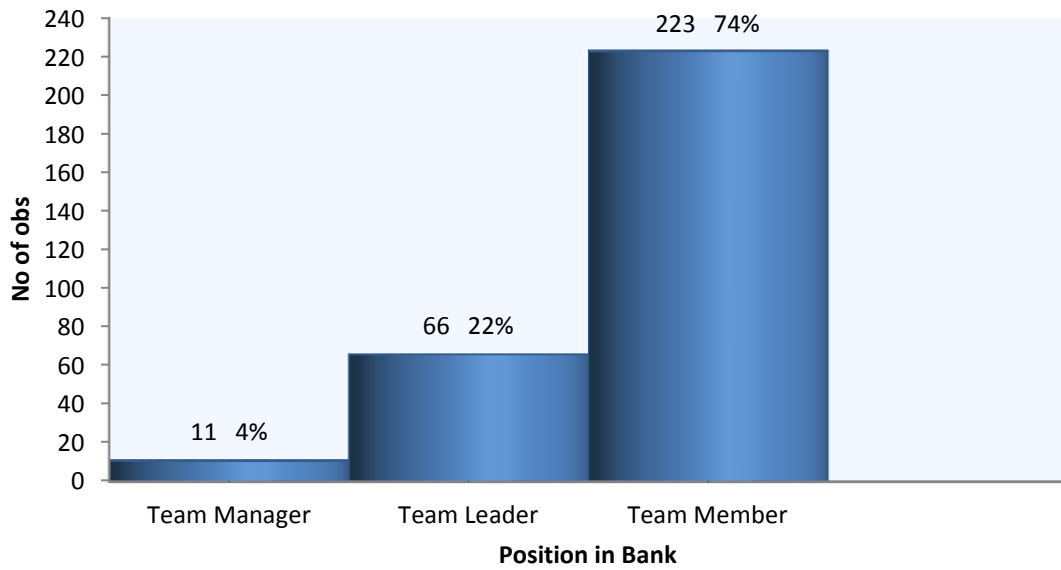
*Figure 4.1*: Respondents per position in the bank

The frequency of pre- and post-merger employee appointments of the targeted banking institution are reflected in Figure4.2. Of the personnel appointed during the post- merger period 88% were team members, 11% team leaders and 1% team managers. It is clear that the pre-merger group contains a higher percentage of team leaders (29%).
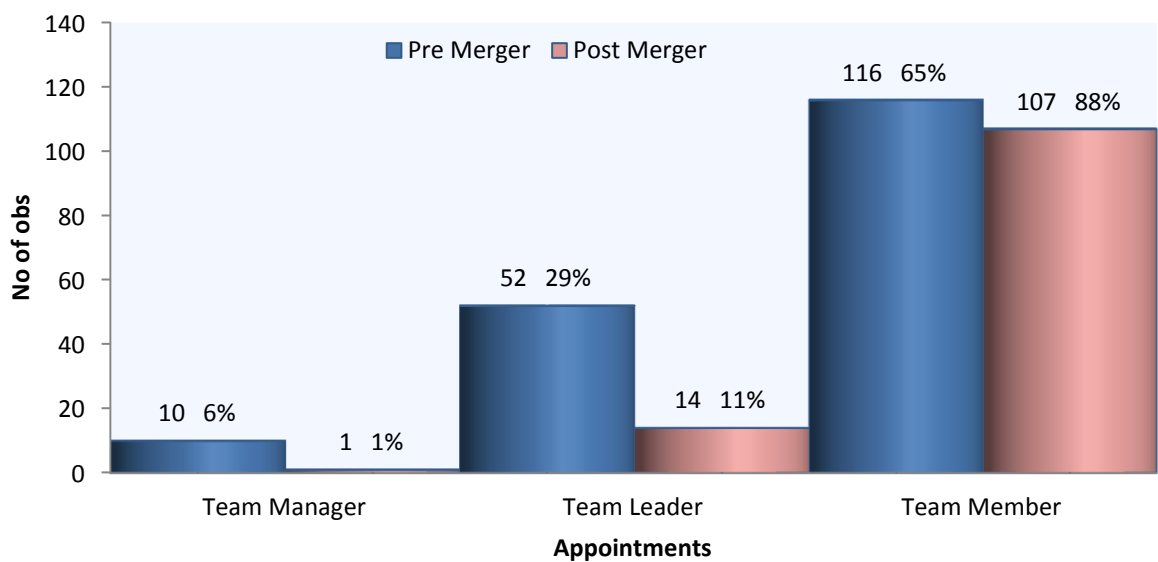


*Figure 4.2:* Respondents per leadership category and merger status

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Table 4.1 provides a clear indication that the majority of personnel (202) at the time of the survey have been with the bank for no longer than 9 years, while the majority had also remained in the same employment position for up to 9 years. However, the two rows of information in Table 4.1 are totally independent from one another.

Table 4.1

*Number of years in organisation and job role*

| Variables | ≤ 1 year | 1-4 years | 5-9 years | 10-14 years | ≥ 15 years |
|---|---|---|---|---|---|
| Years in Organisation | 48 | 102 | 100 | 32 | 18 |
| Years in Job role | 66 | 139 | 87 | 6 | 2 |

The percentage of people managed directly is reflected in Fig 4.3. The majority of the participants do not manage any people directly (82%). The mean of personnel managed directly was reported as 1.10 and the median was 0.0, with the boundaries at 0 (minimum people managed directly) and 15 (maximum of people managed directly).
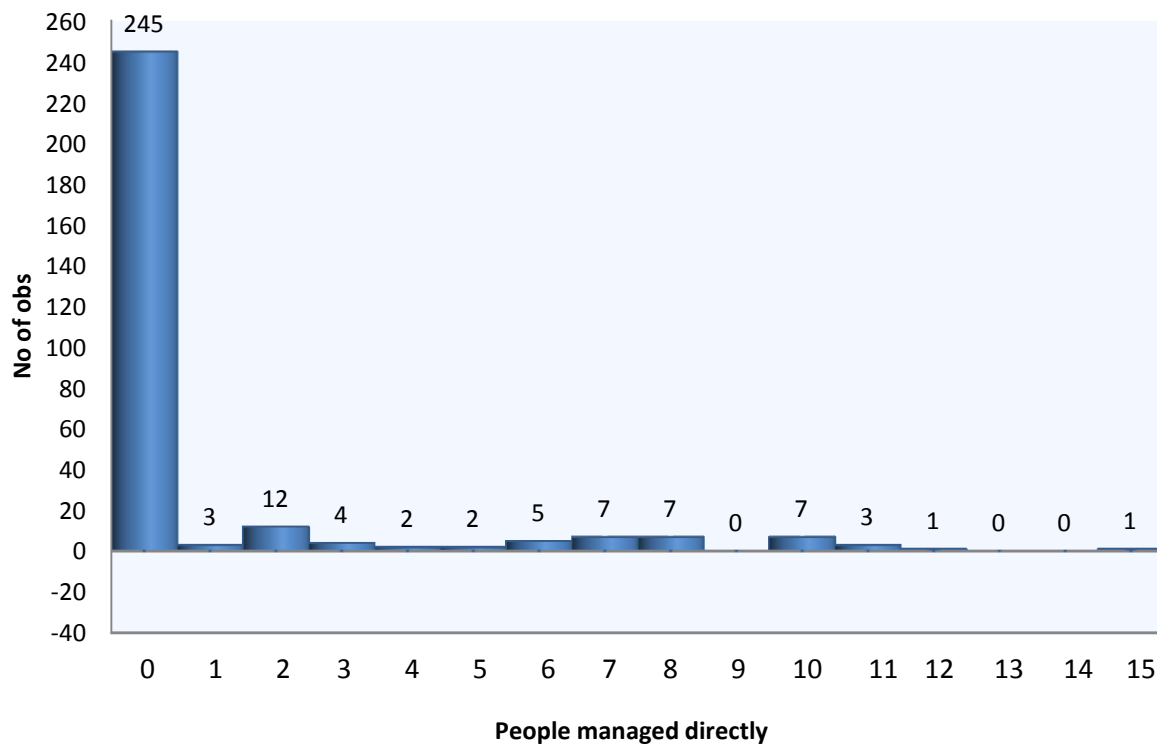


*Figure 4.3:* Number of people managed directly

The majority of participants do not manage personnel indirectly (83%), but 8% (25) of personnel are managed indirectly, with a minimum boundary of 0 and maximum boundary of 5 as illustrated in Figure 4.4. The mean of personnel managed directly was reported as 1.28 and the median was 0.0.
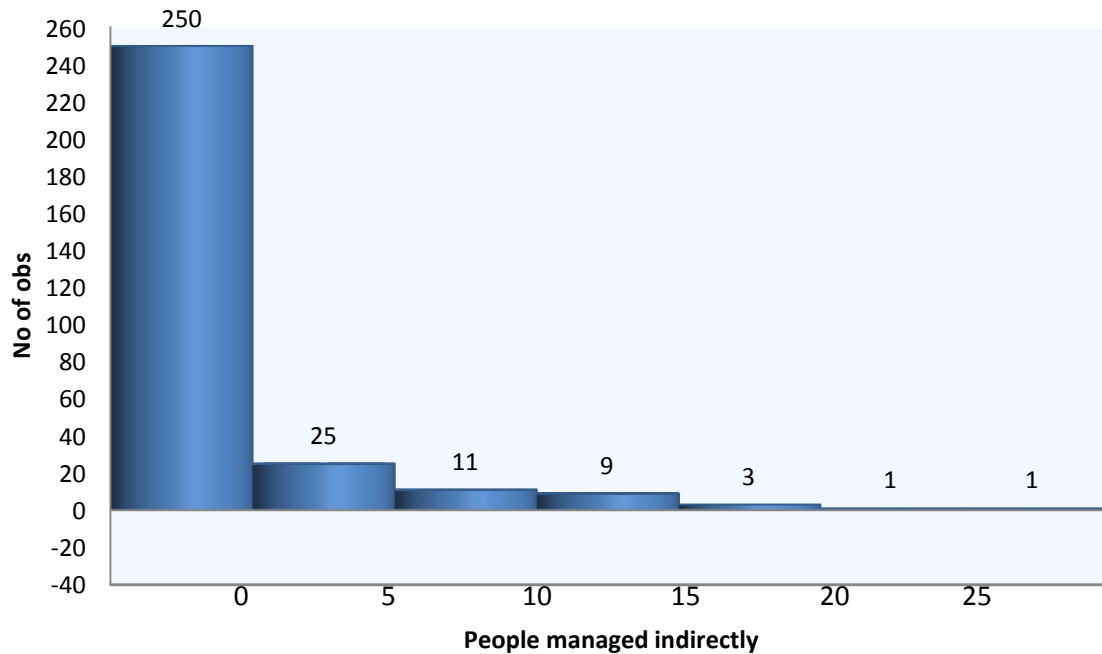


*Figure 4.4*: Number of people managed indirectly

According to Table 4.2 a large proportion (153) or 51% of the sample is remunerated on a C-band salary scale or a level 4. This would mean that a large number of team members (74%) and team leaders (22%) in the organisation, are remunerated between salary levels 1 to 6 or A to TT job bands. It cannot be concluded from the data how many team managers, team leaders and team members are compensated on which salary levels or job bands, as many of these respondents in the survey decided to omit this information.

