

The Role of Employees' Psychological Contract in the Successful
Implementation of Management Tactics and Achieving Optimum
Performance at Engen Refinery, Durban, South Africa

By

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CONFIDENTIALITY CLAUSE

Date: 4 December 2005

TO WHOM IT MAY CONCERN

RE: CONFIDENTIALITY CLAUSE

Due to the potentially sensitive nature of this research, it would be appreciated if the contents remain confidential and not be circulated for a minimum period of five years.

Sincerely,

Mrs A.M Padayachee

DECLARATION

This research has not been previously accepted for any degree and is not being currently submitted in candidature for any degree.

Signed: 

Date: 4 December 2005

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Abstract

The purpose of this research is to determine the role of employees' psychological contract in the successful implementation of management tactics and achieving optimum work performance.

The concept of the psychological contract was first introduced by Argyris in 1960, in reference to the employer and employee expectations of the employment relationship (Smithson and Lewis, 2003). Recent research in the United Kingdom has revived the concept, with particular focus on how the psychological contract affects employee attitude or how it may be affected by employer actions. The perceived breach of psychological contracts, for example, may be linked to job satisfaction or staff retention.

Research on the topic in a South African context is limited. The purpose of this research is to apply the concept to the South African context and to specifically determine how it impacts on strategy implementation through management tactics, as well as work performance. Furthermore the influence of factors such as gender, ethnicity and relative age will be investigated.

Research will be conducted amongst employees of Engen Refinery, located in Durban, South Africa. It is expected that this study will add value to the body of knowledge in this field as well as benefit the company by identifying how an understanding of employees' psychological contracts is relevant to the implementation of tactics and achieving optimum work performance.

Questionnaires will be administered to employees. A focus group discussion will be held with 5 employees. Two psychologists and one psychometrist will be interviewed. Two employees, who are also middle managers will be interviewed.

Research findings indicate that the psychological contract of employees has a direct influence on the successful implementation of management tactics and optimising work performance at the Engen Refinery. Employees favour a relational psychological contract. It follows that meeting the relational needs of employees would result in an improvement in the successful implementation of tactics and work

performance. Positive interpersonal relationships based on trust, respect and open communication minimise gaps in psychological contracts and reduce the degree of assumption with regard to mutual expectations. This has the effect of reducing feelings of inequity, which, based on equity theory, improves commitment and work performance and reduces perceptions of psychological contract violation.

Recognition, and the application of behaviour modification theory, may be practically applied where a relational psychological contract is favoured, in order to influence the transactional aspects of the contract.

While gender and age do not appear to influence how the psychological contract affects the implementation of tactics and work performance optimisation, ethnicity does, in the particular context of Employment Equity which is peculiar to South Africa.

Research findings indicate that the concept of the psychological contract is relevant to improving the work environment, and can be used to effect change in order to enhance the successful execution of strategy and optimise employee work performance.

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1.1 Introduction

The purpose of this research is to determine the role of employees' psychological contract in the successful implementation of management tactics and achieving optimum work performance.

The concept of the psychological contract was first introduced by Argyris in 1960, in reference to the employer and employee expectations of the employment relationship (Smithson and Lewis, 2003). Psychological contracts are largely based on *perceptions* and *beliefs* regarding the terms and conditions of the exchange agreement between employees and their organisations (Rousseau, 1989). Since psychological contracts are based on perceived mutual obligations on the part of the employer and employees, it is not tangible. In addition, unlike written contracts, the employer's view of the psychological contract and that of the employee may not always be the same. Recent research in the United Kingdom has revived the concept, with particular focus on how the psychological contract affects employee attitude or how it may be affected by employer actions. The perceived breach of psychological contracts, for instance, may be linked to job satisfaction or staff retention.

Research on the topic in a South African context is limited. The purpose of this research is to apply the concept to the South African context and to specifically determine how it impacts on strategy implementation through management tactics, as well as work performance. South African people come from diverse backgrounds, comprising different social structures, ethnic groups and languages. Due to the country's political background, particularly related to the policies of apartheid, the work environment is different from that in other countries, particularly first world countries where the psychological contract has been researched previously; in a very specific manner; that of Employment Equity.

The policy of Employment Equity is unique to South Africa. The Employment Equity Act "prohibits all forms of discrimination based on race, gender, family responsibility, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture and language" (Durban Chamber of Commerce, <http://www.durbanchamber.co.za/codeofethics.asp>). Every organisation or business must therefore have a formal Employment Equity policy in place, with the objective of

achieving equity in the workplace. Part of this policy includes the targeted employment and development of previously disadvantaged groups, in order for the workforce to ultimately reflect the demographics of the province in which it operates. This often translates to an organisation targeting to reflect the demographics of the city in which it is located. It is for this purpose that the influence of factors such as gender, ethnicity and relative age on the psychological contract will be investigated.

Research will be conducted amongst employees of Engen Refinery, located in Durban, South Africa.

Durban is a cosmopolitan city. According to the Durban Chamber of Commerce (online), a census done in 2001 indicated that the population exceeds three million and the racial demographics is made up of 68.3% black African, 2.82% coloured, 19.9% Indian/Asian and 8.98% white people. There are also 89.4 males for every 100 females over the age of eighteen. While Engen's Employment Equity policy aims to reflect the local racial demographics, it is, by nature, a male dominated environment, and it is not expected that gender demographics will be met. However, the employment and development of females is part of the Employment Equity policy at Engen. It should be noted that Employment Equity is not the main focus of this research but has been introduced to create an appreciation for this uniquely South African aspect of the workplace under study, which may influence psychological contracts.

It is expected that this study will add value to the body of knowledge in the field of psychological contracts, as well as benefit the company, specifically in the areas of management tactics implementation and work performance. The links between the psychological contract, management tactics implementation and work performance are the crux of this study.

1.2 Background

1.2.1 The Organisation – Engen Refinery

The research will be conducted amongst employees at Engen Refinery, which processes crude oil into finished petroleum products, based in Durban, South Africa. The Refinery has been in operation since 1954, making it the oldest refinery in the country.

Engen Refinery is on the brink of an impending joint venture with Sasol Bulk Fuels, and is facing challenges such as producing core products to more stringent specifications into the future due to legislation, and increased visibility and accountability related to its environmental impact within the surrounding community, all within the context of South African specific human resource policies and business policies such as Employment Equity and Black Economic Empowerment. The company is, therefore, an ideal hub of diversity to be studied in relation to the psychological contract and its influence on strategy implementation through management tactics and employee work performance.

1.2.2 The Concept of the Psychological Contract

As already stated, according to Smithson and Lewis (2003), the concept of the psychological contract was first introduced by Argyris in 1960, in reference to the employer and employee expectations of the employment relationship. In the past decade, research into the concept and its practical relevance has been revived in mainly first world countries, such as the United Kingdom. A survey of literature has, to date, revealed only limited work into the psychological contract in the South African context. Indeed, the closest that many researchers appear to have come in embracing the topic in South Africa has been to observe that industrial psychology, as a discipline, is set to have an increasingly more important role in management processes (Schreuder 2001, Moalusi 2001, Pienaar and Roodt 2001, Veldsman 2001). A few researchers (Cascio 2001, Lee 2001) have considered the psychological contract and its practical application to aspects of the work environment.

Research into the psychological contract and its impact within a South African context is expected to potentially initiate widespread interest into the topic, particularly with reference to how it may be used to implement management tactics more successfully and enable the achievement of optimum work performance by employees. It will be

interesting to contemplate what can be achieved if the follow through were to be executed.

It is, however, necessary to first understand what the psychological contract really is about amongst South Africans, and what specific factors affect it. Understanding what it means will lead to an appreciation of how it may impact on the implementation of organizational strategy or tactics and employee work performance, both from the perspective of the individual as well as social groups.

The relationship between the employer and employee may have a direct effect on the employee's commitment to the company's overall strategy. Individual perceptions can affect job satisfaction which in turn affects the physical and mental health, loyalty and, ultimately, productivity of the employee.

Apart from individual relationships, the power of the social influence in a group can also determine the success of strategy implementation as well as how well individuals perform. The strength of grapevines in organizations is testimony to this. If the message transmitted along the grapevine is strategy related, it may have a direct effect on performance and productivity, either positively or negatively depending on the content, regardless of whether it is fact or fiction.

It may be possible, one postulates, to overcome negative or demoralizing grapevines by having an honest and transparent individual psychological contract. The balance between the two can be a delicate one but the interplay between them makes for interesting analysis.

“Company politics” is often cited as an undercurrent affecting job satisfaction and performance. It is expected that the concept of “politics” is closely linked to psychological contracts, and that issues surrounding this intangible phantom may be resolved by gaining a better understanding of employee and employer expectations.

Shore and Tetrick (1994) suggest that, while the psychological contract is relatively stable once developed, it is based on an ongoing interactive process. The employee takes steps to fulfil their part of the contract, and expects the organisation to fulfil their obligations, real or perceived, in return. The psychological contract is viewed as a

standard or referent for the employee to judge the employment relationship against. If the standard is not met, and the employee perceives a contract violation on the part of the organisation, the employee will respond accordingly and reduce their level of fulfilment of the contract. If this is applied to the implementation of management tactics and work performance, it is expected that, if an employee perceives a violation of the psychological contract from the organisation's side, the employee will not show ownership or acceptance of tactics, and may even reduce productivity or efficiency, to the extent that work performance is below the optimum which may be achievable.

The psychological contract, then, may be the missing link between developing strategy or management tactics and successful implementation thereof. In addition, the psychological contract may directly influence how committed, loyal and productive employees are on a consistent basis.

1.3 Motivation for the Research

The success of appropriate strategy is ultimately dependent on *how* it is *implemented*. A good leader with exceptional ideas can only effectively direct a company towards success if he can succeed in developing a following and buy-in of his ideas across the organization in question. Maccoby (2004) states that, in order for a leader to lead successfully, he must have the ability to attract his followers by using the Freudian theory of transference positively. This theory touches on what motivates people in the subconscious and irrational realm. Since this theory is related to the “powerful images and emotions” that employees “project onto [their] relationships with leaders”, it is closely linked to the psychological contract.

Ultimately, the implementation of strategy lies in the hands of the workers. The relationship between supervisors and subordinates can impact on whether strategy is effectively communicated and implemented or not. The inherent psychological contract of employees will be pivotal in this process. Understanding how it is established and what factors affect it can therefore provide guidelines as to how strategy may be more effectively implemented, and how performance can be optimized.

Considering the formidable grapevine prevalent in most organizations, strategy can very quickly and easily rise to levels never thought possible or die a quick and lonely death.

There is no sense in having a perfect strategy which only holds in theory. Making the strategy reality is what makes the difference, and doing so in a manner that optimizes employee performance and productivity would be the cherry on top. It would be even more desirable to take the process to a higher level by creating an environment in which the organisation’s human capital investment may be maximized by releasing the potential therein. Surely an understanding of psychological contracts is an excellent starting point for such noble ideals. Ultimately, a win-win scenario is advantageous for both employer and employee. This is the goal for taking Engen Refinery to a higher level of triumph.

1.4 Value of the Project

The value of this study to Engen Refinery is that it will result in a greater understanding of the dynamics at play in the minds of employees, as linked to their psychological contracts. This in turn will lead to achieving the key objectives outlined in Section 1.6 below. In addition, the research will serve as an indication of the relative success of current strategy implementation and employee performance, as well as identify gaps where improvements can be made.

Continuous improvement will ultimately lead to the company consistently being considered to be world class, to achieve its goals, to ensure that employees are happy, motivated and thriving and that the company is considered an employer of choice.

This study will also add to the body of knowledge by analysing the concept of psychological contracts in the South African context, taking into account the influence of specific factors such as gender, ethnicity and age. In addition, the link between psychological contracts and successful implementation of strategy, or management tactics, will be analysed. The impact on work performance will also be an output of the research. In the overall view, practical application of these concepts will enable organisations to identify gaps and opportunities which can lead to optimisation of human capital resources.

1.5 Problem Statement

The concept of psychological contracts within the South African workplace and context is emerging as an arena of interest to academics and managers. Managers are interested in the potential for practical relevance in the workplace. This study focuses on the Engen Refinery in Durban and asks six questions about psychological contracts at the refinery. These questions are:

- How do interpersonal relationships between supervisors (representing the employer) and subordinates (employees) influence overall commitment to the company's management tactics?
- Does social interaction with colleagues affect the psychological contract of individuals?
- What is the role played by the psychological contract of individuals in the implementation of those tactics?
- Further to this, how is the employee's performance affected by the psychological contract, and can it be optimized by an improved understanding of this concept?
- Do factors such as gender, relative age (reflecting possible generation gaps) or race influence how the concept of psychological contracts relates to strategy implementation and performance?
- How can these findings be practically applied to an organization to eliminate gaps and optimize the working relationship?

In essence:

What is the role of employees' psychological contract in the successful implementation of management tactics and achieving optimum work performance at the Engen Refinery in Durban?

1.6 Objectives of the Study

- 1.6.1 Assess the overall state of psychological contracts at Engen Refinery.
- 1.6.2 Relate the psychological contract to successful implementation of management tactics and optimum performance.
- 1.6.3 Determine, in the context of psychological contracts, what relationships, if any, exist between the successful implementation of strategy, optimum performance and each of the following categories:
 - 1.6.3.1 Gender
 - 1.6.3.2 Relative Age (or generation gaps)
 - 1.6.3.3 Race or Ethnicity
- 1.6.4 Establish how the psychological contract can be used to optimize the implementation of management tactics.
- 1.6.5 Establish how the psychological contract can be used to optimize work performance.

1.7 Research Methodology

The research methodology will be mainly quantitative. Qualitative methods will also be used and triangulation will be deployed in the collection and interpretation of data.