Table4.2
*Distribution over salary bands*

| Salary Bands | Level 1 | Level 2 | Level 3 | Level 4 | Level 5 | Level 6 |
|---|---|---|---|---|---|---|
| ABSA Job Band Equivalent | A | B | BB | C | TT | P |
| Frequencies | 8 | 76 | 24 | 153 | 31 | 8 |

## 4.3 Psychometric Properties of Instruments utilised

The psychometric properties of the measurement instruments were investigated. The internal consistency and item-total correlations for the dimensions of each instrument were also assessed. According to Clark and Watson (1995) the mean inter-item correlation (which is a straightforward measure of internal consistency) provides useful information in conjunction with the alpha coefficient of a scale (which is an indication of homogeneity of a scale), but as such cannot ensure unidimensionality of a scale.

### 4.3.1 The Job characteristics scale

The psychometric results reported for the JCS (Rothman et al., 2006) were calculated by using the individual raw scores per item for each of the dimensions, as well as for the overarching constructs of job demands and job resources. Job demands included overload and job security, and job resources included growth opportunities, organisational support, social support and advancement.

It is noteworthy, however, that the Cronbach alpha coefficient for overload ($\alpha$ = .62), growth opportunities ($\alpha$ = .44), social support ($\alpha$ = .25), organisational support (a = .49), job security ($\alpha$ =.21) and advancement ($\alpha$ = .34) indicated unacceptable reliability. Therefore, the scale dimensions show unacceptable internal consistency. This is inconsistent with the findings of Rothmann et al. (2006), who found alpha coefficients for the different dimensions ranging from .76 to .92. Organisational support is significantly related to growth opportunities (large effect size), and advancement (medium effect size). The results also indicate that growth opportunities are strongly related to advancement (large effect size). Consequently, an exploratory factor analysis was carried out on the intercorrelations between the five dimensions. The Cronbach alpha's for the JCS are all below .76 and are listed in Table 4.3.

Table 4.3
*Psychometric properties of the Job Characteristics Scale*

| Variable | Items | Mean | Std.Dev | Average inter- item correlation | Alpha |
|----------|-------|------|---------|-------------------------------|-------|
| JCS_O | 10 | 25.27 | 4.87 | .14 | .62 |
| JCS_GO | 8 | 19.26 | 3.62 | .09 | .44 |
| JCS_SS | 6 | 14.08 | 2.71 | .05 | .25 |
| JCS_OS | 15 | 36.71 | 5.24 | .06 | .49 |
| JCS_JS | 9 | 6.95 | 1.85 | .08 | .21 |
| JCS_A | 6 | 13.77 | 2.83 | .08 | .34 |
| Job Resources | 29 | 70.05 | 8.13 | .08 | .58 |
| Job Demands | 13 | 32.23 | 5.25 | .13 | .55 |

JCS_O: overload; JCS_GO: growth opportunities; JCS_SS: social support; JCS_OS: organisational support; JCS_JS: job security; JCS_A: advancement.

The inter-item correlations of the Job Characteristics Scale are considered unacceptable as they were inconsistent with the guideline of .15 < r >.50 suggested by Clark & Watson (1995). It therefore appears that there are unacceptable levels of internal consistency in the JCS.

An exploratory factor analysis identified 8 factors instead of five. The eigenvalues of these eight factors are reported in Table 4.4

Table 4.4.

*Eigenvalues of JCS factors extracted*

| Value | Eigen Value | % Total Variance | Cumulative Eigen Value | Cumulative % |
|---|---|---|---|---|
| 1 | 3.14 | 6.54 | 3.14 | 6.54 |
| 2 | 2.71 | 5.65 | 5.85 | 12.19 |
| 3 | 2.08 | 4.33 | 7.93 | 16.52 |
| 4 | 1.87 | 3.89 | 9.80 | 20.41 |
| 5 | 1.84 | 3.84 | 11.64 | 24.25 |
| 6 | 1.78 | 3.71 | 13.42 | 27.96 |
| 7 | 1.63 | 3.39 | 15.05 | 31.35 |
| 8 | 1.51 | 3.14 | 16.56 | 34.50 |

It should be noted that these eight factors only explain 34.5% of the total variance, which indicates that the instrument is seriously flawed.

### 4.3.2 The psychological contract

The Psychological Contract Inventory (PCI) assesses individual subjective reports regarding a particular employment relationship. It firstly measures the respondent's beliefs regarding the employer's obligations to the employee and secondly the employee's obligations towards the organisation.

Psychological contracts as viewed by employees can be transactional, transitional, relational, or balanced (Rousseau, 2000; Thompson & Bunderson, 2003; Rousseau, 2004). *Transactional contracts* are of a short term duration, primarily focused on economic exchange, with clearly specified roles and responsibilities. *Relational contracts* are about the exchange of socio-emotional currency in exchange for the organisation providing continued training and development, as well as long-term job security. *Balanced psychological* contracts are open-ended arrangements with both parties contributing to each other's learning and development, conditioned on the economic success of the employer. *Transitional contracts* refer to a "state of mind"

reflecting the consequences of organisational change and transition that is at odds with a previously established employment arrangement, that is. a disruption to the psychological contract, and is evidenced in mistrust, uncertainty and an erosion of expectations.

These contracts are further divided into four measuring set of scales, namely *Employer Obligations*, which indicate 7 employer obligations namely Short-term, Loyalty, Narrowness, Dynamic Performance, Internal Development, External Development, and Stability and is based on the instruction question: "Consider your relationship with your current employer and to what extent has your employer made the following commitment or obligation to you?.

*Employer Transition scales* further indicate obligations *of* Mistrust, Uncertainty, and Erosion and is based on the instruction question: "To what extent do the items describe your employer's relationship to you?"

*Employee obligations* are fully comparable to the Employer measures above and is based on the instruction question: "To what extent have you made the following commitment or obligation to your employer?"

*Employee Transition scales,* which are also comparable to those of the Employer Transition scales mentioned above, and is calculated on the instruction question: "To what extent do the items describe your relationship with your employer?"

Rousseau (2000) reported a alpha coefficient of .70. In the current study, several scales did meet the traditional standards for convergence and reliability, which indicates sufficient internal consistency for the items to be considered multiple measures of the same factor with the exception of the contract fulfilment ($\alpha$ = .57).Table 4.5 reports the psychometric properties of the PCI, indicating successful internal consistency due to the Cronbach alpha coefficients being above .70, with the exception of the alpha for contract fulfilment ($\alpha$ = .57).

Table 4.5
*Psychometric properties of the Psychological Contract Inventory*

| Variable | Items | Mean | Std.Dev | Average inter- item correlation | Alpha |
|----------|-------|------|---------|---------------------------------|-------|
| PCI_ERO | 28 | 72.74 | 11.05 | .10 | .75 |
| PCI_EO | 28 | 74.22 | 13.10 | .15 | .84 |
| PCI_ CV | 12 | 38.47 | 7.31 | .19 | .74 |
| PCI_CF | 4 | 11.01 | 3.08 | .25 | .57 |

PCI_ERO: employer obligation; PCI_EO: employee obligation; PCI_CV: contract violation; PCI_CF: contract fulfilment

### 4.3.3    Mental well-being

The Warwick-Edinburgh Mental Well-being Scale (WEMWBS) was created in the context of a need to monitor mental well-being at the population level. It comprises 14 positively worded items representing both hedonic and eudemonic aspects of well-being. The hedonic approach focuses on happiness, defining well-being in terms of pleasure and absence of pain, while the eudemonic approach emphasizes meaning and self-realisation, defining well-being as being fully functional (Ryan & Deci, 2001).

A 5-point Likert scale (none of the time, rarely, some of the time, often, all of the time) offers a score for each item from 1 to 5 respectively, giving a minimum score of 14 and maximum score of 70. All items are scored positively. The overall score for the WEMWBS is calculated by totalling the scores for each item, with equal weights. A higher WEMWBS score therefore indicates a higher level of mental well-being.

The scale is not designed to differentiate between individuals with exceptionally high or low positive mental health, so no 'cut off' had been developed. A Cronbach alpha coefficient of .7-.8 is ideal and higher coefficients may suggest that some degree of item redundancy exists in the scale. A high coefficient further suggests that, while there is a good level of internal consistency, there may be scope to reduce even further the number of items in the scale. Table 4.6 illustrates that the measure was highly reliable with a Cronbach alpha on 0.84. The high score represents greater mental well-being.

Table 4.6

*Psychometric properties of the Warwick-Edinburgh Mental Well-being Scale*

| Variable | Items | Mean | Std.Dev | Average inter- item correlation | Alpha |
|----------|-------|------|---------|-------------------------------|-------|
| MWB | 14 | 50.63 | 9.62 | .28 | .84 |

MWB: Mental Well-being

### 4.3.4 Work engagement

The Utrecht Work Engagement Scale (UWES) (Schaufeli et al., 2002)is used to measure the engagement levels of the participants. The UWES includes three dimensions, vigour, dedication, and absorption, which are conceptually seen as the opposites of burnout and are scored on a seven-point frequency-rating scale, varying from 0 (never) to 6 (every day).

Vigour is assessed by six items that refer to high levels of energy and resilience, willingness to invest effort, not being easily fatigued, and persistence in the face of difficulties. Those who score high on vigour usually have much more energy, zest and stamina when working, whereas those who score low on vigour have less energy, zest and stamina as far as their work is concerned.

Dedication is assessed by five items that refer to deriving a sense of significance from one's work, feeling enthusiastic and proud about one's job, and feeling inspired and challenged by it. Those who score high on dedication strongly identify with their work because it is experienced as being meaningful, inspiring and challenging. These workers usually feel enthusiastic and proud about their work.

Absorption is measured by six items that refer to being totally and happily immersed in one's work and having difficulties detaching oneself from it so that time passes quickly and one forgets everything else in the outside world. Those who score high on absorption feel that they usually are engrossed in their work, they feel immersed by their work and have difficulties detaching from it because it 'carries them away'. The total score indicates the individual's level of work engagement. The highest possible score is 102. The three concepts of vigour, dedication and absorption provide a profile of the

respondent's level of work engagement. Respondents with high scores have high levels of work engagement and respondents with low scores have lower levels of work engagement (Rothmann &Storm, 2003).

Van der Colff and Rothmann (2009) report internal consistency and alpha coefficients on the UWES for the three subscales between .68 and .91.Table 4.7 gives a clear illustration of the descriptive statistics for the UWES. The mean scores vary between 18.32 (dedication) and 21.30 (vigour). The total mean score is 60.60.It is noteworthy, however, that the Cronbach alpha coefficient for vigour ($\alpha$ = .48),dedication ($\alpha$ = .53) and absorption ($\alpha$ = .52) represent unacceptable reliability, all of which are below .70, which is the guideline provided by Nunnally and Bernstein(1994).

Table 4.7
*Psychometric properties of the Utrecht Work Engagement Scale*

| Variable | Items | Mean | Std.Dev | Average inter- item correlation | Alpha |
|---|---|---|---|---|---|
| WE_VIG | 6 | 21.30 | 5.07 | .14 | .48 |
| WE_DE | 5 | 18.32 | 4.83 | .18 | .53 |
| WEI_ AB | 6 | 21.00 | 5.14 | .15 | .52 |
| TOTAL | 17 | 60.60 | 12.26 | .50 | .75 |

WE_VIG: vigour; WE_DE: dedication; WE_AB: absorption

A partial least squares analysis (Haenlein & Kaplan, 2004) has revealed a composite reliability of .82 for the total scale with the average variance extracted = .23.  The low proportion of variance extracted signifies a high degree of random or inconsistent responding.

**4.3.5        Burnout**

The MBI-GS has three subscales: Exhaustion (Ex), Cynicism (Cy) and Professional Efficacy (PE). The items were developed to capture the emotional exhaustion component of the burnout construct as it is seen as the most relevant and important part of burnout. Together the subscales of the MBI-GS provide a three-dimensional perspective on burnout.

Together the subscales of the MBI-GS provide a three-dimensional perspective on burnout. Internal consistencies (Cronbach coefficient alphas) reported by Schaufeli et al.,(1996) varied from .87 to .89 for Exhaustion, .73 to .84 for Cynicism and .76 to .84for Professional Efficacy. Rothmann and Jansen van Vuuren (2002) found satisfactory alpha coefficients: Exhaustion as .79, Cynicism as .84 and Professional Efficacy as .84. All items are scored on a 7-point frequency rating scale ranging from 0 to 6.Depersonalisation (from the MBI-Health Services Survey, Maslach & Jackson, 1986) describes an unfeeling and impersonal response towards recipients of one's care or service. Although the Depersonalisation and Cynicism constructs can be said to be related, Depersonalisation presents a more specific interpersonal focus than Cynicism, which refers to a general attitude of cynicism regarding work, the employing organisation, colleagues, or the recipients of ones' service. The reliability of the scale was calculated, using the Cronbach alpha coefficient ($\alpha$ = .87). High scores on Ex and Cy, and low scores on PE are indicative of burnout.

The scores on the three factors of the MBI-GS are abnormally distributed as illustrated by Table 4.8 The Cronbach alpha coefficients of the MBI-GS scales are considered to be unacceptable compared to the guideline of $\alpha$>.70 (Nunnally& Bernstein, 1994). The inter-item correlations could be considered as acceptable, with the exception of professional efficacy, compared to the guideline of .15<$r$<.50 (Clark & Watson, 1995).

Table 4.8

*Psychometric properties of the Maslach Burnout Inventory - General Survey*

| Variable | Items | Mean | Std.Dev | Average inter- item correlation | Alpha |
|----------|-------|------|---------|---------------------------------|-------|
| EX | 5 | 16.81 | 5.01 | .17 | .50 |
| CY | 5 | 17.26 | 5.23 | .19 | .54 |
| PE | 6 | 18.93 | 5.05 | .09 | .37 |
| TOTAL | 16 | 53.00 | 10.51 | .09 | .60 |

EX :emotional exhaustion; CY: cynicism; PE: professional efficacy

A partial least squares analysis (Haenlein & Kaplan, 2004) has revealed a composite reliability of .69 for the total scale with the average variance extracted = .17. The low proportion of variance extracted signifies a high degree of random or inconsistent responding.

### 4.3.6        Counterproductive work behaviour

The 33-item Counterproductive Work Behaviour Checklist (CWB-C) (Spector et al., 2006) was used to measure Counterproductive work behaviour (CWB). The CWB-C is a behavioural checklist compiled from a number of existing measures (Fox & Spector, 1999; Baron & Neuman, 1998; Bennett &Robinson, 1995; Folger & Skarlicki, 1997). Respondents indicate how often they engage in specific behaviours on the job. Response options range from 1 (never) to 5 (every day), with high scores representing higher incidence of CWB. In addition to the total scale, the CWB-C can be reduced to five subscales: abuse, production deviance, sabotage, theft, and withdrawal. Spector et al. (2006) reported that coefficient alphas ranged from .42 to .81 for the various subscales. The reliability of the total scale was .92.The descriptive statistics and Cronbach Alphas obtained for the sample in this research for each of the dimensions of CWB-C are presented in Table 4.9. The Cronbach Alpha for the total counterproductive work behaviour was marginally above the acceptable .70 benchmark and therefore reliable and consistent. The internal consistency results for all the subscales of the CWB-C are all considered unacceptable, accept Psychological abuse ($\alpha$ =

.79).Sabotage (.36), Production deviance (.53), Withdrawal (.31) and Theft (.49) are unreliable and inconsistent, because of alpha's which are below .70, which is in line with the guideline of *a* > .70 (Nunnally& Bernstein, 1994).

Table 4.9
*Psychometric properties of the Counterproductive Work Behaviour Checklist*

| Variable | Items | Mean | Std.Dev | Average inter- item correlation | Alpha |
|----------|-------|------|---------|---------------------------------|-------|
| SA | 3 | 3.94 | 1.27 | .16 | .36 |
| PA | 18 | 28.07 | 7.93. | .19 | .79 |
| PD | 3 | 4.11 | 1.35 | .29 | .53 |
| WD | 4 | 5.51 | 1.67 | .10 | .31 |
| TF | 5 | 6.51 | 1.93 | .17 | .49 |
| TOTAL | 33 | 48.14 | 11.10 | .14 | .84 |

SA: sabotage, PA: psychological abuse; PD: production deviance, WD: withdrawal, TF: theft

A partial least squares analysis (Haenlein & Kaplan, 2004) has revealed a composite reliability of .87 for the total scale with the average variance extracted = .19. The low proportion of variance extracted signifies a high degree of random or inconsistent responding.

## 4.4        Intercorrelations between Selected Variables

One of the objectives of the study was to determine whether relationships exist between the six constructs: Job Characteristics, Psychological contract, Mental Well-being, Workplace engagement, Burnout and Counterproductive work behaviour. The observed intercorrelations found will be reported below. The strength of the correlations was assessed using Cohen's (1988) index of practical significance (effect size). A correlation with r = ± .1 to ± .29 wasconsidered a weak correlation (small effect size), whilst a

correlation with r = ± .3 to ± .49 was considered a moderate correlation (medium effect size) and a correlation with r = ± .50 to ± 1.0 was considered a strong correlation with a largeeffect size.

## 4.4.1 The relationship between job characteristics, mental wellbeing, workplace engagement: absorption and counterproductive work behaviour.

The relationship between Job Characteristics, Mental Wellbeing, Workplace Engagement: Absorption and Counterproductive Work Behaviour were investigated through the calculation of various Spearman-rank-order correlations. A selection of these psychological constructs and dimensions that show significant intercorrelations are presented in Table 4.10.