The research process will include the following activities:

- 1.7.1 Conduct interviews with psychologists.
- 1.7.2 Conduct a survey, in the form of a questionnaire, amongst employees.
- 1.7.3 Conduct a focus group discussion amongst employees.
- 1.7.4 Conduct interviews with employees.

1.8 Structure of the Study

The key themes to be covered in remaining chapters is summarised below.

Chapter 2:

A survey of literature regarding psychological contracts will be presented.

Theories related to strategy implementation will also be discussed here and related to the practical relevance of psychological contracts in the process of strategy implementation.

Theories related to work performance will also be presented, and their link to psychological contracts will be established.

Chapter 3:

A detailed explanation of the research methodology will be done here.

Chapter 4:

Data collected during the research will be presented here without any analysis.

Chapter 5:

A thorough evaluation of data collected during the research will be done here. Analysis will include both qualitative and quantitative techniques in order to determine relationships between specific variables. The company's health in relation to the successful implementation of strategy and optimisation of work performance will be assessed. The model/s developed in Chapter 2 will be applied as deemed necessary in order to establish how psychological contracts may be used to ratchet up the overall success of the company in these areas.

Chapter 6:

Recommendations will be made regarding how Engen Refinery can best use the results of the research for their benefit. Current best practice will be reinforced.

1.9 Summary

Chapter One has served the purpose of introducing the scope of the research.

Background information related to previous work done in this field has been presented and the current research has been placed in context of what has gone before. The key objectives of this research study have been clearly outlined, as has the overall methodology to be used.

The expected value of this project has been outlined in terms of what it will add to the body of knowledge in the field as well as the potential benefits it could realise for Engen Refinery.

The crux of the psychological contract study in relation to strategy implementation and work performance is that it has the potential to guarantee success and optimise the employment relationship to the mutual benefit of both parties. This is the key motivation for the research.

The theories related to the understanding of strategy implementation, work performance and psychological contracts are fundamental to developing how they may be inter-related for optimum advantage to the team of employer and employee.

CHAPTER TWO: LITERATURE REVIEW

2.1 The Concept of the Psychological Contract

The concept of the psychological contract was first introduced by Argyris in 1960, in reference to the employer and employee expectations of the employment relationship (Smithson and Lewis, 2003). Psychological contracts are largely based on *perceptions* and *beliefs* regarding the terms and conditions of the exchange agreement between employees and their organisations (Rousseau, 1989). By its very nature, the psychological contract is not very tangible, but its existence is real, which is why it cannot be ignored. Psychological contracts are dynamic, simply because the relationship between the employee and employer is dynamic. It is dependent on the actions of both parties and the perceived meanings of those actions. Perceived obligations are also subjective (Lee, 2001) and therefore potentially sensitive in nature.

Smithson and Lewis (2003) have indicated that the significant elements of all definitions of the psychological contract in literature include:

1. Incorporation of beliefs, values, expectations and aspirations of employer and employee, including beliefs about implicit promises and obligations, the extent to which these are perceived to be met or violated and the extent of *trust* within the relationship.
2. These expectations are not necessarily made explicit.
3. A psychological contract can be continuously re-negotiated depending on the individual's and/or organisation's changing expectations or changes in the economic or social climate. It is therefore dynamic.
4. Due to the subjective nature of psychological contracts, individuals in the same organisation may perceive different such contracts, which, in turn influences how they perceive organisational events such as redundancies or modifying the work-hour (eg. flexitime) structure.

If one considers the political background of South Africa and the related policies in the workplace, such as Employment Equity, the relevance of psychological contracts can be seen as an important part of succeeding in business. If trust is vital to the development of psychological contracts, and South Africa's past policy of apartheid has put a dent in trust amongst different social groups, then there is an increased level of complexity involved in how psychological contracts have developed post-apartheid,

based on the degree of trust as well as prejudices amongst those social groups. This is why using the South African context for this study adds a different dimension to research on psychological contracts, compared to previous work.

In addition, communication amongst different social groups, in the South African context, is different from that in other countries, due to the diversity and ethnicity prevalent in South Africa. The country is the only one in the world to have eleven official languages, and most people understand only two or three at most. With each language comes a host of different belief systems and social structures, with the potential for misunderstanding being relatively high. It is not just the spoken language that may be misunderstood, either, but also an array of body language that means different things to people from different ethnic backgrounds. If the terms of psychological contracts are *not necessarily explicit*; then potential communication barriers in the South African context would make them even less so.

Engen Refinery is on the brink of a major change, that being the merger between Engen and Sasol's Bulk Fuels division, to form Uhambo Oil. This would indicate that psychological contracts may be expected to be in a state of flux, or that they may vary amongst employees based on how employees perceive this imminent change to their work environment.

The *subjective* nature of psychological contracts at the Engen refinery has already been proved to some extent by the differences in employees responses to a change in their work-hour structure which was implemented in 2003. The change involved increasing daily hours worked in a fortnight in a manner that allowed employees to have every alternate Friday off i.e. instead of a 40-hour, 5-day week, employees would work an 80-hour, 9-day fortnight. It also involved greater flexibility in the daily start and finish times, which were previously fixed.

Employees now had to work core hours from 09:00 to 15:00, but could arrive and leave work from 06:00 to 18:00 respectively. A survey conducted amongst employees to determine how a trial run of the new work-hour structure had affected them, indicated that while the majority had positive views related to greater flexibility and better work-life balance, others reported that the longer hours impeded their family life or left them

too tired to have quality time with family in the evenings (Engen Refinery Hours of Work Taskforce Survey Results, 2003).

Shore and Tetrick (1994) suggest that the *nature* of the psychological contract varies on a continuum between being *transactional* and *relational*. Transactional obligations are relatively impersonal and very task oriented. These type of contracts are typically based on short term expectations. Relational contracts are based on an ongoing relationship, which is typically perceived as long-term, is less well defined, more emotional and characterised by attributes like trust and commitment. Lee (2001) suggests that the transactional vs. relational balance of psychological contracts is very pertinent to the retention of employees and proposes a model to reflect this, as illustrated in Figure 2.1 (a).

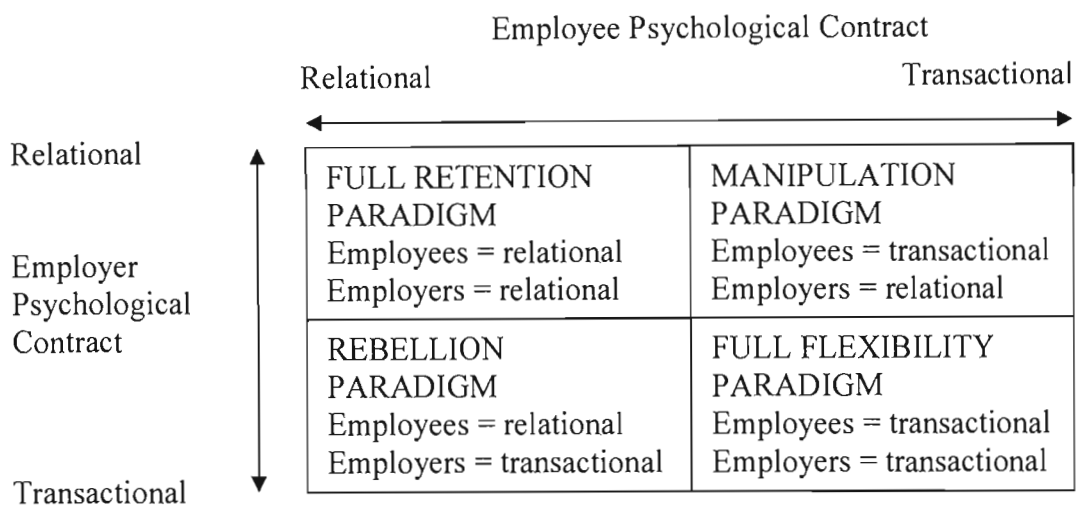


Figure 1 Contingency Model of Key Employee Retention (Lee, 2001)

According to this model, if both the employer and employee place emphasis on the relational aspects of their psychological contracts, then the chance of an ongoing long-term relationship between the two is very high, resulting in a Full Retention Paradigm. If the employee’s expectations are more transactional and the employer’s are relational, this could result in the employee having the ability to manipulate the employer, in order to ensure retention of key staff, hence resulting in the Manipulation Paradigm. In the case were the employee desires a relational contract, but the employer provides a transactional contribution to the relationship, the employee could perceive a breach in the contract and this could result in intentions to quit, lower positive employee

contributions, poor performance, lower job satisfaction and possibly even sabotage. This situation is therefore called the Rebellion Paradigm. If both parties see the employment relationship as transactional, this is seen as the Full Flexibility Paradigm since natural turnover of staff is expected from both sides, entry and exit costs can be minimised, and employee turnover is expected and can be planned for.

This model may be applied to the impact of the psychological contract on work performance, as will be discussed in more detail later in this chapter. It is expected that actual psychological contracts contain a mix of transactional and relational aspects and that the trick lies in getting the balance right, and in getting that result consistent on both sides. Both the employee and the employer should understand to what extent each other's expectations are relational and transactional.

Cascio (2001) considers the relational contract to be of the "old" order while transactional contracts are considered to be the new form of the psychological contract. In this case, the characteristics of the two alternatives are compared as tabulated below in Table 2.1 (a). Cascio (2001) states that, 'downsizing and other forms of restructuring have altered the psychological contract' from one that was relational in the 1970's to one that is transactional in current times.

While there may be a general trend towards shorter-term job security, flexible work, the need for continuous learning and other characteristics of the "new" psychological contract in modern times, it is considered a bit narrow-minded to think that all psychological contracts 30 years ago were purely relational or that present day contracts are purely transactional. The concept of psychological contracts varying on a continuum between being relational and transactional seems to be more realistic. This is expected to be true from both the employee's and the organisation's perspectives. It is also expected to be dependent on the nature of the work involved.

Old Psychological Contract	New Psychological Contract
Stability, predictability	Change, uncertainty
Permanence	Temporariness
Standard work patterns	Flexible work
Valuing loyalty	Valuing performance and skills
Paternalism	Self-reliance
Job security	Employment security
Linear career growth	Multiple careers
One-time learning	Life-long learning

Table 1 Psychological Contract Change over Time (Cascio, 2001)

The *violation* of employees' psychological contracts has been widely researched (Smithson and Lewis 2003, Deery et al 2002, The Work Foundation 2003, The Chartered Institute of Personnel and Development 2004). The perceived breach of psychological contracts on the part of the employer leads to employee dissatisfaction, mistrust, poor work performance and high staff turnover.

Shore and Tetrick (1994) state that the psychological contract is viewed as the standard against which an employee judges the employment relationship, and that, if the present employment situation is not consistent with that standard (i.e. a violation is perceived); then control theory suggests that the employee will respond to reduce the discrepancy. This could take the form of reduced output and substandard performance or lower intrinsic motivation within the individual, ultimately resulting in lower job satisfaction.

It is expected that if an employee expects to receive, for instance, an excellent performance rating at the end of an appraisal period, but only receives an average rating, the employee may respond by performing less well than before in the subsequent appraisal period. Why should an employee put in additional effort, if there is little or no acknowledgement thereof? Other employees may respond differently to the similar situation, and actually improve their performance in order to prove their supervisor wrong. What drives each of such individuals? Does the first respond in that manner purely due to a perceived violation of the psychological contract? Does the second response imply a greater level of trust in the employment relationship, to the

extent that the employer's view of performance is seen as motivation to do better, and ratchet up the performance level? It depends, one postulates, on the relationship with the individual's supervisor since this is centre of the psychological contract.

Research has indicated that the psychological contract is particularly more relevant in organisations undergoing change. The Chartered Institute of Personnel and Development (CIPD, Online, 2004) has indicated that a more positive psychological contract is prevalent where there was less organisational change, possibly attributed to the lack of cynicism and mistrust which may accompany change initiatives driven from the top down.

The CIPD (Online, 2004) has also outlined the strategic implications of the psychological contract in terms of process fairness, communications, management style, managing expectations and measuring employee attitudes.

Further, it is expected that the actual performance of employees within the context of company strategy can be optimized by personal interaction and understanding of *mutual obligations and expectations* on the part of employer and employee. Kent (1994) makes a valid point by the following statement:

“As a manager you should separate your employee's ability to do the job from her ability to read your mind. It's a shame that so many employees fail at their jobs not because they couldn't do the job, but because they couldn't read the boss's mind.”

According to The Work Foundation (Online, 2003), the psychological contract is closely linked to the organisation's values and culture; and employees' relationships with managers, specifically direct line managers, are pivotal in achieving optimal organisational efficiency and development. Based on this premise, the relationship between employees and their direct supervisors will be taken as being reflective of their psychological contract with the company.

Smithson and Lewis (2003) have summarised the state of the body of knowledge related to the psychological contract and have identified key issues for future research

such as the influence of the *gender* element, factors that give rise to *mutuality* in the employment relationship, implications of *fulfilling* the contract rather than the consequences of violating it, *collective* understandings of employment relations rather than purely individualistic views and the role of *work-life policies*. The concept of “*greater fit*” and its association with higher job satisfaction has also been alluded to. The need for research from the employer’s perspective was also highlighted, but has been covered to some extent by other researchers (Coyle-Shapiro et al, Guest and Conway 2002).

The focus of this study will be to identify and understand the factors affecting the psychological contract in a *South African* context, and investigate how it can be used to *successfully implement management tactics* and achieve *optimum work performance*. Specific factors to be investigated include *gender, ethnicity* or *race*, which is particularly diverse in South Africa, and *relative age* or *generation gaps* amongst employees.