Table 4.10
*Correlations between JC, MW, WE and CWB dimensions*

| Variable | JC_O | JC_GO | JC_SS | JC_OS | JC_JS | JC_A | JC_D | JC_R |
|---|---|---|---|---|---|---|---|---|
| MW | .10 | .16* | -.01 | .01 | -.01 | .00 | .04 | .09 |
| WE: Absorption | -.01 | .05 | .02 | .09 | .00 | .02 | -.02 | .07 |
| CWB: Sabotage | -.14* | -.05 | .09 | .06 | -.02 | -.00 | -.10 | -.01 |
| CWB: Withdrawal | -.02 | -.09 | .07 | .18** | .02 | .08 | .02 | .07 |
| CWB: Total | -.12* | -.07 | .12* | .05 | .05 | .08 | -.03 | .01 |

JC_O: overload; JC_GO: growth opportunities; JC_SS: social support; JC_OS: organisational support; JC_JS: job security; JC_A: advancement; JC_D: demands; JC_R: resources

\*     p ≤.05
\*\*    p ≤ .01

A weak correlation was found between mental well-being and growth opportunities(r = .16, n = 300, p ≤ .05)). There were also weak correlations between organisational support and withdrawal (r=.18, n=300, p≤ .01), as well as between social support and total counterproductive work behaviour (r = .12, n = 300, p≤ .05). Job overload showed weak negative correlations with sabotage (r = -.14, n = 300, p ≤ .05) and total counterproductive behaviour in general (r = -.12, n = 300, p ≤ .05).

Therefore, the more counterproductive work behaviour the respondent's reported, the less organisational support and growth opportunities they encountered. It is therefore not surprising to find a negative correlation between counterproductive work behaviour, well-being and engagement and job resources.

It is noteworthy that the aggregated score for job resources and demands did not correlate significantly with any of the MW, CWB and ME dimensions.

### 4.4.2    The relationship between psychological contract, job characteristics and counterproductive work behaviour.

The relationship between Job Characteristics, Psychological Contract and Counterproductive work behaviour were investigated through the calculation of various Spearman-rank order correlations. A selection of these psychological constructs and dimensions that show significant intercorrelations are presented in Table 4.11.

Table 4.11
*Correlations between JC, Psych Contract and CWB dimensions*

| Variable | Psych contract: Employer Obligation | Psych contract: Employee Obligation | Psych contract. Contract: fulfilment | Psych contract. Contract: violation |
|---|---|---|---|---|
| CWB: Abuse | .07 | .16* | .04 | -.16** |
| JC: Overload | -.08 | -.01 | -.04 | .14* |

\*        $p \leq .05$
\*\*       $p \leq 01$

A weak negative correlation was found between counterproductive work behaviour: abuse and the psychological contract violation (r = -.16, n = 300, p ≤ .05), as well as a weak positive correlation between counterproductive work behaviour: abuse and psychological contract: employee obligation (r = .16, n = 300, p ≤ .05).This study found that the breach of the psychological contract experienced by the respondents resulted in counterproductive work behaviour: abuse. Therefore, the higher the level of abuse the respondent's exhibited in the workplace, the more likely they would experience a breach in their psychological employee contract obligation they claim to have and the higher the possibility for contract violation there would be. Overload was clearly not that highly correlated with the rest of the subscales.

**4.4.3    The relationship between burnout, counterproductive work behaviour, wellbeing and workplace engagement.**

The relationship between Burnout, Counterproductive work behaviour, Well-being and Workplace engagement were investigated through the calculation of various Spearman-rank order correlations. A selection of these psychological constructs and dimensions that show significant intercorrelations are presented in Table 4.12.

Table 4.12
*Correlations between MBI, CWB, WB and WE dimensions*

| Variable | MBI: Exhaustion | MBI: Cynicism | MBI: Professional Efficacy | MBI: Total |
| --- | --- | --- | --- | --- |
| CWB: Sabotage | .15** | .06 | .12* | .13* |
| CWB: Production deviance | .16** | .25** | .15 | .26** |
| CWB: Total | .16** | .16** | .15** | .19** |
| WB | .00 | -.12* | -.14** | -.13* |
| WE: Vigour | -.08 | -.09 | -.16** | -.13* |
| WE: Dedication | -.01 | -.09 | -.19** | -.09 |
| WE: Absorption | .05 | -.05 | -.17** | -.04 |
| WE: Total | -.02 | -.09 | -.20** | -.010 |

MBI: Maslach burnout inventory; CWB: counterproductive work behaviour, WB: well-being; WE: workplace engagement

\*        $p \leq .05$
\*\*       $p \leq .01$

Weak correlations were found between Sabotage and the Maslach Burnout Inventory dimensions, namely Exhaustion ($r = .15$, $n = 300$, $p \leq .05$) and Professional efficacy ($r =.12$, $n = 300$, $p \leq .05$).

The relationships between Production deviance and Exhaustion ($r = .16$, $n = 300$, $p \leq .01$), Cynicism ($r = .25$, $n = 300$, $p \leq .05$) and Professional Efficacy ($r = .15$, $n = 300$, $p \leq .05$), were all weak correlations.

Weak negative correlations were found between Well-being and Cynicism(r = - .12, n = 300, p ≤ .05and Professional Efficacy(r = - 14, n = 300, p ≤ .05). Weak negative correlations were also found between Vigour and Professional Efficacy (r = -14, n = 300, p ≤ .05), Dedication and Professional Efficacy (r = -19, n = 300, p ≤ 05) and Absorption and Professional Efficacy (r = -19, n = 300, p ≤ 05)

### 4.4.4 The relationship between workplace engagement, well-being and counterproductive work behaviour.

The relationship between Workplace engagement, Well-being and Counterproductive work behaviour were investigated through the calculation of various Spearman-rank order correlations. A selection of these psychological constructs and dimensions that show significant intercorrelations are presented in presented in Table 4.13.

Table 4.13

*Correlations between WE, MW and CWB dimensions*

| Variable | WE: Vigour | WE: Dedication | WE: Absorption | WE: Total |
|---|---|---|---|---|
| MW | .20** | .20** | .14* | .21** |
| CWB: Abuse | -.06 | -.21* | .00 | -.10 |
| CWB: Production | -.06 | -.12* | -.09 | -.08 |
| CWB: Withdrawal | -.03 | -.12* | .04 | -.03 |
| CWB: Theft | -.00 | -.12* | .03 | -.03 |
| CWB: Total | .00 | -.20** | -.04 | -.08 |

*        p ≤ .05
**       p ≤ .01

Weak negative correlations were found between Dedication and the Counterproductive work behaviour dimensions, namely Abuse (r = - .21, n = 300, p ≤ .05), Production (r = - .12, n = 300, p ≤ .05), Withdrawal (r = - .12, n = 300, p ≤ .05) and .Theft (r = - .12, n = 300, p≤ .05). There was also a negative correlation noted between Production and Absorption (r = - .12, n = 300, p ≤ .05).

Further weak correlations were also found to be between Mental Well-Being and Vigour (r = .19, n = 300, p ≤ .05), Dedication (r = .20, n = 300, p ≤ .05) and Absorption (r = .15, n = 300, p ≤ .05).

### 4.4.5 Intercorrelations between various demographic variables and the psychological constructs and dimensions

Years of Employment (years) was significantly negatively correlated with counterproductive work behaviour (withdrawal) (*r=-.12, p<.01).*

Years in Current Position had a significant positive correlation with Workplace Engagement (absorption) (*r=.16, p<.01)* and a significant negative correlation with Job Characteristics (Resources) (r=-.16, p<.01).

As for the association between the Years in the Current Job Band and Counterproductive Work behaviour (theft) a significant positive correlation was recorded (*r=.11, p<..05).*

There is a remarkable association between Staff Supervised Directly and Job Characteristics (Overload) (*r=.13, p<.05)* as well as with Job Characteristics (Growth) (*r=.15, p<.01).*

### 4.5 Differences between Pre-merger and Post-merger Appointees

ANOVA is a technique used to determine whether the difference in means that occur in two or more groups is statistically significant. A one-way analysis of variance is used to compare the means of two or more samples by using the F-statistic.  It tests the null hypothesis that the samples are drawn from the same population. The F-statistic expresses the ratio of variance calculated among the means to the variance within the samples. If the ratio of the variance between the group means is higher than the variance of the samples, then the inference is made that the samples were drawn from different populations. When interpreting the results, a ***p value*** less than or equal to 0.05 (p<0.05) indicates a statistically significant difference between the groups (samples) with respect to the response variable (Albright, Winston & Zappe, 2006). The one-way analysis of variance is regarded as reliable as long as the following assumptions are met:

- The response variable is normally distributed

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- The samples are independent
- The variances of the populations are equal (homogeneity/equality of variances)

Levene's test of homogeneity of variance is employed to determine whether the assumptions of homogeneity of variance are met. If the significance value is greater than .05, the homogeneity of variances is excitant, and this means that there are statistically significant differences between groups. This would further imply that if the p-value of Levene's test is less than the critical value of .05, the obtained differences in sample variances are unlikely to have occurred based on random sampling.

In the current research project the group means for employees who were appointed prior to the merger were compared to the group means of those who were appointed after the merger with respect to a range of psychological constructs and dimensions. The response variables were Psychological contract, Burnout, Counterproductive work behaviour, Well-being, Workplace engagement and Job characteristics.

### 4.5.1 Differences in appointment status and psychological contract.

Appointment status refers to whether respondents were appointed prior to its merger with the new organisation versus those who were appointed after the merger process had been finalised.

### 4.5.1.1. *Appointment status and psychological contract: employer obligation*

Levene's test for equality of variances revealed that the homogeneity of variance assumption was marginally not met with $F(1,298) = 3.83$; $p = .05$. There was, however, no significant difference between the pre- and post-merger appointees with respect to Psychological contract: Employer obligation ($F(1,298) = 2.32$, p=.12) (Table 4.14 ).

Table 4.14
*Appointment status and psychological contract – employer obligation*

| Effect | Level | n | M (SD) | 95 % CI | |
| --- | --- | --- | --- | --- | --- |
| | | | | LL | UL |
| Total | | 300 | 2.60 (.39) | 2.55 | 2.64 |
| Appointed | Pre-Merger | 178 | 2.57 (.41) | 2.51 | 2.63 |
| Appointed | Post-Merger | 122 | 2.64 (.36) | 2.57 | 2.70 |

**4.5.1.2.   Appointment status and psychological contract: own obligation**

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .04$; $p = .85$. There was no significant differences between the pre- and post-merger appointees with respect to Psychological contract: Own obligation $F(1,298) = 2.20$, $p = .14$ (Table4.15).