2.2 The Implementation of Strategy in the form of Management Tactics

2.2.1 Management Tactics at Engen Refinery

Engen Refinery has some interesting tactics and initiatives, such as (Engen Intranet):

2.2.1.1 Great Days

Each day, company performance is measured against a set of predetermined criteria related to product quality, safety, reliability, customer complaints and environmental issues. If minimum requirements are met, it is declared to be a “Great Day”. The concept is used as a key performance indicator and has an impact on the determination of annual incentive bonuses. The criteria are revisited regularly in order to add new focus areas or raise the bar on existing ones for continual improvement.

2.2.1.2 Shared Values

Business Values (Five Quality Principles) are:

1. The DEFINITION of Quality is Conformance to Requirements
2. The SYSTEM to cause Quality is Prevention.
3. The PERFORMANCE STANDARD of Quality is Right Things Right Every Time
4. The MEASUREMENT of Quality is the Price of Non- conformance.
5. The RESPONSIBILITY for Quality is Proactive Leadership at All Levels.

People Values include:

1. Treat others with uncompromising truth.
2. Lavish trust on our associates.
3. Mentor unselfishly.
4. Be receptive to new ideas, regardless of their origin.
5. Take personal risks for the organisation’s sake.
6. Give credit where it is due.
7. Put the interests of others before our own.
8. Do not touch dishonest money.

2.2.1.3 STOP for Safety & Environment

STOP is an acronym for Safety Training and Observation Programme, which is a structured process whereby employees are trained to proactively conduct non-punitive audits to identify behaviours and conditions which may impact on safety or the environment in an effort to reduce or eliminate incidents in these areas from occurring. It is also used to encourage and praise good performance in these areas.

2.2.1.4 Reliability-Centred Production

Ensuring a strong focus on maintaining a reliable operation, particularly one that is proactive in nature, is fundamental for optimising achievable production to meet market demands, retaining current market share and penetrating the market further to realise growth.

2.2.1.5 Serving Customers Well

This tactic includes internal and external customers. For internal customers, service level agreements are in place to ensure the smooth flow of work and optimise productivity between departments and divisions. Where applicable, service level agreements are built into performance contracts and are used as a measure of employees' work performance.

2.2.1.6 Working at Engen is desirable and fun

The aim of this tactic is to ensure that people enjoy working at Engen and that valuable experience is retained. Training and development plays a key role here as does the Oskas initiative, an annual award ceremony honouring employees who have excelled in different categories.

2.2.1.7 Engen is a good neighbour to the community

This tactic involves Engen's drive to be environmentally friendly by minimising all forms of pollution (via land, air and water, and including noise) and investing back into the community. Engen's Community Training centre is used to uplift the local community. The company also participates in social investment campaigns including the My School initiative, whereby all employees' personal purchases trigger a donation from participating stores towards the Community Trust for schools in the community.

The long-term success of such tactics depends on employees and the credibility of how these systems are implemented. The level of acceptance or rejection of organizational strategy, in the form of management tactics, is expected to be dependent on individual and group psychological contracts.

2.2.2 Theory on the Implementation of Strategy

Robbins and Decenzo (2001) state that top management leadership, as well as a motivated group of middle- and lower-level managers are vital ingredients for successful implementation of strategy as set out by senior management's specific plans or tactics.

Thompson and Strickland (2003) state:

“Executing strategy is an action-oriented, make-things-happen task that tests a manager's ability to direct organisational change, motivate people, develop core competencies, build valuable organisational capabilities, achieve continuous improvement in business processes, create a strategy supportive corporate culture, and meet or beat performance targets”

The general manager of Engen Refinery, Wayne Hartmann, shares a similar view. His philosophy on organisational strategy, and the implementation thereof, as recorded by the Corporate Research Foundation (Jones, 2004) is:

“Organisations aren't hardware; they're a diverse group of people who are perceptive. You have a good organisation only if employees are convinced that you are well intentioned as both a manager and as a human being... My management team is instrumental in developing and executing strategies. Middle management looks after the day-to-day running of the plant. We've also shifted the organisation from one that was risk-averse to one in which everyone will look for opportunities... People will always come first... the best way to compete is through our people. We have a culture that encourages innovation.”

Indeed, Thompson and Strickland (2003) affirm that *companies* don't implement and execute strategy, but that *people* do. Effective communication from the organisation's

leadership is vital in order to overcome any doubt or disagreement amongst employees when tactics are being implemented. While every manager needs to play an active role in the process of executing the strategic plan in the form of tactics and tasks, all employees are necessary participants in achieving success. The organisational context within which a strategy is to be implemented is just as important as the approach to be used. This is why an understanding of psychological contracts within the organisation, may be a vital link towards successful implementation of management tactics.

Thompson and Strickland (2003) suggest that there are eight key managerial components of implementing strategy, as illustrated in Figure 2.2 (a).

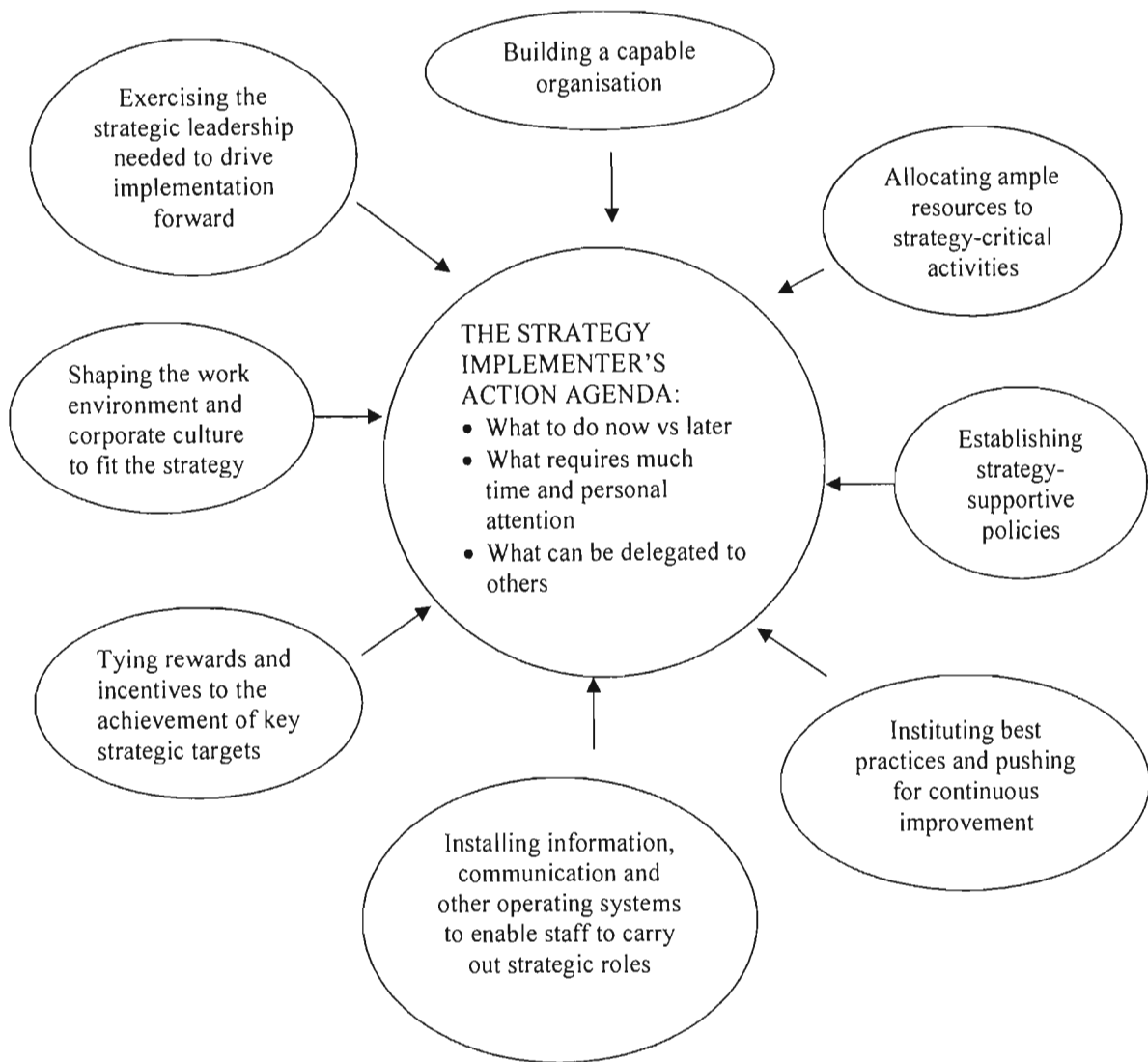


Figure 2 The Eight Key Components of Implementing Strategy
Source: Thompson and Strickland (2003)

Building a capable organisation involves:

- Staffing the organisation with a strong management team as well as competent and experienced employees
- Building core competencies and competitive capabilities
- Structuring the organisation and work effort in a manner conducive to successful strategy implementation.

Since this research focuses on the Engen Refinery, the concept of building a capable organisation will not be discussed at length since the current state of the Refinery will be taken as the base case for the study. However, should there be any evidence that

suggests that restructuring may be necessary to make strategy implementation successful, relevant recommendations will be made accordingly.

The allocation of sufficient resources to strategy-critical activities is certainly necessary in order for those activities to have a fair chance of being completed fairly. While this is fundamentally important, it will not be included in this study since it is not directly linked to psychological contracts.

The establishment of strategy-supportive policies is a logical step towards filtering the key elements of the strategy throughout the organisation. This is also true for the process of instituting best practices and pushing for continuous improvement. Staff also need tools such as information, communication and operating systems to help them carry out their strategic roles. These factors can be considered to be the organisational infrastructure required to facilitate the implementation of strategy, but is not directly linked to psychological contracts, and so will not be expanded upon in great detail, except to state that the psychological contracts of individuals may influence their awareness and usage of this infrastructure.

The last three elements illustrated in Figure 2.2 (a), have a more direct association with the concept and influence of psychological contracts. Tying rewards and incentives to the achievement of key strategic targets also influences work performance. Shaping the work environment to fit the strategy will influence and be influenced by psychological contracts. The success of exercising strategic leadership to drive implementation of tactics will be dependent to some extent on psychological contracts. The converse may also be true. The development of psychological contracts may be directly related to the manner in which strategic leadership is exercised in order to drive the implementation of strategic tactics.

Manning (2001) suggests that the key principles related to the implementation of strategy are:

1. Shared ideas lead to shared meaning. The more openly and honestly ideas are shared, the greater the level of trust will be, the more efforts will be aligned, and the more ideas will emerge.

2. People value work that makes them feel valued. When *they* make strategy, they matter. And *they* own the results, so effective execution is more likely.
3. Strategic management is *conversation*. It informs, focuses attention and effort, triggers fresh insights, lights up the imagination, energises people, and inspires performance.
4. Strategic conversation provides a context for personal and group learning. Your message must be compelling, simple, clear, and believable, or you won't sell it. It must also be complex and challenging, or no one will buy it. And it must be repeated with relentless consistency.

These key principles hinge, to some extent, on the psychological contract. The main message is that two-way communication between management and employees is fundamental to the successful development and implementation of strategy. Manning (2001) also alludes to the need for customisation in how his concept of strategic conversation is conveyed to employees, depending on the subjectivity of individuals, and the response that is desired. This customised approach hints at the link between the implementation of strategy or tactics, which may be more generic in nature, and psychological contracts of employees, which are more subjective. Understanding that people are different, and respond differently to different approaches, can make the difference between their acceptance or rejection of tactics or ideas. Manning (2001) suggests that the more customised the strategic messages are, both in terms of relevant content and appropriate method of communication, the more meaningful they will be to the recipients, and the greater the chance of employees responding in a desirable manner. Such customisation would not be possible without an appreciation for psychological contracts, and the establishment of interactive relationships between the employer and employees.

Hrebiniak (2005) believes that strategy *execution* is the key to success, and suggests that there are several reasons why execution often fails. The first of these reasons is that execution of strategy is more *difficult* than developing the strategy. Organisational factors such as politics, inertia and resistance to change, as well as the fact that the process of execution is not clear or well understood, contribute to the difficulty of execution. The next reason is that managers are trained to plan but not to execute strategy. This follows from an analysis of the content of academic programmes for business management, which tend to focus on strategy formulation but only briefly mention the execution or implementation phase. As a result most managers do not have the integrative view of all disciplines which is required for successful execution of

strategy. Managers, who therefore have some knowledge about how to implement strategy successfully, usually gleaned from years of experience and failures, are very likely to have a competitive advantage over those who don't.

Another reason why strategy fails at the execution stage is that many top level managers believe that the implementation process is below them and is better left to lower-level employees. If management commitment and ownership of strategy stops at the development stage, then implementation can be expected to fail. Execution is an important responsibility for managers, and they should be involved in communicating tactics to the rest of the workforce, visibly showing their commitment and passion for its success and driving initiatives to enable that success.

The next reason suggested by Hrebiniak (2005) for failure, is that planning and execution are interdependent, and that the greater the interaction or overlap between the people involved and the two processes, the higher the probability of execution success. Understanding and anticipating the potential problems that may be faced during the execution of strategy can help direct the process of formulation to ensure a more realistic and achievable plan. In addition, knowing and seeing the bigger picture of the long-term strategy can help focus the shorter-term execution steps more effectively. It is therefore important for managers to adopt a “simultaneous view of planning and doing”.

The fact that the execution of strategy typically takes longer than its formulation also adds to the difficulty of the process. The longer it takes, the more likely it will be that the original ideals and goals of the strategy are lost, due to a waning focus or changes in environmental conditions. In order to put the strategic goals into perspective, long-term needs must be distilled into short-term objectives and controls set in place to provide feedback on progress. In addition, due to the dynamic nature of the business environment, the implementation process must have the flexibility to adapt to unforeseen changes. While this creates a challenge to managers, it is the continuous monitoring and adaptation of the execution process which facilitates its success. Psychological contracts in the organisation can influence this process directly, and understanding how relevant they are in ensuring that the feedback, monitoring and adaptation tasks are done accurately, may make the difference between success and failure.

Hrebiniak (2005) emphasises that strategy execution is a *process* and not a single action or decision:

“Execution is a process... It is the result of a series of integrated decisions or actions over time. This is why sound execution confers competitive advantage. Firms will try to benchmark a successful execution strategy. However, if execution involves a series of internally consistent, integrated activities, activity systems, or processes, imitation will be extremely difficult, if not impossible”

Since strategy implementation is a long process, it demands attention to detail to make it work and attempts at quick solutions will fail. People involved in the process are the key to its success. According to Cascio (2001), people are in fact the only truly sustainable source of competitive advantage for a firm or nation over the long term.

The importance of people ties in with Hrebiniak’s (2005) final reason for the difficulty of strategy execution, viz. that it involves *more people* than strategy formulation does. As a result, communication across the organisation is a challenge. Strategic messages are not always filtered down the organisation, and people often talk about hearing rumours or some new idea without any understanding of it having a strategic intent, linked to their jobs (Hrebiniak, 2005). The interpretation of management tactics may also be more varied as it reaches different people. Further, it is necessary to ensure that incentives throughout the organisation support the process of implementing strategy, in agreement with Thompson and Strickland (2003). Linking strategic targets to the day-to-day objectives of all staff is, however, a challenging task which is more complex with a larger number of people.

2.3 Achieving Optimum Work Performance

2.3.1 Motivational Theories

Achieving optimum work performance may be directly linked to motivation. The more motivated an individual is, the better their expected work performance will be. Hence, factors which affect motivation can be deemed to affect performance as well.

Fournies (1987) states that motivation may be typically defined in two ways, as follows:

- (a) Motivation is a thing you do to get others to do something.
- (b) Motivation is something that happens inside an individual that gets him to do something.

Robbins and Decenzo (2001) define motivation as “the willingness to exert high levels of effort to reach organisational goals, conditioned by the effort’s ability to satisfy some individual need”.

Motivational theories in the context of the work environment abound in literature (Fournies 1987, Robbins and Decenzo 2001, Makin et al 1996) and are typically based on the satisfaction of individual needs. Maslow’s hierarchy of needs, as illustrated in Figure 2.3.1 (a) is perhaps most well-known, and suggests that individuals are motivated to achieve needs at one level at a time, before moving to the next level of motivation.

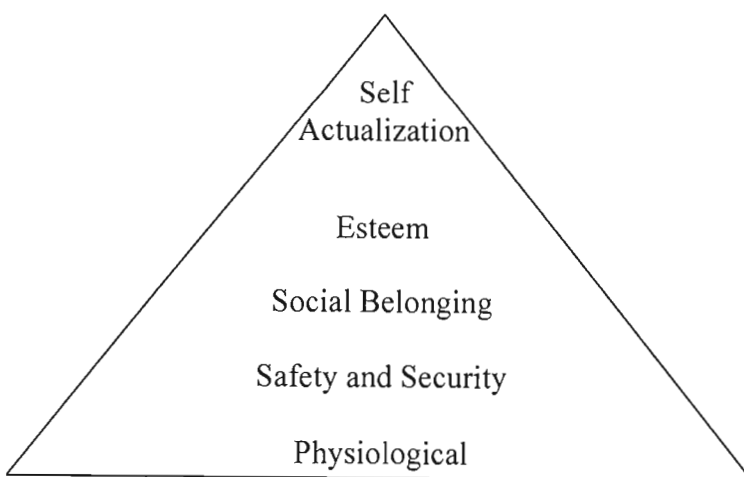


Figure 3 Maslow’s Hierarchy of Needs

Source: Fournies (1987) and Robbins and Decenzo (2001)

McClelland's three-needs theory (Robbins and Decenzo 2001) suggests that people are motivated by one or more of three categories of needs, viz:

- The need for *achievement* which is linked to a drive to excel, to achieve in relation to a set of standards or to strive to succeed.
- The need for *power* which may be linked to being able to control the behaviour of others.
- The need for *affiliation* which is characterised by friendliness and close interpersonal relationships, and which renders one subject to peer pressure.

Herzberg's motivation-hygiene theory groups factors related to job satisfaction as "satisfiers", which are intrinsic, and "dissatisfiers", which are extrinsic (Fournies 1987 and Robbins and Decenzo 2001). Herzberg found that factors which result in dissatisfaction are not simply the opposite of factors that cause satisfaction, and that the elimination of a "dissatisfier" did not result in increased motivation or satisfaction. Instead, eliminating dissatisfaction only contributed to improving the hygiene factors. Factors that result in satisfaction are deemed to be instrumental in increasing work output or productivity and are therefore called motivators. Makin et al (1996) state that increasing motivators alone will not remove dissatisfaction. Hence, there should be a balance between removing dissatisfaction and increasing satisfaction.

Further to this, Herzberg's theory suggests that the strongest motivators are *achievement* and *recognition*. Fournies (1987) suggests that this part of the theory can be practically applied in the work environment. If managers show recognition for achievement, work performance will improve. In addition, every small achievement acts as a motivator to persist in achieving even more, and if recognised, will result in a spiral of improved performance. Fournies (1987) also suggests that "lesser degrees of failure" on the part of a subordinate should be recognised by the manager as an achievement, in order to coach the individual to improve performance.

Makin et al (1996) believe that Herzberg's theory is conceptually flawed due to the methodology of "getting people themselves to describe the causes of their feelings" since, according to attribution theory, "we have a tendency to blame things 'out there' when things go wrong, but claim 'things within me' when they go right." Nevertheless, Makin et al (1996) suggest that a distinction can still be made between intrinsic

motivators within the job itself (such as achievement) and extrinsic motivators outside the job (such as money).

Koontz and Wehrich (1990) state that an important factor in motivation is whether individuals perceive the reward structure as being fair, which can be expressed in terms of equity theory. Makin et al (1996) also mention the equity theory in the context of motivation and its influence on work performance, making the distinction that it refers to how people actually judge the fairness of reward distribution and not to how they ought to judge it. In addition, Makin et al (1996) suggest that people judge or perceive fairness based on three categories, namely, rewarding in proportion to *contributions* made by individuals, rewarding according to the personal *needs* of individuals and the *equality* principle where everyone receives equal shares regardless of their contribution or need.

According to equity theory, there should be a balance between the outcomes-inputs relationship for one person in comparison with another. If people feel that they are inequitably rewarded, this would result in a drop in motivation and performance, and increase dissatisfaction, which may lead to the resignation of the employee from the company. If people perceive awards to be equitable, their work performance will typically continue at the same level. If the reward is perceived as being more than equitable, work performance might improve or recipients may discount the award. While certain inequities may be tolerated by employees, prolonged feelings of inequity may result in strong reactions to a seemingly minor occurrence (Koontz and Wehrich, 1990). This ties up with the concept of psychological contract violation, where perceived violation of expectations may result in severe negative actions on the part of the employee.

Makin et al (1996) suggest that equity theory is closely related to social exchange theory, and that the two could be integrated to incorporate the principles underlying the distribution of awards with regard to their effect on motivation. The two basic premises of social exchange theory are that individuals tend to engage in those actions that would be most profitable in terms of social rewards, and that the norm of reciprocity is expected. Hence, interactions between two parties should be mutually rewarding over the long term to prevent termination of the relationship. This is closely linked to the

concept of the psychological contract and the model of staff retention proposed by Lee (2001) as presented earlier. It can also be extended to employees' decreasing level of commitment and performance in the event of perceived breach or violation of the psychological contract on the part of the employer.

The concept of behaviour modification or reinforcement theory is also expressed in literature related to motivation and work performance (Koontz and Wehrich 1990, Makin et al 1996, Robbins and Decenzo 2001 and Fournies 1987). Attributed to the psychologist B.F Skinner, behaviour modification is a motivational technique which proposes that individuals can be motivated by proper design of their work environment and praise for performance, and that punishment for poor performance has negative results (Koontz and Wehrich 1990). The process of implementing this theory involves analysis of the work environment, employee participation in goal-setting, prompt and regular feedback of results and rewarding of performance improvements by recognition and praise.

Fournies (1987) claims that behaviour modification "has demonstrated that not only can people's behaviour be changed regardless of what their attitudes might be, but once the behaviour has been changed, the attitude usually follows". The crux of behaviour modification lies in the premise that any behaviour which is followed by a *positive* consequence, will tend to repeat itself. Further, any consequence following an action that leads to increased frequency of that action is referred to as a positive reinforcer. It follows that behaviour which results in a negative consequence will tend to be repeated less frequently. However, Fournies (1987) warns that consequences which may have been intended by the giver to be negative may be interpreted by the receiver as positive, as in the case of a child who misbehaves to get attention, and it is for this reason that punishment is better avoided. Positive reinforcement is expected to have a greater influence on improving work performance than punishment would.

Makin et al (1996) state that undesirable behaviour can be dealt with by either punishing it or not rewarding it. Punishment merely suppresses the behaviour. Non reward (which is not the same as ignoring the behaviour, but rather that the individual gets no benefit from the behaviour) leads to the undesirable behaviour being extinguished. In order for punishment to work effectively with regard to changing

behaviour it must occur *every* time the behaviour occurs and very soon after the behaviour. If the behaviour goes unpunished in one instance, it will not stop. Rewards, on the other hand, only need to be administered at regular intervals in order for them to have a positive effect on maintaining desired behaviour. It is for this reason that non-reward is more effective in weeding out undesirable behaviours which detract employees from achieving optimum work performance.

Behaviour modification can be practically applied in the work environment, because it does not require managers to act as amateur psychologists. Instead, “wrong” behaviour can be easily identified by managers, it can be measured and communication about it can be simple and professional. Positive reinforcement builds people up, increases confidence and results in sustained work performance improvements.

2.3.2 Communication

Good communication between a manager and subordinate is a fundamental aspect of the working relationship. It plays a vital role in improving work performance in two ways; by giving employees direction and providing feedback on work progress.

Fournies (1987) reports that the results of surveys aimed at determining reasons for non-performance of employees indicated that poor communication was the main factor, and that it could be further categorised as a lack of direction or a lack of feedback.

Makin et al (1996) concur with this view.

Clear communication of goals and objectives, as well as the associated priority, is necessary in providing direction to subordinates. Employee participation in goal setting is also key, in that it enables clarification and improves ownership of tasks. Feedback allows people to plot their own performance (Makin et al 1996) and can therefore lead to higher levels of performance. While this seems simple in principle, literature suggests that it is not always successfully implemented.

Rousseau (1995) refers to how the effects of perceived psychological contract violation can be minimised by effective communication. The company could communicate positive intentions and provide information on constraints which may have the effect of preventing employees from terminating their employment with the company as a result of their perceived breach of the psychological contract. This could also be instrumental

in turning around a poor performer into a good one, if the performance was related to the perceived contract violation.

Open, clear and honest communication is important for the maintenance of a healthy psychological contract. Communication also gives employees direction regarding what is expected of them, and regular feedback on progress enables improvement of work performance over the longer term. In order to ensure this, communication must have the right content, related to goals and work requirements, and must be clearly understood by both parties.

2.3.3 Managerial Style and Leadership

According to Hartle (1997), 30% of the variance in an individual's discretionary effort is attributed to the climate in which they work, and managerial behaviour or style has a direct influence on creating a motivating work climate. In order to "lead and enable" employees, and manage performance effectively, managers must be able to:

- Define performance objectives
- Communicate with their staff
- Create a motivating environment
- Coach employees
- Assess performance
- Give advice on performance improvements
- Confront poor performance
- Reinforce good performance

Managerial style influences the organisational climate and determines the level of trust therein. If trust levels are high, employees will open up, and it is more likely that they will want to strive for continuous performance improvement. It is for this reason that Hartle (1997) suggests that manager behaviour towards employees determines employee reaction to the work environment. Managerial styles may be classified as coercive, authoritative, affiliative, democratic, pacesetting and coaching, and are defined as follows (Hartle 1997):

Coercive: Manages by close control, threats and discipline.

Authoritative: Subordinates are given clear direction and are motivated by persuasion and performance feedback.

Affiliative: This is a manager who emphasises good relationships and motivates with fringe benefits, security and social activities.

Democratic: This style of management encourages subordinate participation in decision making and motivates by rewarding team effort.

Pacesetter: A manager who prefers to do tasks himself, expecting subordinates to follow and demanding high standards of work.

Coaching: This manager helps to develop subordinates by encouraging them to improve performance, and motivates them by providing opportunities for professional development.

The authoritative, affiliative, democratic and coaching managerial styles are most effective in creating a positive, motivating environment in which employees can thrive, and performance can improve continuously. These types of managerial behaviours also promote a healthy psychological contract as there is less room for misunderstanding or perceived violation of contracts. In practice, a manager may display a combination of managerial styles, but some will be more dominant than others, and it is those behaviours which affect the work environment, and employee performance, most significantly.

Literature suggests that the situational leadership theory may be applied in practice to improve employee work performance (Robbins and Decenzo 2001, Hersey and Blanchard 1977). This theory states that a leader should adjust his managerial style to suit the task-relevant maturity level of the subordinate. Task-relevant maturity may be defined as a combination of the employee's *job maturity*, related to his ability and technical knowledge to perform the task, and his *psychological maturity*, with regard to his feelings of self confidence and self respect.

According to situational leadership theory, if an individual's task-relevant maturity is low, that individual should be closely supervised until the maturity level increases. This means that the leadership style is initially very task oriented. As task-relevant maturity for a specific task increases, the manager should reduce his task behaviour and increase relationship behaviour until the individual reaches a moderate level of maturity. As

maturity grows further, the manager should reduce both task and relationship behaviour since the individual becomes more psychologically mature and able to act independently. At this point the leader can then increase the amount of delegation to that individual, indicating high levels of trust and confidence. Situational leadership is represented by Figure 2.3.3 (a).