Table 4.15
*Appointment status and psychological contract: own obligation*

| Effect | Level | n | M (SD) | 95 % CI | |
| --- | --- | --- | --- | --- | --- |
| | | | | LL | UL |
| Total | | 300 | 2.65 (.47) | 2.60 | 2.70 |
| Appointed | Pre-Merger | 178 | 2.68 (.47) | 2.61 | 2.75 |
| Appointed | Post-Merger | 122 | 2.60 (.45) | 2.52 | 2.68 |

**4.5.1.3.   Appointment   status   and   psychological   contract:   contract violations**

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .48$; $p = .49$. There was no significant difference between the pre- and post-merger appointees with respect to Psychological contract: Contract violations ($F(1,298) = .36$, $p = .49$) (Table4.16).

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Table 4.16

*Appointment status and psychological contract: contract violations*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 3.21 (.61) | 3.14 | 3.28 |
| Appointed | Pre-Merger | 178 | 3.19 (.63) | 3.10 | 3.28 |
| Appointed | Post-Merger | 122 | 3.23 (.58) | 3.13 | 3.34 |

### *4.5.1 4      Appointment status and psychological contract: contract fulfilment*

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .07$; $p = .80$ . There was no significant difference between the pre- and post-merger appointees with respect to Psychological contract: Contract fulfilment ($F(1,298) = 1.81$, $p = .18$) (Table 4.17).

Table 4.17

*Appointment status and psychological contract: contract fulfilment*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 2.75 (.77) | 2.66 | 2.84 |
| Appointed | Pre-Merger | 178 | 2.80 (.78) | 2.67 | 2.92 |
| Appointed | Post-Merger | 122 | 2.68 (.75) | 2.54 | 2.81 |

### 4.5.2      Appointment status and burnout

The aim is to determine if a positive or negative directional relationship that might exist between the current appointment status and burnout is anything different (if at all)to the relationship after the merger.

### 4.5.2.1 Appointment status and burnout: exhaustion

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with F(1,298) = 2.44, p = .12. There was no significant difference between the pre- and post-merger appointees with respect to Burnout: Exhaustion (F(1,298) = 2.04, p = .15) (Table 4.18).

Table 4.18

*Appointment status and burnout: exhaustion*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|---------|---|
| | | | | LL | UL |
| Total | | 300 | 3.36 (1.00) | 3.25 | 3.48 |
| Appointed | Pre-Merger | 178 | 3.29 (1.04) | 3.14 | 3.45 |
| Appointed | Post-Merger | 122 | 3.46 (.94) | 3.29 | 3.63 |

### 4.5.2.2 Appointment status and burnout: cynicism

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with F(1,298) = .95, p = .33. There was no significant difference between the pre- and post-merger appointees with respect to Burnout: Cynicism (F(1,298) = 1.28, p = .26) (Table 4.19).

Table 4.19

*Appointment status and burnout: cynicism*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|---------|---|
| | | | | LL | UL |
| Total | | 300 | 3.45 (1.05) | 3.33 | 3.57 |
| Appointed | Pre-Merger | 178 | 3.39 (1.02) | 3.24 | 3.55 |
| Appointed | Post-Merger | 122 | 3.53 (1.08) | 3.34 | 3.73 |

### 4.5.2.3    Appointment status and burnout: professional efficacy

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .56$, $p = .45$. There was no significant difference between the pre- and post-merger appointees with respect to Burnout: Professional Efficacy ($F(1,298) = 2.30$, $p = 13$) (Table 4.20).

Table 4.20

*Appointment status and burnout: professional efficacy*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|---------|---|
| | | | | LL | UL |
| Total | | 300 | 3.15 (.84) | 3.06 | 3.25 |
| Appointed | Pre-Merger | 178 | 3.09 (.86) | 2.97 | 3.22 |
| Appointed | Post-Merger | 122 | 3.24 (.81) | 3.10 | 3.39 |

### 4.5.2.4    Appointment status and burnout: total score

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = 1.10$, $p = .29$. There was a marginally significant difference between the pre- and post-merger appointees with respect to Burnout: Total score ($F(1,298) = 3.77$, $p = .05$) (Table 4.21).

Table 4.21

*Appointment status and burnout: total score*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|---------|---|
| | | | | LL | UL |
| Total | | 300 | 3.32 (.67) | 3.25 | 3.40 |
| Appointed | Pre-Merger | 178 | 3.26 (.68) | 3.16 | 3.36 |
| Appointed | Post-Merger | 122 | 3.41 (.64) | 3.30 | 3.53 |

This means that there was a marginally significant difference between the level of burnout experienced by the post-merger employees compared to the pre-merger employees.

### 4.5.3 Appointment status and mental well-being

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with F (1,298) = .43, p = .51. There was no significant difference between the pre- and post-merger appointees with respect to wellbeing (F(1,298) = .30, p = .58) (Table 4.22).

Table 4.22

*Appointment status and mental well-being*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 3.62 (.69) | 3.54 | 3.69 |
| Appointed | Pre-Merger | 178 | 3.63 (.70) | 3.53 | 3.74 |
| Appointed | Post-Merger | 122 | 3.59 (.67) | 3.47 | 3.71 |

### 4.5.4 Appointment status and workplace engagement

Research will try and determine if there exists any difference in the appointment status of employees, prior and post merger, to the different facets of workplace engagement. In other words finding out if employees were more disengaged (or engaged) after the merger than prior to the merger.

### *4.5.4.1 Appointment status and workplace engagement: vigour*

Levene's test for equality of variances revealed that the homogeneity of variance assumption is **not** met with F(1,298) = 4.20, p = .04. There was, however, no significant difference between the pre- and post-merger appointees with respect to Workplace engagement: Vigour (F(1,298) = .51, p = .48) (Table 4.23).

Table 4.23

*Appointment status and workplace engagement: vigour*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 3.51 (.86) | 3.41 | 3.61 |
| Appointed | Pre-Merger | 178 | 3.54 (.91) | 3.40 | 3.67 |
| Appointed | Post-Merger | 122 | 3.46 (.79) | 3.32 | 3.61 |

### 4.5.4.2 Appointment status and workplace engagement: dedication

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .38$, $p = .53$. There was no significant difference between the pre- and post-merger appointees with respect to Workplace engagement: Dedication ($F(1,298) = .13$, $p = .71$) (Table 4.24).

Table 4.24

*Appointment status and workplace engagement: dedication*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 3.66 (.96) | 3.55 | 3.77 |
| Appointed | Pre-Merger | 178 | 3.68 (.97) | 3.54 | 3.82 |
| Appointed | Post-Merger | 122 | 3.64 (.96) | 3.47 | 3.81 |

### 4.5.4.3 Appointment status and workplace engagement: absorption

Levene's test for equality of variances revealed that the homogeneity of variance assumption is **not** met with $F(1,298) = 3.798$, $p = .005$. There was, however, no significant difference between the pre- and post-merger appointees with respect to Workplace engagement: Absorption ($F(1,298) = 1.50$, $p = .22$) (Table 4.25).

Table 4.25

*Appointment status and workplace engagement: absorption*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|---------|---|
| | | | | LL | UL |
| Total | | 300 | 3.57 (.74) | 3.49 | 3.66 |
| Appointed | Pre-Merger | 178 | 3.61 (.78) | 3.49 | 3.72 |
| Appointed | Post-Merger | 122 | 3.53 (.68) | 3.40 | 3.652 |

### 4.5.4.4 *Appointment status and workplace engagement: total score*

Levene's test for equality of variances revealed that the homogeneity of variance assumption was marginally not met with $F(1,298) = 3.80$, $p = .05$. There was, however, no significant difference between the pre-- and post-merger appointees with respect to Workplace engagement ($F(1,298) = .84$, $p = .36$) (Table 4.26).

Table 4.26

*Appointment status and workplace engagement: total score*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|---------|---|
| | | | | LL | UL |
| Total | | 300 | 3.57 (.74) | 3.49 | 3.66 |
| Appointed | Pre-Merger | 178 | 3.61 (.78) | 3.49 | 3.72 |
| Appointed | Post-Merger | 122 | 3.53 (.68) | 3.40 | 3.65 |

### 4.5.5 Appointment status and Counterproductive work behaviour

Even though all employees experience some form of counterproductive workbehaviour in their career, this research will try and determine if the CWB experienced by these respondents were more (or less) significant after the merger had taken place and based on their current wellbeing at work.

### 4.5.5.1 Appointment status and Counterproductive work behaviour: Sabotage

Levene's test for equality of variances revealed that the homogeneity of variance assumption was marginally not met with $F(1,298) = .720$, $p = .396 > 0.05$. There was, however, no significant difference between the pre- and post- merger appointees with respect to Counterproductive work behaviour: Sabotage (Table 4.27).

Table 4.27

*Appointment status and Counterproductive work behaviour: Sabotage*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 1.31 (.42) | 1.27 | 1.36 |
| Appointed | Pre-Merger | 178 | 1.30 (.43) | 1.23 | 1.36 |
| Appointed | Post-Merger | 122 | 1.34 (.40) | 1.26 | 1.41 |

### 4.5.5.2 Appointment status and counterproductive work behaviour: psychological abuse

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = 1.04$, $p = .31$. There was no significant difference between the pre- and post-merger appointees in terms of Counterproductive work behaviour: Psychological abuse $F(1,298) = .11$, $p = .74$) (Table4.28).

Table 4.28

*Appointment status and counterproductive work behaviour: psychological abuse*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 1.56 (.44) | 1.51 | 1.61 |
| Appointed | Pre-Merger | 178 | 1.55 (.47) | 1.48 | 1.62 |
| Appointed | Post-Merger | 122 | 1.57 (.39) | 1.50 | 1.64 |

### 4.5.5.3    Appointment status and counterproductive work behaviour: production deviance

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .01$, $p = .94$. There was no significant difference between the pre- and post-merger appointees with respect to Counterproductive work behaviour: Production deviance ($F(1,298) = 1.09$, $p = .30$) (Table 4.29).