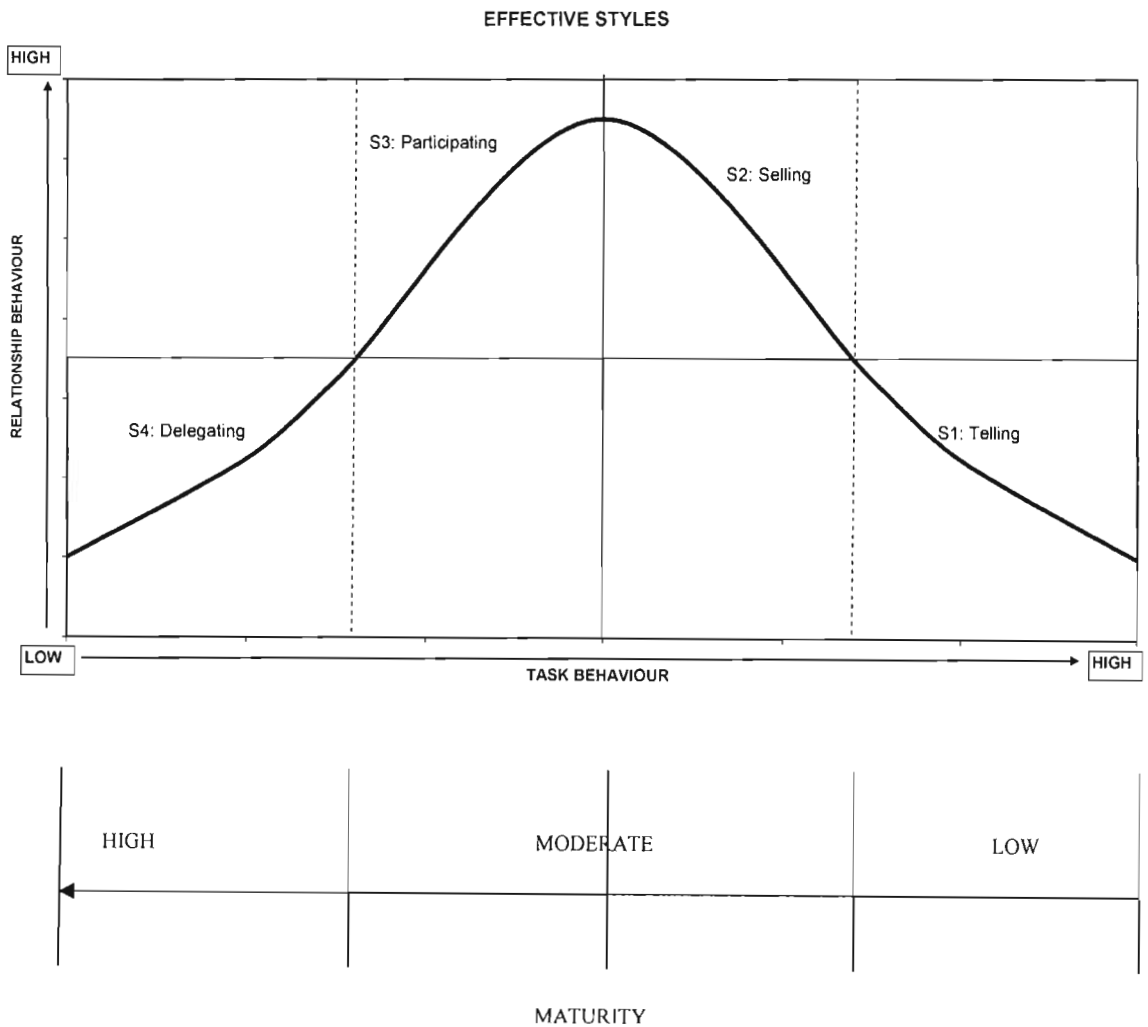


Figure 4 Situational Leadership Curve
 Source: Hersey and Blanchard (1977)

2.4 Summary

Literature related to the psychological contract has been reviewed, and this study has been placed in context of previous research. The peculiarity of the South African context has been explained, particular with regard to the country's history of apartheid and the policy of Employment Equity.

Theories related to the implementation of strategy have also been presented and their relevance to the psychological contract of employees has been expressed.

Theories related to work performance management and employee motivation have been presented. The theoretical link between psychological contracts, particularly with regard to the violation thereof, and work performance was made in the context of equity theory and behaviour modification.

This sets the stage for the research study at Engen Refinery.

CHAPTER THREE – RESEARCH METHODOLOGY

3.1 Introduction

The research methodology will be mainly quantitative in nature. Qualitative methods will be adopted in the form of interviews and a focus group discussion. Hence, triangulation will be used. Descriptive statistics will be employed in the analysis of data, since the main objective is to identify trends and draw conclusions based on simple majorities.

In order to get an initial feel for the relevance of psychological contracts in the workplace, interviews will be conducted with two clinical psychologists. One of the psychologists works directly with staff at the Engen Refinery. The other psychologist works among clients from the greater Durban area. A psychometrist who works with Engen Refinery staff will also be interviewed. The purpose of these interviews will be to establish the framework for conducting the research amongst employees, in order to adequately address the problem statement.

A large proportion of primary data collection will be done by means of an employee questionnaire, which will be based on the framework established from interviews with psychological experts, as well as the key elements of the problem statement, namely, employee attitude toward management tactics, factors affecting work performance and indicators of the relationship between employees and their line supervisor.

Additional data will be collected by holding interviews with a random sample of employees and supervisors. In addition, a focus group will be used to further enhance the understanding of employee psychological contracts and how they relate to management tactics and work performance. Data collected by means of the questionnaire will be very specific and limited. Qualitative methods can then be used to validate quantitative data as well as add additional detail and information which would otherwise not be accessible.

Triangulation of quantitative and qualitative methods will ensure that the link between the psychological contract and the implementation of management tactics as well as optimisation of work performance can be clearly identified, and its practical relevance in the workplace can be taken advantage of.

3.2 Employee Questionnaire

The employee questionnaire will be divided into three discrete sections. Section A will be used to gauge employees' opinions and perceptions related to key management tactics at the Engen Refinery. Section B will aim to assess factors that affect employees' work performance. Intermingled in these two sections, and more particularly in Section B, there will be questions aimed at gauging the general state of employees' psychological contracts as evidenced by their relationship and interaction with their immediate supervisor.

Section C will include questions related to categorising the sample according to gender, age and level in the organisation.

The questionnaire will be administered via e-mail to all employees except for the senior functional management team. The sample framework will therefore consist of 580 employees. It is expected that the response rate will be between 30 and 40%, and this will be considered to be a suitable sample size for the purpose of this research.

Employees will receive an e-mail with a link to a safe zone on Engen Refinery's intranet where the questionnaire will be located. Once an employee has completed and submitted the questionnaire, that employee will immediately be locked out of the questionnaire, in order to prevent duplicate entries. All data will then be collected in a database in numerical format. This data will be transferred to a data analysis computer programme, namely SPSS, for analysis.

Employees will also be allowed to make a text entry related to general comments as well as specifically related to factors that will help them improve work performance. This allows for some degree of open-ended questioning in order to collect information that the questionnaire may not have covered sufficiently.

3.2.1 Questionnaire Template:

The questionnaire administered to employees is shown below, exactly as it went out to them via e-mail. Responses were submitted via the company's intranet and collated in a spreadsheet.

The purpose of this questionnaire is to gauge employee opinions regarding the tactics and strategy that Engen Refinery attempts to implement. This survey also aims to assess the overall work environment in the organisation, in an effort to gauge how we are successful, and in what areas improvements can be made, to achieve the ultimate objectives of the organisation.

Responses to the questions will be recorded anonymously, so that individual confidentiality is ensured. Please feel free to be honest and open in your responses, in order to ensure that the right steps are taken for the future.

Section A

Please indicate to what extent you agree/disagree with the statements below using the following scale:

1 = Strongly agree 2 = Agree 3 = Neutral 4 = Disagree 5 = Strongly disagree

- | | | | | | |
|--|---|---|---|---|---|
| 1. Engen Refinery serves its customers well | 1 | 2 | 3 | 4 | 5 |
| 2. Working at Engen is desirable and fun | 1 | 2 | 3 | 4 | 5 |
| 3. The 9-day fortnight makes life more balanced | 1 | 2 | 3 | 4 | 5 |
| 4. Engen is a good neighbour to the community | 1 | 2 | 3 | 4 | 5 |
| 5. STOP for Safety is helping us improve our standards | 1 | 2 | 3 | 4 | 5 |
| 6. There is an environment of trust and honesty amongst our team | 1 | 2 | 3 | 4 | 5 |
| 7. The GREAT DAYS initiative is working for us | 1 | 2 | 3 | 4 | 5 |
| 8. I take Engen's policy of Shared Values seriously in my daily work | 1 | 2 | 3 | 4 | 5 |
| 9. Reliability-centred production helps us improve operational performance | 1 | 2 | 3 | 4 | 5 |
| 10. I understand and apply the Service Level Agreements that apply to me | 1 | 2 | 3 | 4 | 5 |
| 11. Engen "lives" the Five Quality Principles as far as possible | 1 | 2 | 3 | 4 | 5 |
| 12. I understand how my work contributes to Engen's overall goals & strategy | 1 | 2 | 3 | 4 | 5 |
| 13. Managers visibly demonstrate their commitment to tactics | 1 | 2 | 3 | 4 | 5 |
| 14. I trust my supervisor to look after my best interests | 1 | 2 | 3 | 4 | 5 |
| 15. Engen Refinery can be trusted to keep its promises and commitments | 1 | 2 | 3 | 4 | 5 |

Section B

Please indicate to what extent the following factors are important to you as an individual in order for you to work effectively and maximise your potential.

Scale:

1 = Most important 2 = Very important 3 = Important 4 = Less Important 5 = Unimportant

16. Mutual trust between myself and my supervisor	1	2	3	4	5
17. Approachability of supervisor to enable honest communication	1	2	3	4	5
18. My supervisor should support and stand up for me	1	2	3	4	5
19. Fair remuneration package	1	2	3	4	5
20. Clear goals and objectives from my superiors	1	2	3	4	5
21. Opportunity to clarify issues	1	2	3	4	5
22. Opportunity to freely express ideas	1	2	3	4	5
23. Flexible work hours	1	2	3	4	5
24. Open path for conflict resolution	1	2	3	4	5

Now indicate how often these factors are actually present in your work environment:

Scale:

1 = Always 2 = Very Often 3 = Often 4 = Seldom 5 = Never

25. Mutual trust between myself and my supervisor	1	2	3	4	5
26. Approachability of supervisor to enable honest communication	1	2	3	4	5
27. My supervisor should support and stand up for me	1	2	3	4	5
28. Fair remuneration package	1	2	3	4	5
29. Clear goals and objectives from my superiors	1	2	3	4	5
30. Opportunity to clarify issues	1	2	3	4	5
31. Opportunity to freely express ideas	1	2	3	4	5
32. Flexible work hours	1	2	3	4	5
33. Open path for conflict resolution	1	2	3	4	5

34. Are you happy with your current level of performance?

Yes

No

35. Choose **all applicable** factors listed below that you believe will help you improve your performance

- If my supervisor trusted me more
- Greater autonomy
- Acknowledgement for work done well
- Better relationship with supervisor
- Better relationship with colleagues
- Understanding management tactics relative to my work
- Effective communication from supervisor
- Dealing with mistakes when they happen
- Clear Service Level Agreements, which everyone abides by
- Other, please state.....

36. The knowledge and experience you contribute is recognised and rewarded accordingly. Do you agree?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

37. Your supervisor creates a vision and strategy for your area

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

38. (a) Your supervisor gives you feedback that helps you improve your performance

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

(b) How often?

- Very often
- Fairly often
- Sometimes
- Rarely
- Never

39. You have useful one-on-one discussions with your supervisor:

- Once a week
- Once a fortnight
- Daily
- Once a month
- Every quarter
- Annually at performance review
- Never
- Whenever requested by either of you

40. Overall how satisfied are you with the job done by your supervisor?

- Very dissatisfied
- Somewhat dissatisfied
- Neutral
- Somewhat satisfied
- Very satisfied

Section C – Personal Data for Statistical Reasons

1. Please indicate your gender

- Male Female

2. Please indicate your age

- 20-25 25-30 30-35 35-40 40-45 45-50
 50-55 Over 55

3. Which category best describes your position at Engen Refinery

- Operator/Technician Operations Administrative/clerical
 Engineer Accounting Planning
 Optimisation/ Process Control Middle Management Senior Management

3.3 Focus Group Discussion

Stratified random sampling will be used to select a focus group of employees, across different organisational levels and ethnic groups. Due to the potential effect of the Employment Equity policy, an attempt will be made to ensure that the focus group reflects the local demographics as closely as possible. This implies that, for every ten participants in the focus group, there should be six blacks, two Indians, one white and one coloured employee. The gender split in the focus group will be approximately 50/50 male and female.

The purpose of the focus group discussion will be to get a better understanding of the key factors at play in relating psychological contracts to the implementation of management tactics and optimisation of work performance at the Engen Refinery. It will also be used as a forum for expanding on some of the reasons behind trends evident from responses to the employee questionnaire.

3.3.1 Template for Focus Group Discussion

1. What do you think are Engen's key tactics related to the company's strategic focus?

Having fun	Employment equity	Being good neighbour
BEE	Grow people to best	Serve customers well
Max profit & value	Cleaner Fuels	Reliability centred prodn
International stds for environmental perf	Intl safety stds	

2. Which of these tactics do you believe Engen is implementing successfully?

Having fun	Employment equity	Being good neighbour
BEE	Grow people to best	Serve customers well
Max profit & value	Cleaner Fuels	Reliability centred prodn
International stds for environmental perf	Intl safety stds	

3. What factors do you think affect the implementation of these tactics?

4. Do you believe that management tactics are clearly linked to the performance expectations of all employees?

5. What are your opinions regarding the performance appraisal system at Engen?
6. What influence does your relationship with your supervisor have on your work performance?
7. Do you have general comments about how the work environment can be improved for better relationships, implementation of strategy and work performance?