Table 4.29

*Appointment status and counterproductive work behaviour: production deviance*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 1.37 (.45) | 1.32 | 1.42 |
| Appointed | Pre-Merger | 178 | 1.39 (.46) | 1.32 | 1.46 |
| Appointed | Post-Merger | 122 | 1.34 (.43) | 1.26 | 1.41 |

### 4.5.5.4    Appointment status and counterproductive work behaviour: withdrawal

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = 2.50$, $p = .11$. There was no significant difference between the pre- and post-merger appointees with respect to Counterproductive work behaviour: Withdrawal ($F(1,298) = .00$, $p = .95$) (Table 4.30).

Table 4.30

*Appointment status and counterproductive work behaviour: withdrawal*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 1.38 (.42) | 1.33 | 1.42 |
| Appointed | Pre-Merger | 178 | 1.38 (.44) | 1.31 | 1.44 |
| Appointed | Post-Merger | 122 | 1.37 (.39) | 1.30 | 1.44 |

#### 4.5.5.5 Appointment status and counterproductive work behaviour: theft

Levene's test for equality of variances revealed that the homogeneity of variance assumption has not been met with $F(1,298) = 5.90$, $p = .02$. There was, however, no significant difference between the pre- and post-merger appointees with respect to Counterproductive work behaviour: Theft ($F(1,298) = 2.68$, $p = .10$) (Table 4.31).

Table 4.31 *Appointment status and counterproductive work behaviour: theft*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 1.30 (.39) | 1.26 | 1.34 |
| Appointed | Pre-Merger | 178 | 1.33 (.42) | 1.27 | 1.39 |
| Appointed | Post-Merger | 122 | 1.26 (.33) | 1.20 | 1.32 |

#### 4.5.5.6 Appointment status and counterproductive work behaviour: total score

Levene's test for equality of variances revealed that the homogeneity of variance assumption has marginally not been met with $F(1,298) = 3.73$, $p = .05$. There was, however, no significant difference between the pr- and post-merger appointees with respect to Counterproductive work behaviour: Total score ($F(1,298) = .00$, $p = .99$) (Table 4.32).

Table 4.32

*Appointment status and counterproductive work behaviour: total score*

| Effect | Level | n | M (SD) | 95 % CI | |
|---|---|---|---|---|---|
| | | | | LL | UL |
| Total | | 300 | 1.41 (.31) | 1.38 | 1.45 |
| Appointed | Pre-Merger | 178 | 1.41 (.35) | 1.36 | 1.47 |
| Appointed | Post-Merger | 122 | 1.41 (.25) | 1.37 | 1.46 |

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**4.5.6        Appointment status and job characteristics**

Job characteristics are part of all organisations and experienced by all employees. This research will try and assess if the current job characteristics exhibited by these respondents are different to the job characteristics experienced prior to the merger. This will only be possible for employees who have been appointed prior to the merger, as they would have experiences from both prior and post merger.

*4.5.6.1        Appointment status and Job characteristics: overload*

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = 1.02$, $p = .31$. There was no significant difference between the pr- and post-merger appointees with respect to Job characteristics: Overload ($F(1,298) = .37$, $p = .54$) (Table 4.33).

Table 4.33

*Appointment status and Job characteristics: overload*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|---------|---|
| | | | | LL | UL |
| Total | | 300 | 2.53 (.49) | 2.47 | 2.58 |
| Appointed | Pre-Merger | 178 | 2.51 (.46) | 2.44 | 2.58 |
| Appointed | Post-Merger | 122 | 2.55 (.52) | 2.45 | 2.64 |

*4.5.6.2        Appointment status and job characteristics: growth opportunities*

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .06$, $p = .81$. There was no significant difference between the pre- and post-merger appointees with respect to Job characteristics: Growth opportunities ($F(1,298) = 1.98$, $p = .16$) (Table 4.34).

Table 4.34

*Appointment status and job characteristics: growth opportunities*

| Effect | Level | n | M (SD) | 95 % CI | |
| --- | --- | --- | --- | --- | --- |
| | | | | LL | UL |
| Total | | 300 | 2.41 (.45) | 2.36 | 2.46 |
| Appointed | Pre-Merger | 178 | 2.38 (.46) | 2.31 | 2.44 |
| Appointed | Post-Merger | 122 | 2.45 (.44) | 2.37 | 2.53 |

### 4.5.6.3 Appointment status and job characteristics: social support

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .89$, $p = .35$. There was no significant difference between the pre- and post-merger appointees with respect to Job characteristics: Social support ($F(1,298) = .13$, $p = .72$) (Table 4.35).

Table 4.35

*Appointment status and job characteristics: social support*

| Effect | Level | n | M (SD) | 95 % CI | |
| --- | --- | --- | --- | --- | --- |
| | | | | LL | UL |
| Total | | 300 | 2.35 (.45) | 2.29 | 2.40 |
| Appointed | Pre-Merger | 178 | 2.34 (.46) | 2.27 | 2.41 |
| Appointed | Post-Merger | 122 | 2.36 (.43) | 2.28 | 2.43 |

### 4.5.6.4 Appointment status and job characteristics: organisational support

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = 1.03$, $p = .31$. There was no significant difference between the pre- and post-merger appointees with respect to Job characteristics: Organisational support ($F(1,298) = 1.73$, $p = .19$) (Table 4.36).

Table 4.36

*Appointment status and job characteristics: organisational support*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|----|----|
| | | | | LL | UL |
| Total | | 300 | 2.45 (.35) | 2.41 | 2.49 |
| Appointed | Pre-Merger | 178 | 2.47 (.34) | 2.42 | 2.52 |
| Appointed | Post-Merger | 122 | 2.41 (.36) | 2.35 | 2.48 |

### 4.5.6.5    Appointment status and job characteristics: job security

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .00$, $p = .95$. There was no significant difference between the pre- and post-merger appointees with respect to Job characteristics: Job security ($F(1,298) = .40$, $p = .53$) (Table 4.37).

Table 4.37

*Appointment status and job characteristics: job security*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|----|----|
| | | | | LL | UL |
| Total | | 300 | 2.32 (.62) | 2.25 | 2.39 |
| Appointed | Pre-Merger | 178 | 2.33 (.61) | 2.24 | 2.42 |
| Appointed | Post-Merger | 122 | 2.29 (.62) | 2.18 | 2.40 |

### 4.5.6.6    Appointment status and job characteristics: advancement

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .42$, $p = .52$. There was no significant difference between the pre- and post-merger appointees with respect to Job characteristics: Advancement ($F(1,298) = .000$, $p = .99$) (Table 4.38).

Table 4.38

*Appointment status and job characteristics: advancement*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|---------|---|
| | | | | LL | UL |
| Total | | 300 | 2.29 (.47) | 2.24 | 2.35 |
| Appointed | Pre-Merger | 178 | 2.29 (.46) | 2.23 | 2.36 |
| Appointed | Post-Merger | 122 | 2.29 (.49) | 2.21 | 2.38 |

### 4.5.6.7      Appointment status and job characteristics: job demands

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = 2.38$, $p = .12$. There was no significant difference between the pre- and post-merger appointees with respect to Job characteristics: Job demands ($F(1,298) = .01$, $p = .91$) (Table 4.39).

Table 4.39

*Appointment status and job characteristics: job demands*

| Effect | Level | n | M (SD) | 95 % CI | |
|--------|-------|---|--------|---------|---|
| | | | | LL | UL |
| Total | | 300 | 2.42 (.40) | 2.38 | 2.47 |
| Appointed | Pre-Merger | 178 | 2.42 (.38) | 2.37 | 2.48 |
| Appointed | Post-Merger | 122 | 2.42 (.42) | 2.34 | 2.49 |

### 4.5.6.8      Appointment status and job characteristics: job resources

Levene's test for equality of variances revealed that the homogeneity of variance assumption is met with $F(1,298) = .07$, $p = .79$. There was no significant difference between the pre- and post-merger appointees with respect to Job characteristics: Job resources ($F(1,298) = .04$, $p = .84$) (Table 4.40).

Table 4.40

*Appointment status and job characteristics: job resources*

| Effect | Level | n | M (SD) | 95 % CI | |
| --- | --- | --- | --- | --- | --- |
| | | | | LL | UL |
| Total | | 300 | 2.38 (.27) | 2.35 | 2.41 |
| Appointed | Pre-Merger | 178 | 2.38 (.27) | 2.34 | 2.42 |
| Appointed | Post-Merger | 122 | 2.39 (.29) | 2.34 | 2.44 |

## 4.6 Discriminant analysis with all Independent Variables as Predictors and the Pre-merger/Post-merger Appointment Classification as Dependent Variable