3.4 Interviews

3.4.1 Psychologists

At the outset of embarking on this research, interviews will be held with clinical psychologists, in order to get an idea of issues related to the psychological contract which impact on employee buy-in of management tactics and work performance. This will be used as a starting point for the research and will be used to hone in on key issues when developing the employee questionnaire as well as the research objectives.

3.4.1.1 Template for Interview with Psychologists

This questionnaire forms the basis for initial interviews with clinical psychologists, for the purpose of gathering data to be utilised in research, as partial fulfilment of the degree Masters In Business Administration at the University of KwaZulu-Natal, undertaken by Althea Michele Padayachee.

- 1 What factors do you believe affect an employee's willingness to go the extra mile at work?
- 2 Why are people unhappy or dissatisfied at work?
- 3 Do employees trust their employers?
- 4 Do employers trust their employees?
- 5 What forms or levels of respect or disrespect do employees and employers have for each other?
- 6 What do you think are the main underlying issues which cause unhealthy levels of stress in the workplace?
- 7 Have you noticed any trends in how employees feel or respond to the strategies or tactics that their companies attempt to adopt?
- 8 Do many people feel that they are discriminated against due to their gender? If so, how?
- 9 Do people experience discrimination or challenges due to their relative age in the company (i.e. "too young" or "too old")? If so, how and why?
- 10 Is there any feeling about racial discrimination?
- 11 How do you think the relationships between employers and employees affect:
 - 11.1 Work performance?

11.2 Commitment to Management Tactics?

11.3 Loyalty to each other

12 Do you have any additional comments on the topic of psychological contracts and its impact on the implementation of management tactics or work performance?

3.4.2 Employees and Supervisors

Interviews will be held with a random sample of employees and supervisors to determine their views related to management tactics, work performance and the manager-subordinate relationship.

3.4.2.1 Template for Interview with Employees and Supervisors

1. What do you think are Engen's key tactics related to the company's strategic focus?

Having fun	Employment equity	Being good neighbour
BEE	Grow people to best	Serve customers well
Max profit & value	Cleaner Fuels	Reliability centred prodn
International stds for environmental perf	Intl safety stds	

2. Which of these tactics do you believe Engen is implementing successfully?

Having fun	Employment equity	Being good neighbour
BEE	Grow people to best	Serve customers well
Max profit & value	Cleaner Fuels	Reliability centred prodn
International stds for environmental perf	Intl safety stds	

3. What factors do you think affect the implementation of these tactics?

4. Do you believe that management tactics are clearly linked to the performance expectations of all employees?

5. How do you personally ensure that you are able to fit your own work goals into the context of management tactics?

6. What are your opinions regarding the performance appraisal system at Engen?

7. How often do you have feedback sessions with your supervisor to track performance or discuss issues about your job? Do you think this is adequate or not?
8. Do you believe that the relationship you have with your immediate supervisor is conducive to improving your commitment to tactics?
9. What influence does your relationship with your supervisor have on your work performance?
10. Do you have general comments about how the work environment can be improved for better relationships, implementation of strategy and work performance?

Level 4 Managers Only:

1. How do you motivate your subordinates?
2. How would you assess your relationship with your subordinates?
3. How important is a good relationship with your subordinates to you?
4. Do you think that your relationship with subordinates can influence their work performance?
5. Do you believe that you can influence the work environment positively even though negative vibes may already exist?
6. How do you ensure that your subordinates have a clear view regarding how management tactics are linked to their current jobs?
7. Do you have any other comments related to the topic from a supervisor's point of view?

3.5 Summary

The research methodology has been presented in this chapter.

Quantitative and qualitative methods will be used to collect data. The tools to be used are a research questionnaire for employees as well as interviews and a focus group discussion.

Qualitative research methods serve the purpose of enriching and endorsing the quantitative data, since a research questionnaire may have only a limited length, and may not cover aspects which come out voluntarily during interviews and focus group discussions.

Data will be analysed by descriptive statistics to identify relevant trends. The results are presented in Chapter 4 and will be evaluated in Chapter 5.

4. PRESENTATION OF DATA

4.1 Introduction

Quantitative and qualitative data collection tools have been utilised. An employee questionnaire was administered to all permanent employees via the Engen Refinery's e-mail system. The company's intranet was used as the medium through which responses were recorded and collated. Qualitative techniques included interviews with psychologists, a psychometrist and randomly selected employees. A focus group discussion was also held with a randomly selected cross-sectional group of employees.

Quantitative data will be presented in the form of tables and graphs. The Statistical Package for the Social Sciences (SPSS), a software programme used for the collation and analysis of data, has been used to organise quantitative data in the form of employee responses to the questionnaire. In addition, SPSS outputs were further collated using an Excel spreadsheet, to develop more detailed relationships between variables.

Qualitative data includes the material obtained from interviews with experts in the field of psychology as well as employees, and a focus group discussion amongst employees. Full transcripts of the interviews and focus group discussion are presented in Appendix A. In this chapter, qualitative data will be collated according to emerging themes. General comments made by employees as part of the employee questionnaire will also be presented as qualitative data.

4.2 Quantitative Data

Quantitative data includes the responses to the employee questionnaire. The questionnaire was administered via the e-mail and intranet system used by employees at Engen Refinery. The number of employees to whom the questionnaire was sent was 508. The number of respondents was 225, of which 200 were male and 25 female. Hence, the sample size was 44.3% of the population size, and consisted of 88.9% males and 11.1% females. The age distribution of employees has been summarised in Table 2.

Age	Frequency	Percentage
20-25	5	2.2
26-30	19	8.4
31-35	40	17.8
36-40	28	12.4
41-45	45	20.0
46-50	37	16.4
51-55	32	14.2
Over 55	19	8.4
Total	225	100.0

Table 2 Age Distribution of Respondents

The positions held by respondents have been collated in Table 3.

Position in Organisation	Frequency	Percent
Non response	6	2.7
Accounting	4	1.8
Admin/Clerical	11	4.9
Engineer	23	10.2
Middle Management	50	22.2
Operations	41	18.2
Operator/Technician	58	25.8
Optimisation/Process Control	12	5.3
Planning	19	8.4
Senior Management	1	0.4
Total	225	100.0

Table 3 Respondents' Position in the Organisation

Quantitative data may be broadly categorised as data related to Engen Refinery's tactics and measures of trust, factors affecting work performance, and the interaction between

employees and their direct supervisor. Overall results have been presented in each of these categories. In addition, some of the responses to the questionnaire have been grouped according to gender and age to determine if there are any trends related to these factors.

It should be noted that, where mean values have been used in the categories of tactics and work performance, the lower the value, the more positive is the response. This is due to the use of the Lickert scale where the number one represents the most positive response and the number five represents the most negative response.

In Section A of the questionnaire, employees were asked to indicate their agreement with statements related to the successful implementation of tactics, trust, management commitment and the link between strategy and their work, as follows:

- Engen Refinery serves customers well
- Working at Engen is desirable and fun
- The 9-day fortnight makes life more balanced (Work hours balance)
- Engen is a good neighbour to the community
- STOP for Safety is helping us improve our standards
- There is an environment of trust and honesty amongst our team
- The GREAT DAYS initiative is working for us
- I take Engen's policy of Shared Values seriously in my daily work
- Reliability-centred production helps us improve operational performance
- I understand and apply the Service Level Agreements that apply to me
- Engen "lives" the Five Quality Principles as far as possible
- I understand how my work contributes to Engen's overall goals & strategy
- Managers visibly demonstrate their commitment to tactics
- I trust my supervisor to look after my best interests
- Engen Refinery can be trusted to keep its promises and commitments

Figure 5 shows the mean values of responses related to these tactics, indicators of trust, visibility of management commitment, and a parameter related to the link between company tactics and the respondent's own work. This gives an overall view of how

respondents view these elements. The closer the mean value is to 1, the more the respondents strongly agree with the statements in the questionnaire regarding the identification and successful execution of tactics, the level of trust in the organisation, the visibility of management commitment to tactics and the understanding of how their work is related to strategy. The higher the mean value, the less respondents agree with these statements.

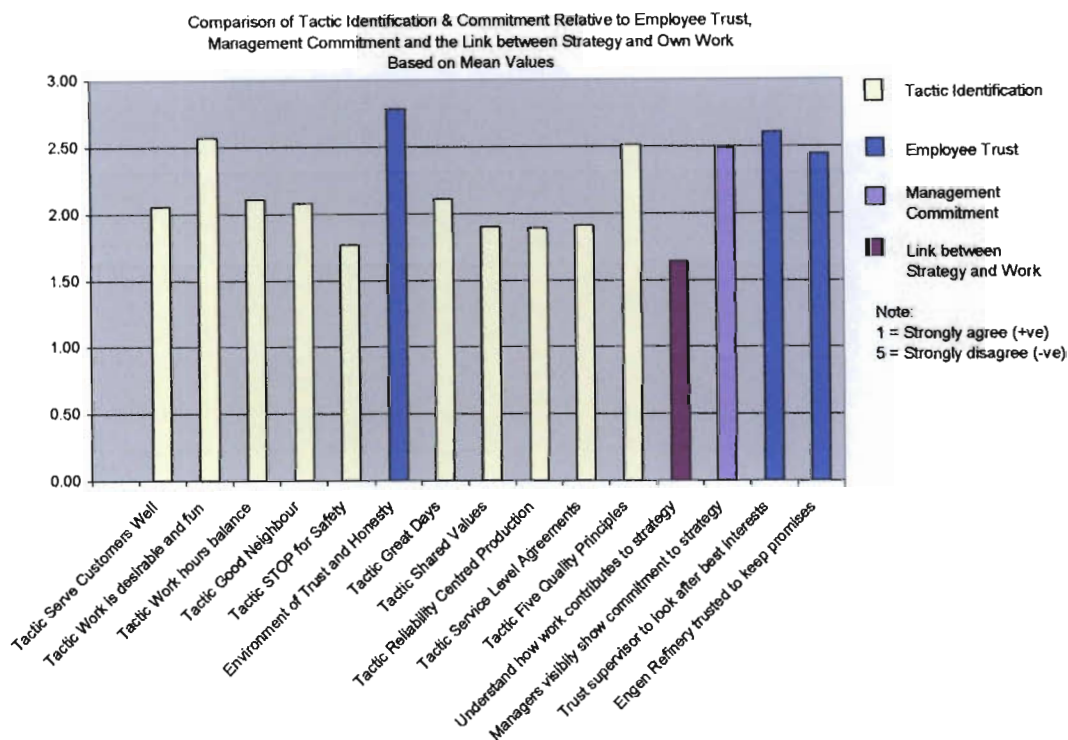


Figure 5 Summary of Mean Values Related to Tactics

In Figure 6 and Table 4, greater detail of responses to these statements is shown. The various degrees on the Lickert scale from “Strongly agree” to “Strongly disagree” are shown for each parameter. Hence, the distribution of responses across the Lickert scale can be seen in order to get a better understanding of how most employees feel regarding the tactics, management commitment, trust, and the link between strategy and their jobs.

Summary of Responses Related to Tactics

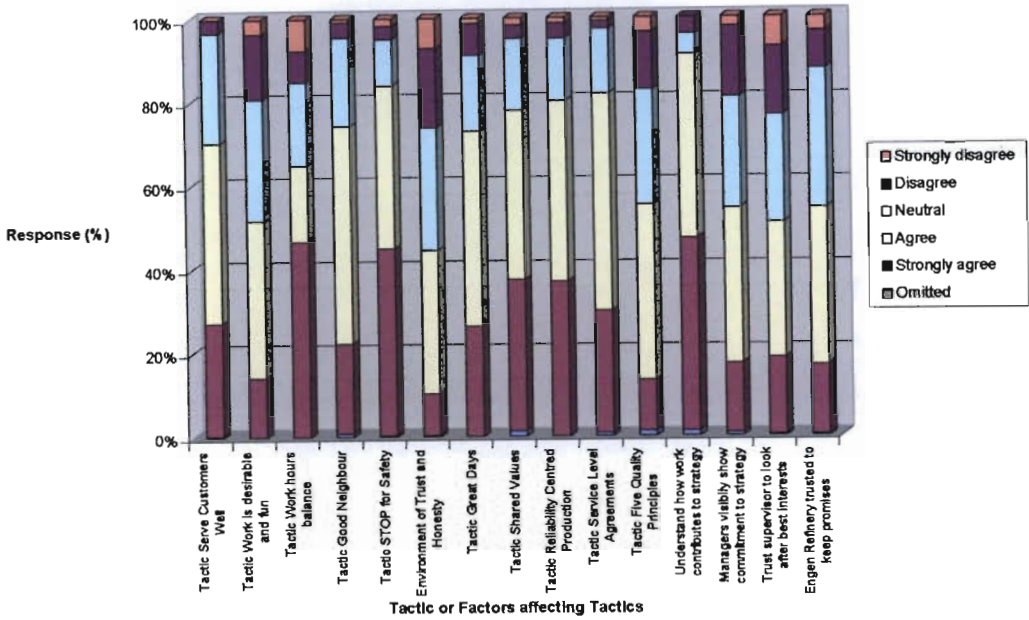


Figure 6 Summary of Responses Related to Tactics (Percentages)

Percent Basis	Omitted	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
Tactic Serve Customers Well	0.4	26.7	43.1	26.7	3.1	0.0	100.0
Tactic Work is desirable and fun	0.0	14.2	37.3	29.3	15.6	3.6	100.0
Tactic Work hours balance		46.7	18.2	20.0	7.6	7.6	100.0
Tactic Good Neighbour	0.9	21.3	52.0	21.3	3.6	0.9	100.0
Tactic STOP for Safety	0.4	44.4	39.1	11.1	3.1	1.8	100.0
Environment of Trust and Honesty	0.4	9.8	34.2	29.3	19.1	7.1	100.0
Tactic Great Days		26.2	46.7	18.2	7.6	1.3	100.0
Tactic Shared Values	1.3	36.0	40.4	17.3	3.1	1.8	100.0
Tactic Reliability Centred Production		36.9	43.1	15.1	3.6	1.3	100.0
Tactic Service Level Agreements	0.9	28.9	52.0	15.6	1.8	0.9	100.0
Tactic Five Quality Principles	1.3	12.0	41.8	27.6	13.8	3.6	100.0
Understand how work contributes to strategy	1.3	45.8	44.0	4.9	4.0		100.0
Managers visibly show commitment to strategy	0.9	16.4	36.9	26.7	16.9	2.2	100.0
Trust supervisor to look after best interests	0.4	18.2	32.0	25.8	16.4	7.1	100.0
Engen Refinery trusted to keep promises	0.4	16.4	37.3	33.3	8.9	3.6	100.0

Table 4 Summary of Responses Related to Tactics (Percentages)

The data related to the tactics category was further disseminated according to age and gender. In this case, each parameter was taken in turn, and shown in Figures 7 to 21. For clarity, the results of this cross-tabulation have also been shown in Tables 5 to 9.