The collection of independent variables and the dependent variable, namely the pre-merger/post-merger classification, were subsequently subjected to a series of discriminant analyses. Figure 4.5provides a graphic representation of the best predictors of the classification identified in a series of best subsets analyses.
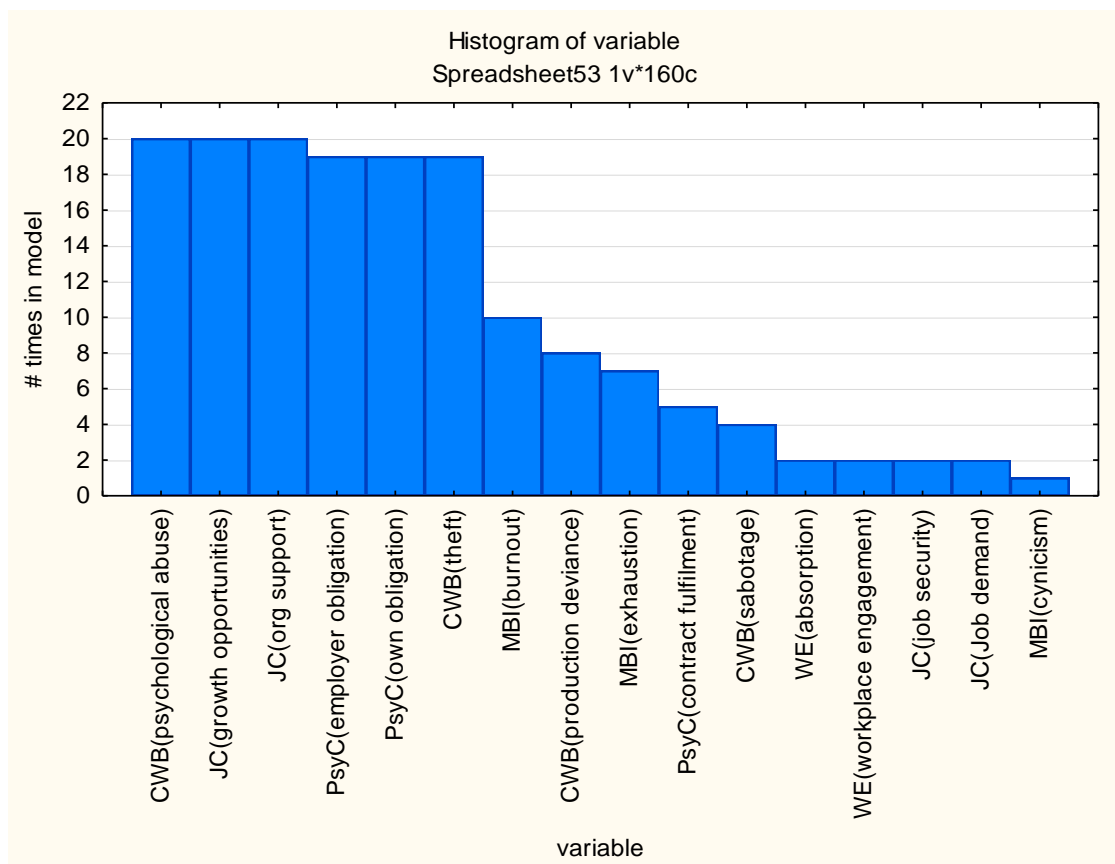


*Figure 4.5:* Best predictors from best subsets analyses

Table 4.41 provides an overview of the discriminant analysis with the best predictors of the classification.

Table 4.41

*Discriminant analysis with best predictors*

| Effect | Test | Value | F | Effect df | Error df | P |
|---|---|---|---|---|---|---|
| Intercept | Wilks | .99 | 3.75 | 1 | 293 | .05 |
| CWB (Psychological abuse | Wilks | 1.00 | .71 | 1 | 293 | .40 |
| JC (growth opportunities) | Wilks | .98 | 4.76 | 1 | 293 | .03 |
| JC (organisational support) | Wilks | .99 | 4.26 | 1 | 293 | .04 |
| Psychological contract (ER obligation) | Wilks | .98 | 5.59 | 1 | 293 | .02 |
| Psych Contract (own obligation) | Wilks | .98 | 5.74 | 1 | 293 | .02. |
| CWB (CWB) | Wilks | 1.0 | .08 | 1 | 293 | .77 |

Inspection of Table 4.41 reveals that Growth Opportunities, Organisational Support, Employer obligation and Own obligation have been identified as significant predictors of the classification. Table 4.42 displays the percentage of cases that were correctly placed within the total sample (60.67%), within the pre-merger group (85.96%), and in the post-merger group (23.77%). From the results it is clear that the prediction model is not very useful in terms of the classification of employees within the pre-merger/post-merger classification. The prediction of the post-merger group was especially problematic. Table 4.42 reports the resulting classification matrix.

Table 4.42
*Classification matrix*

| Class | % Correct | Pre Merger p = .59 | Post Merger p = .41 |
|---|---|---|---|
| Pre-merger | 85.96 | 153.00 | 25.00 |
| Post-merger | 23.77 | 93.00 | 29.00 |
| Total | 60.67 | 246.00 | 54.00 |

## 4.7      Concluding Remarks

The relative frequency of fairly established measures not reaching the expected levels of internal consistency and the relative absence of any real differences between the pre-merger and post-merger appointees contributed to the researcher questioning the motivation of the respondents to complete the questionnaires in a truthful and honest manner.

Several methods  were used to detect possible careless responding by participants (cf. Meade & Craig, 2012), including (1) response consistency indices, which typically match items that are highly similar based on empirical correlations among items, (2) a multivariate outlier approach, such as Mahalanobis distance, which considers the pattern of responses across a series of items, and last, (3) a jackknife internal consistency reliability estimation procedure (De Kock & Levesque, 2012) that examines the impact of deletion of each case, in turn, on internal consistency estimates of scale scores. Although results pointed to the possibility that certain responses could be categorized as careless, case diagnostics varied with the technique employed - a result which is common with careless response detection techniques (Meade & Craig, 2012). By visual inspection of the raw data, anomalies were detected in column data for one of the scales - subsets of data were duplicated in the Work Engagement scale. It was concluded that the duplication might have resulted from either a data capturing error, or data manipulation error on behalf of the researcher. Upon verification of the data capturing from the primary research documents, it was found that it represented a data capturing error.

# CHAPTER 5
## DISCUSSION OF RESEARCH RESULTS

## 5.1        Introduction

The research goal of this study was to test the impact of merger-related employee status on engagement, burnout and counterproductive work behaviour of employees of a South African Commercial Bank.

This chapter places the research results of this study in the proper context by indicating pertinent shortcomings of the study. Furthermore, guidelines are provided for managers and practitioners on how to improve job engagement, burnout and performance-related behaviours of employees who have been subjected to differential exposure factors in a retail bank. Recommendations are therefore made for future research efforts.

## 5.2        Conclusions

The conclusions are made by linking the results with the original objectives and with the theory and research used to support the arguments in this study and constructing these results to provide insight in: the psychometric properties of the measuring instruments, intercorrelations between variables, effect on pre-merger and post-merger, differential prediction of the dependent variables in each group and the diagnostic implications of the results. The final section of this chapter will provide possible recommendations.

### 5.2.1        Psychometric properties of the measuring instruments

It is clear that the Job Characteristics Scale did not perform according to expectations, with the range of alpha coefficients spanning .21 to .62.  This causes the results based on the Job Characteristics Scale to be treated with suspicion.  The Psychological Contract Inventory was, however, associated with satisfactory alpha coefficients, except for the subscale pertaining to Contract Fulfilment (.57).  The measure of Mental Well-being also had an excellent level of internal consistency. In the case of the Work Engagement questionnaire only the total scale reached a satisfactory level of internal consistency, whilst in the case of the Maslach Burnout Inventory: General survey, neither the dimensions, nor the total score reached a satisfactory level of internal consistency.  In the case of the Counterproductive Work Behaviour Checklist, only the Psychological abuse dimension and the Total score could be regarded as internally

consistent.  These results place a question mark over the statistical findings of the current study.

One therefore has to conclude that the results pertaining to Objective 1 "*to verify the psychometric properties of the selected measurement instruments*" do not support many of the psychometric instruments used.

### 5.2.2 Intercorrelations between various variables

The intercorrelations are marked by fairly weak correlations which sometimes are in the opposite than the expected direction.  The positive correlation between growth opportunities and mental well-being makes sense, but the positive correlations between organisational support and social support and withdrawal and total counterproductive work behaviour do not make sense.  The same applies to the negative correlation between job overload and sabotage and counterproductive work behaviour.

The level of abuse experienced showed a positive correlation with the degree of psychological contract adherence by the employee, and a negative correlation with the extent of perceived contract violation, which are contrary to the expectations.  In contrast the positive correlation between job overload and psychological contract violation actually makes sense.

The positive correlations between the various forms of counterproductive work behaviour and the dimensions of burnout confirm the expectations.  The few significant negative correlations between well-being, the dimensions of work engagement and the dimensions of burnout are also in the expected direction.

The positive correlations between mental well-being and the dimensions of work engagement, as well as the negative correlations between work engagement and some of the counterproductive work behaviour dimensions, do confirm the expectations.

The intercorrelations between the demographic variables and the psychological constructs revealed that number of years employed was associated with a lower likelihood of withdrawal.  While years in the same position correlated positively with absorption, and negatively with perceived job resources.  Years in the current job band was positively correlated with theft, which is conceivable, as an employee may start to

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develop a rationale for supplementing his/her income.  The positive correlation between number of staff members supervised directly and job overload also makes good sense, but at the same time it is conceivable that it could also create opportunities for growth.

### 5.2.3    Differences between pre-merger and post-merger appointees

The most surprising finding with respect to the current study is the fact that virtually all the comparisons between the pre-merger appointees and the post-merger appointees were insignificant. There is only one exception, namely the marginally significant difference between the pre-merger and port-merger groups with respect to burnout (total score), with the post-merger appointees scoring the highest.

In contrast to the ANOVA's the discriminant analyses identified four significant predictors, namely:

- growth opportunities
- organisational support
- employer adhering to psychological  contract
- the employee adhering to the psychological contract

The fact that the best subset of predictors could only place 60% of the cases correctly in terms of the pre-merger/post-merger classification, greatly reduces the meaningfulness of this finding.

Objectives 3 "t*o compare the group differences in perceived job demands and resources, affective states and psychological contract among employees from the Acquired Bank, and employees from the Newly Merged Bank*" and Objective 4 "t*o provide the retail bank under study with a diagnosis of the working environment within the bank and to offer recommendations with respect to the management of the challenges encountered*" did not lead to practically meaningful results and the overarching perception is that possible differences may be have been masked by die unreliability of the instrument utilised.  There are cues with respect to possible random responding, but nothing tangible emerged out of the analyses.