Missing values have been shown as a non-response. In order to easily compare the differences between responses from males and females, graphs for each of these categories, related to a particular parameter, have been placed alongside each other

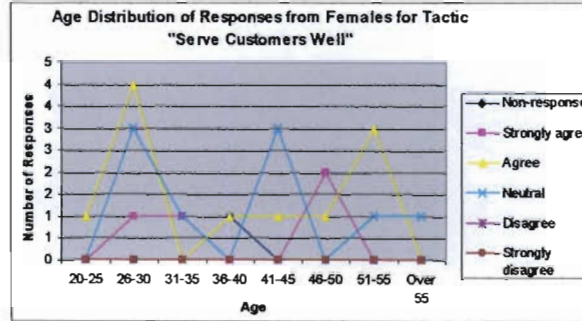
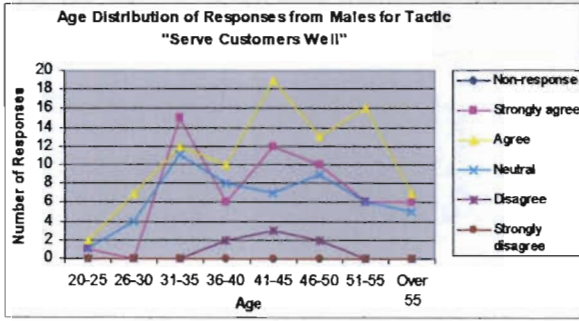


Figure 7 (a) and (b): Age Distribution of Responses for Tactic “Serve Customers Well” from (a) Males and (b) Females

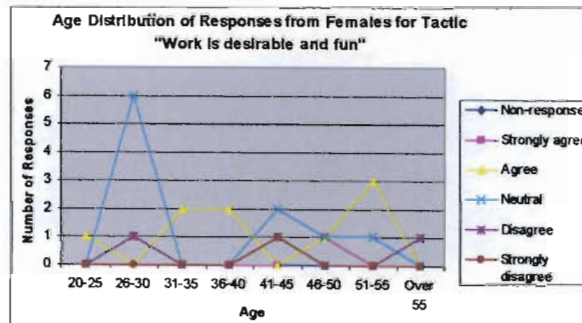
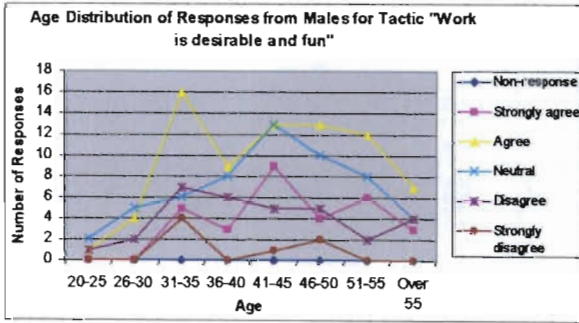


Figure 8 (a) and (b): Age Distribution of Responses for Tactic “Work is Desirable and Fun” from (a) Males and (b) Females

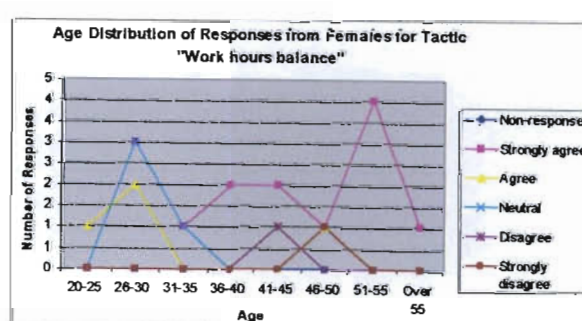
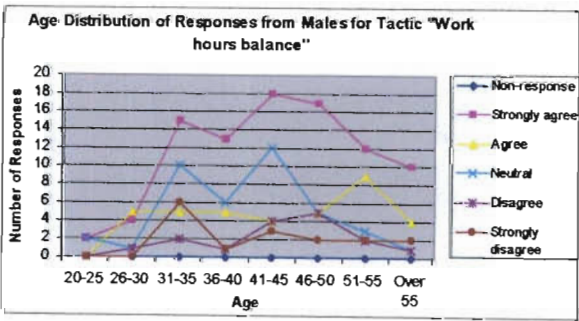


Figure 9 (a) and (b): Age Distribution of Responses for Tactic “Work hours balance” from (a) Males and (b) Females

Gender	Tactic	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Serve Customers Well										
	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	1	0	15	6	12	10	6	6	56	28
	Agree	2	7	12	10	19	13	16	7	86	43
	Neutral	1	4	11	8	7	9	6	5	51	25.5
	Disagree	0	0	0	2	3	2	0	0	7	3.5
	Strongly disagree	0	0	0	0	0	0	0	0	0	0
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	1	0	0	0	0	1	4
	Strongly agree	0	1	1	0	0	2	0	0	4	16
	Agree	1	4	0	1	1	1	3	0	11	44
	Neutral	0	3	1	0	3	0	1	1	9	36
	Disagree	0	0	0	0	0	0	0	0	0	0
	Strongly disagree	0	0	0	0	0	0	0	0	0	0
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Gender	Tactic	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Work is desirable and fun										
	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	0	5	3	9	4	6	3	30	15
	Agree	1	4	16	9	13	13	12	7	75	37.5
	Neutral	2	5	6	8	13	10	8	4	56	28
	Disagree	1	2	7	6	5	5	2	4	32	16
	Strongly disagree	0	0	4	0	1	2	0	0	7	3.5
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	1	0	0	0	1	0	0	2	8
	Agree	1	0	2	2	0	1	3	0	9	36
	Neutral	0	6	0	0	2	1	1	0	10	40
	Disagree	0	1	0	0	1	0	0	1	3	12
	Strongly disagree	0	0	0	0	1	0	0	0	1	4
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Gender	Tactic	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Work hours balance										
	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	2	4	15	13	18	17	12	10	91	45.5
	Agree	0	5	5	5	4	5	9	4	37	18.5
	Neutral	2	1	10	6	12	5	3	1	40	20
	Disagree	0	1	2	1	4	5	2	1	16	8
	Strongly disagree	0	0	6	1	3	2	2	2	16	8
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	3	1	2	2	1	4	1	14	56
	Agree	1	2	0	0	0	1	0	0	4	16
	Neutral	0	3	1	0	1	0	0	0	5	20
	Disagree	0	0	0	0	1	0	0	0	1	4
	Strongly disagree	0	0	0	0	0	1	0	0	1	4
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Table 5 Summary of Responses for Parameters “Serve Customers Well”, “Work is desirable and fun” and “Work hours balance”

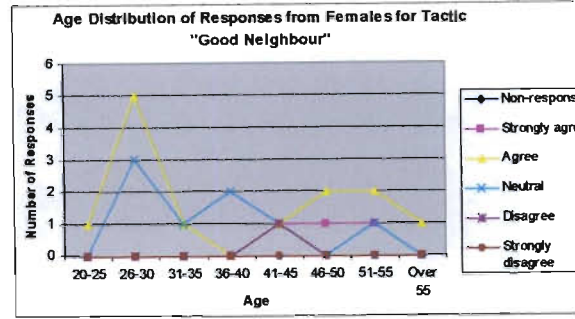
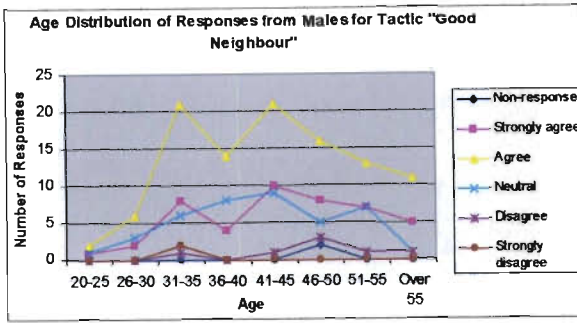


Figure 10 (a) and (b): Age Distribution of Responses for Tactic “Good Neighbour” from (a) Males and (b) Females

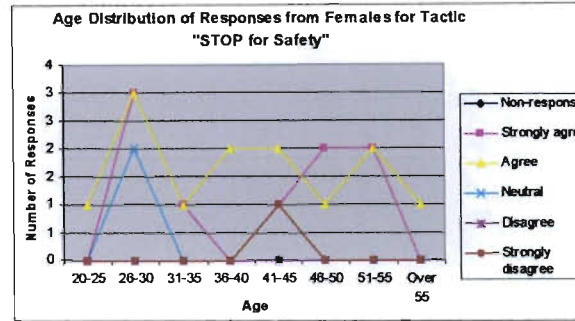
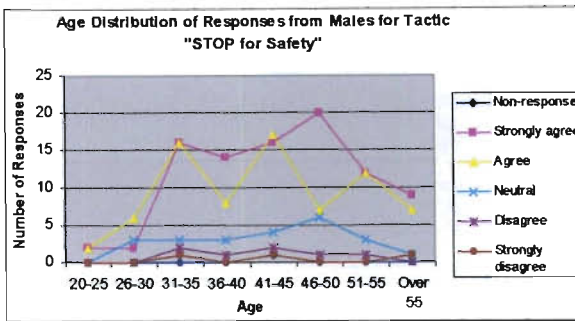


Figure 11 (a) and (b): Age Distribution of Responses for Tactic “STOP for Safety” from (a) Males and (b) Females

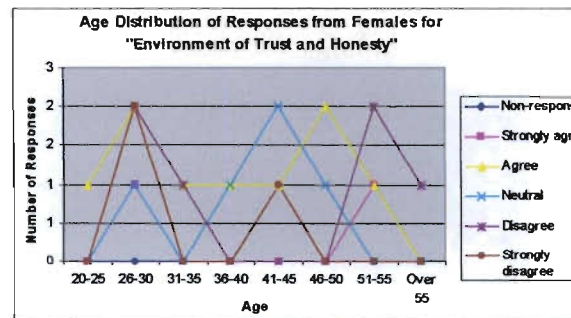
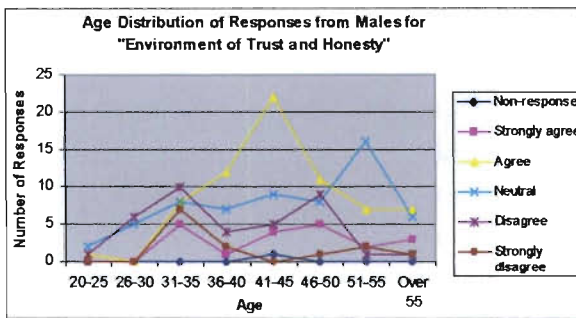


Figure 12 (a) and (b): Age Distribution of Responses for “Environment of Trust and Honesty” from (a) Males and (b) Females

Gender	Tactic	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Good Neighbour										
	Non-response	0	0	0	0	0	2	0	0	2	1
	Strongly agree	1	2	8	4	10	8	7	5	45	22.5
	Agree	2	6	21	14	21	16	13	11	104	52
	Neutral	1	3	6	8	9	5	7	1	40	20
	Disagree	0	0	1	0	1	3	1	1	7	3.5
	Strongly disagree	0	0	2	0	0	0	0	0	2	1
	Sub-total	4	11	38	26	41	34	28	18	200	100
	%age	2	5.5	19	13	20.5	17	14	9	100	
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	0	0	0	1	1	1	0	3	12
	Agree	1	5	1	0	1	2	2	1	13	52
	Neutral	0	3	1	2	1	0	1	0	8	32
	Disagree	0	0	0	0	1	0	0	0	1	4
	Strongly disagree	0	0	0	0	0	0	0	0	0	0
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Gender	Tactic	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	STOP for Safety										
	Non-response	0	0	0	0	1	0	0	0	1	0.5
	Strongly agree	2	2	16	14	16	20	12	9	91	45.5
	Agree	2	6	16	8	17	7	12	7	75	37.5
	Neutral	0	3	3	3	4	6	3	1	23	11.5
	Disagree	0	0	2	1	2	1	1	0	7	3.5
	Strongly disagree	0	0	1	0	1	0	0	1	3	1.5
	Sub-total	4	11	38	26	41	34	28	18	200	100
	%age	2	5.5	19	13	20.5	17	14	9	100	
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	3	1	0	1	2	2	0	9	36
	Agree	1	3	1	2	2	1	2	1	13	52
	Neutral	0	2	0	0	0	0	0	0	2	8
	Disagree	0	0	0	0	0	0	0	0	0	0
	Strongly disagree	0	0	0	0	1	0	0	0	1	4
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Gender	Parameter	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Environment of Trust and Honesty										
	Non-response	0	0	0	0	1	0	0	0	1	0.5
	Strongly agree	0	0	5	1	4	5	2	3	20	10
	Agree	1	0	8	12	22	11	7	7	68	34
	Neutral	2	5	8	7	9	8	16	6	61	30.5
	Disagree	1	6	10	4	5	9	1	1	37	18.5
	Strongly disagree	0	0	7	2	0	1	2	1	13	6.5
	Sub-total	4	11	38	26	41	34	28	18	200	100
	%age	2	5.5	19	13	20.5	17	14	9	100	
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	1	0	0	0	0	1	0	2	8
	Agree	1	2	1	1	1	2	1	0	9	36
	Neutral	0	1	0	1	2	1	0	0	5	20
	Disagree	0	2	1	0	0	0	2	1	6	24
	Strongly disagree	0	2	0	0	1	0	0	0	3	12
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Table 6 Summary of Responses for Parameters “Good Neighbour”, “STOP for Safety” and “Environment of Trust and Honesty”