This phenomenon could also be due to socially desirable or defensive responding among the participants.  It is quite possible that they did not trust the anonymity or confidentiality of the questionnaire submission process.

**5.2.4      Differential prediction of the dependent variables in each group**

Objective 5 was eventually not pursued as a result of the lack of significance of the differences between the pre-merger and post-merger groups.

**5.2.5      The diagnostic implications of the results**

Objective 2 of this study was to investigate, amongst others, the levels of work engagement among employees in a retail bank. Work engagement was conceptualised as a positive, fulfilling, and work-related state of mind that is characterised by vigour, dedication, and absorption (Schaufeli, Salanova, Gonzales-Roma, & Bakker, 2002).There was, however, no significant difference between the pre-- and post-merger appointees with respect to Workplace engagement.

The average item score for the sample of 3.6 falls within the "regularly" category, which means that they regularly experience engagement. The effects of job demands and job resources on work engagement of employees in this retail bank were also investigated. Job demands refer to the physical, psychological, social, and organisational aspects of work that require continuous physical and psychological effort, which is associated with certain physiological and psychological costs (Schaufeli & Bakker, 2004).

The average item score for job demands was 2.5, which means that the sample experiences job demands "sometimes".  In the case of job resources the average item score of 2.4 means that the sample also experiences job resources sometimes. Although job demands are not necessarily negative, they could have negative long-term consequences for the specific regional retail bank when coupled with the lack of resources because employees spent much more mental and physical energy to cope with high working demands and that could lead to burnout. The fact that members are aware of a retrenchment process that could jeopardise their careers at the bank could be a reason/cause for their lower scores.

Despite the differences in psychological contract each employee experiences, there were no significant differences between the two groups on their views of the employee or of employer obligations towards the respective respondents. The average item score for both employer and employee obligations reveal that the sample could only slightly agree with the statements presented, whilst their perception of the degree of contract

violation rendered an average item score of 3.2 which falls in the "somewhat" category.. While this research focused on large scale organisational change and its impact on the psychological contract, the findings are largely consistent with Wöcke and Sutherland's (2008) study on the impact of employment regulations on the psychological contract.

The researcher is of the opinion that the process of organisational change through a constructed procedure of merging has a snowball effect on employee attitudes and employee behaviour. This change always comes with a price attached to it and most of the time that price is the inability to retain satisfied employees, because in this research the impact of merger-related employee status on engagement, burnout and counterproductive work behaviourwas closely observed.

What then can employers do to implement change with the least possible resistance from employees and the subsequent detrimental consequences for the organisation as a whole? The researcher is of the opinion that there is no foolproof answer to this, but communication will always play a major role in any change initiative and employees subsequent acceptance thereof. In an analysis of employee responses to all the questions, there is little or no affirmative difference in answers between applicants who were part of the retail bank prior to the merger and those who started at the bank after the merger process had successfully taken place. Communication also extends to employer and employee obligations. In other words, if an employee knows what the employer expects from him/her and the employer honours its commitments made to the employee, the chances that the employee will become so disillusioned with the employment relationship will be minimised.

Counterproductive work behaviour (CWB) is a result of the psychological contract (PC), thus, the most important thing for organisations is to prevent a negative PC, by fulfilling the obligations and consider employees' welfare. However, it may not be possible to fulfill every promises made by employees in the workplace. In such circumstances, organisations should strive to reduce the feelings of breach by providing adequate explanation for the causes of breach.

The average item score for counterproductive work behaviour was only 1.5 and therefore it probably did not differentiate between the respondents from both groups. The score means that it is located in the "never" category.

The level of well-being experienced was 3.6 (average item level) which means that the sample experiences well-being some of the time on average. At the same time the average item level for burnout falls within the regularly category for all dimensions, as well as the total scale.

In summary the average item scores of the sample for job resources and job demands were fairly average; the average item scores for the dimensions of the psychological contract reflected that the sample experienced it also as slightly to somewhat problematic. In contrast, the average item scores for both work engagement and burnout revealed that the respondents experienced both opposing states regularly. Mental well-being was experienced some of the time and counterproductive work behaviour almost never. The higher burnout scores, coupled with the simultaneous higher levels of work engagement could possibly be viewed as an exploitable factor.

## 5.3        Limitations of the Study

The Regional Head Quarters in Pretoria was the only branch used in this study and therefore the conclusions made cannot be seen as representative of the total banking group in general. The results from this questionnaire should be interpreted as a basic measurement of perception. Generalisation of the results is therefore restricted, since the samples used were associated with one regional office in one province only. It should be noted that unique characteristics probably exist within other regional head offices of the same bank, such as a specific organisational culture and climate, which might have influenced the participant's responses.

The researcher avoided any reference to ethnic category in an attempt to remove offensive terminology. When viewed retrospectively it might have been a mistake, as part of the random responding could be due to either differences in responding to the items or more fundamentally to the absence of measurement invariance.

It is likely that the employees were biased negatively when rating their leaders and work environment as a result of the current retrenchment processes that members had heard of and was still to face.

Having a balanced group of participants on all respective employment levels (team leaders, team managers and team members) to participate in this study was a

challenge. Only 11 team managers, 66 team leaders and 223 team members of the 300 respondents participated. The only reason why the retail bank decided to participate in this study was because they were aware of the high absenteeism rate and members were becoming disengaged due to a future retrenchment process that was spoken of.

The results have indicated that general prediction theories are not very useful in terms of the classification of employees within the pre-merger/post-merger classification. The prediction of the post-merger group was especially problematic. It is, however, also possible that the lack of differences between the two groups might be due to the fact that the merger has occurred fairly long ago and might not play such a strong role in the perceptions of both groups any more

Another limitation of this research study is the possibility that some individuals did not trust the confidentiality clauses in the letter accompanying the questionnaire booklet and could have partially or fully answered the questions inaccurately in the fear that they would be identified. This could have influenced the results as well. An electronic survey method was declined by the client, with the result that after briefing the HR Department, the questionnaires were handed to them in printed form as the researcher was not permitted to use the electronic format.

The UWES scale specifically measures the state of work engagement, capturing both the affective and cognitive aspects of engagement. However, this scale does not measure trait and behavioural engagement on the premise that they do not capture the construct of engagement theoretically, and that behavioural engagement is difficult to measure (Alarcon, 2009). It should be noted, therefore, that only the work component of employee engagement can be accounted for in the inferential interpretation of the results of this study. While it could be argued that the work component is the most important, it does not act in isolation of the emotional and behavioural states, which together are directed towards the desired organisational outcomes that a company aims to achieve (Shuck & Wollard, 2010).

### 5.4        Recommendations

Despite the limitations of this study, the present findings may have important implications for future research and practice.

Assessments of coping strategies might be effectively incorporated into personnel appointment procedures and individual stress coping training might be beneficial. However, a more desirable strategy is to make the organisation inherently less stressful. Since job demands play a central role in burnout and work engagement, it is necessary to implement preventive organisationally based strategies to tackle high job demands.

The relationship between job characteristics, burnout, engagement and well-being should be investigated in a variety of organisational settings and in similar, randomly drawn samples as well. This will help to confirm and generalise the findings of the holistic work-wellness model of the present research.

The relationship between the above can be qualitatively investigated to build theory that can lead to a South African-produced validated measure of engaged work-wellbeing.Retail banks need to develop relationship strategies for all employees on all levels of employment. To support relationship strategies, banks need to understand the behaviour of their employees and their various behavioural actions.

In the competitive financial industry, the bank needs to ensure that its people has a differentiating factorto achieve superior organisational performance, meaning the key to organisational success lies in highly capable, empowered and motivated employees who, as stakeholders, help shape the group's sustainable future. As the goal is a high-performance employee culture, the key objective is to empower all employees to reach their full potential through skills development initiatives, therefore the banking industry must focus on leveraging people to produce a desired level of performance.

Employee engagement matters, but the extent to which it can lead to a step-change in organisational performance is uncertain. In particular, even where there is a clear vision and understanding of what needs to be done, there can be significant barriers to effecting 'change on the ground', for example if staff are generally opposed to change or if the capacity to implement change is limited by resource constraints.

Defining organisational expectations at pre-placement stage is critical. Using the list of variables defined in this research could be extremely useful in finding out what applicants may expect and defining what management may be prepared to deliver. It would be careless to wait for withdrawal behaviours or departures to attempt to start

contract discussions. It will be useful to find out what is important and continue revisiting those priorities.

Given the potential negative outcomes of psychological contract violation it is imperative for organisations embarking on change to better understand the potential contracts that could be subject to violations and what the most salient contractual elements are in the wake of large scale organisational change. Organisational change in a South African context is, however, more precarious and ever more complex. A complete psychological contract measurement needs to be manifold: it needs to include perceived organisation obligations, perceived employee obligations, a breach and violation scale and a global assessment of fulfilment or violation. Recommended scales to use are therefore Rousseau (1990) for a short list of items.

Some of the approaches aimed at improving employee engagement can significantly increase employee engagement (as measured by staff surveys) and, in turn, this can have a measurable impact on HR variables, such as retention and staff sickness. The links to wider impacts in areas such as client service, satisfaction levels and for private sector business – turnover and profitability - tend to be more tenuous.

Increasing employee engagement is highly dependent on leadership and establishing two-way communication where people's work and views are valued and respected. There are thus ways in which any organisation can work towards better employee engagement without incurring high costs as long as there is the organisational determination to focus on this issue. Even in the absence of robust impact data, the principle of employee engagement is to be endorsed in terms of good practice in people management and the softer benefits this confers to organisations.

## 5.5 A closing reflection on the value of the present study

Maslow (1964) believed it is possible to develop what he called: a suitable enlarged science, and believed the best way to define a psychological scientist is not one who knows the answers, but rather one who struggles with the questions.  Perhaps the validity and worth of the present study is to be seen, not in the answers it has given, but in the questions it has raised in its efforts to grasp the experience of meaning in the workplace.

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