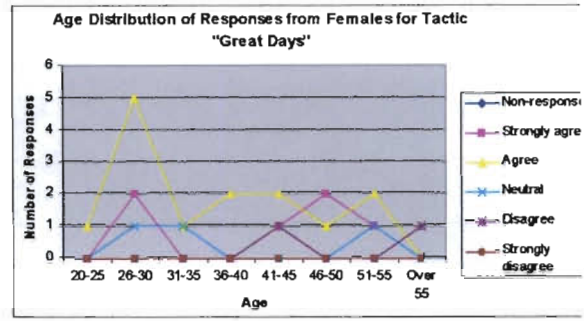
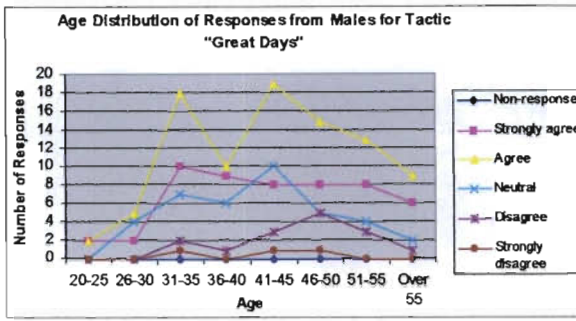


Figure 13 (a) and (b): Age Distribution of Responses for Tactic “Great Days” from (a) Males and (b) Females

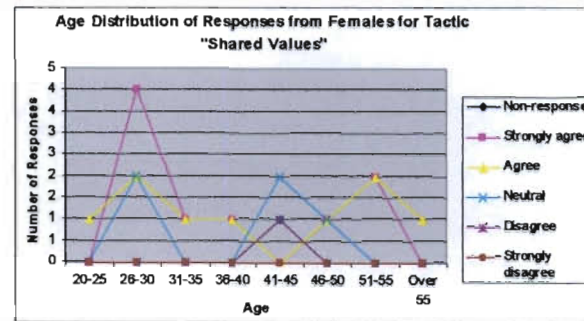
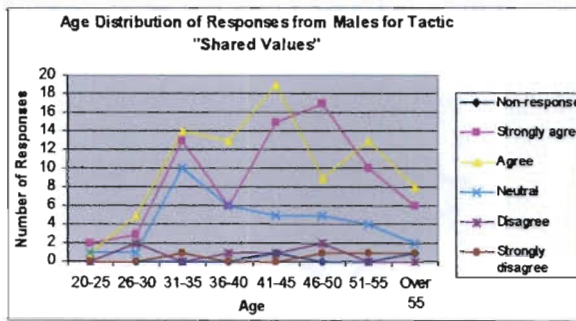


Figure 14 (a) and (b): Age Distribution of Responses for Tactic “Shared Values” from (a) Males and (b) Females

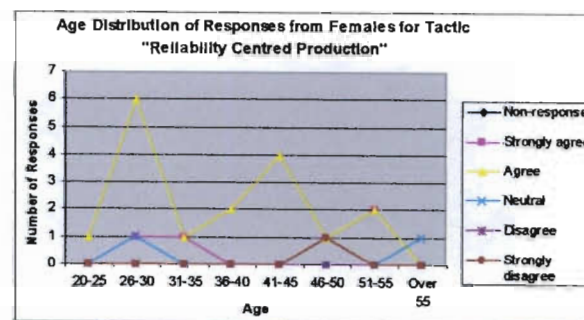
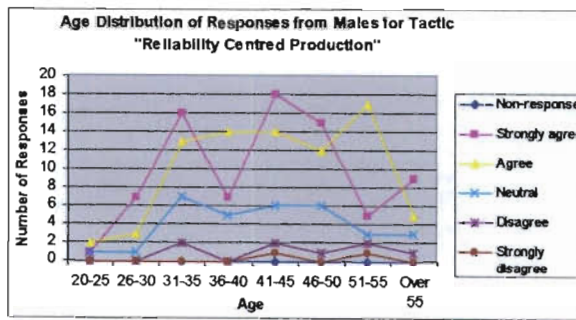


Figure 15 (a) and (b): Age Distribution of Responses for Tactic “Reliability Centred Production” from (a) Males and (b) Females

Gender	Tactic	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Great Days										
	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	2	2	10	9	8	8	8	6	53	26.5
	Agree	2	5	18	10	19	15	13	9	91	45.5
	Neutral	0	4	7	6	10	5	4	2	38	19
	Disagree	0	0	2	1	3	5	3	1	15	7.5
	Strongly disagree	0	0	1	0	1	1	0	0	3	1.5
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	2	0	0	1	2	1	0	6	24
	Agree	1	5	1	2	2	1	2	0	14	56
	Neutral	0	1	1	0	0	0	1	0	3	12
	Disagree	0	0	0	0	1	0	0	1	2	8
	Strongly disagree	0	0	0	0	0	0	0	0	0	0
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Gender	Tactic	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Shared Values										
	Non-response	0	0	0	0	1	0	0	1	2	1
	Strongly agree	2	3	13	6	15	17	10	6	72	36
	Agree	1	5	14	13	19	9	13	8	82	41
	Neutral	1	1	10	6	5	5	4	2	34	17
	Disagree	0	2	0	1	1	2	0	0	6	3
	Strongly disagree	0	0	1	0	0	1	1	1	4	2
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	1	0	0	0	1	4
	Strongly agree	0	4	1	1	0	1	2	0	9	36
	Agree	1	2	1	1	0	1	2	1	9	36
	Neutral	0	2	0	0	2	1	0	0	5	20
	Disagree	0	0	0	0	1	0	0	0	1	4
	Strongly disagree	0	0	0	0	0	0	0	0	0	0
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Gender	Tactic	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Reliability-Centred Production										
	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	1	7	16	7	18	15	5	9	78	39
	Agree	2	3	13	14	14	12	17	5	80	40
	Neutral	1	1	7	5	6	6	3	3	32	16
	Disagree	0	0	2	0	2	1	2	1	8	4
	Strongly disagree	0	0	0	0	1	0	1	0	2	1
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	1	1	0	0	1	2	0	5	20
	Agree	1	6	1	2	4	1	2	0	17	68
	Neutral	0	1	0	0	0	0	0	1	2	8
	Disagree	0	0	0	0	0	0	0	0	0	0
	Strongly disagree	0	0	0	0	0	1	0	0	1	4
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Table 7 Summary of Responses for Parameters “Great Days”, “Shared Values” and “Reliability Centred Production”

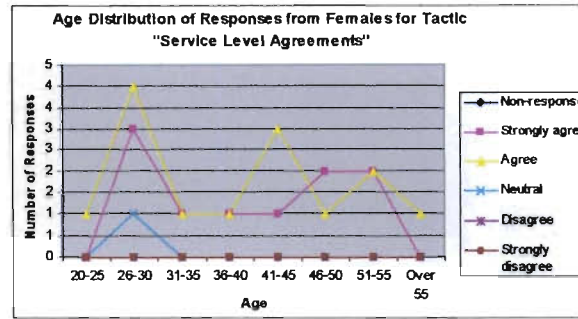
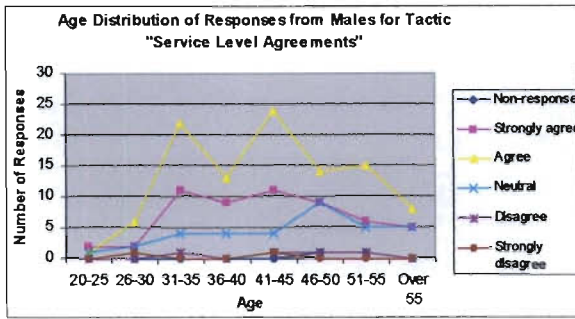


Figure 16 (a) and (b): Age Distribution of Responses for Tactic “Service Level Agreements” from (a) Males and (b) Females

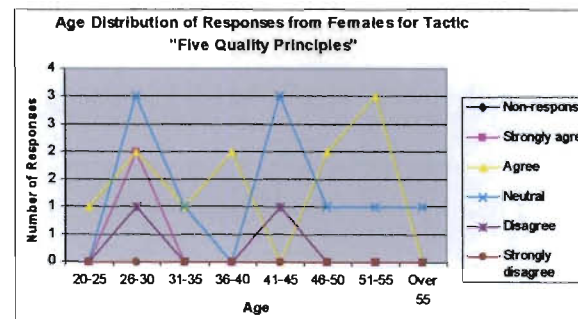
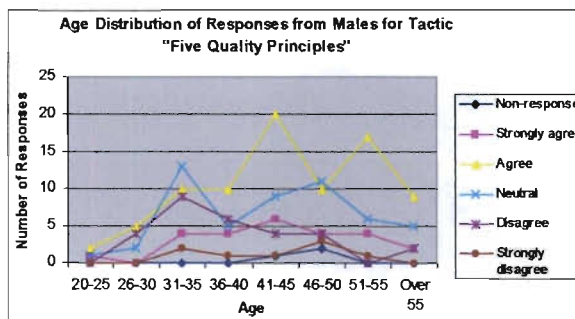


Figure 17 (a) and (b): Age Distribution of Responses for Tactic “Five Quality Principles” from (a) Males and (b) Females

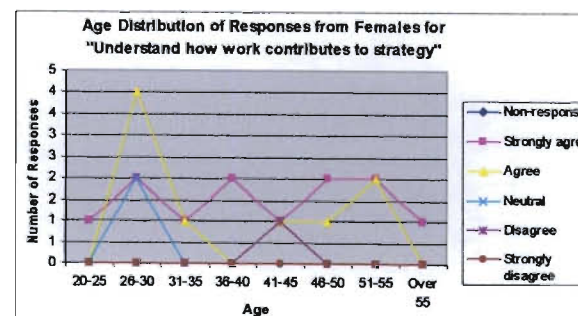
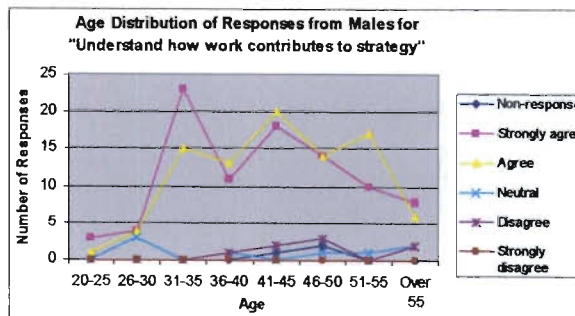


Figure 18 (a) and (b): Age Distribution of Responses for “Understand how work contributes to strategy” from (a) Males and (b) Females

Gender	Tactic	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Service Level Agreements										
	Non-response	0	0	0	0	0	1	1	0	2	1
	Strongly agree	2	2	11	9	11	9	6	5	55	27.5
	Agree	1	6	22	13	24	14	15	8	103	51.5
	Neutral	1	2	4	4	4	9	5	5	34	17
	Disagree	0	0	1	0	1	1	1	0	4	2
	Strongly disagree	0	1	0	0	1	0	0	0	2	1
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	3	1	1	1	2	2	0	10	40
	Agree	1	4	1	1	3	1	2	1	14	56
	Neutral	0	1	0	0	0	0	0	0	1	4
	Disagree	0	0	0	0	0	0	0	0	0	0
	Strongly disagree	0	0	0	0	0	0	0	0	0	0
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Gender	Tactic	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Five Quality Principles										
	Non-response	0	0	0	0	1	2	0	0	3	1.5
	Strongly agree	1	0	4	4	6	4	4	2	25	12.5
	Agree	2	5	10	10	20	10	17	9	83	41.5
	Neutral	1	2	13	5	9	11	6	5	52	26
	Disagree	0	4	9	6	4	4	0	2	29	14.5
	Strongly disagree	0	0	2	1	1	3	1	0	8	4
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	2	0	0	0	0	0	0	2	8
	Agree	1	2	1	2	0	2	3	0	11	44
	Neutral	0	3	1	0	3	1	1	1	10	40
	Disagree	0	1	0	0	1	0	0	0	2	8
	Strongly disagree	0	0	0	0	0	0	0	0	0	0
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Gender	Parameter	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Understand how work contributes to strategy										
	Non-response	0	0	0	0	1	2	0	0	3	1.5
	Strongly agree	3	4	23	11	18	14	10	8	91	45.5
	Agree	1	4	15	13	20	14	17	6	90	45
	Neutral	0	3	0	1	0	1	1	2	8	4
	Disagree	0	0	0	1	2	3	0	2	8	4
	Strongly disagree	0	0	0	0	0	0	0	0	0	0
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	1	2	1	2	1	2	2	1	12	48
	Agree	0	4	1	0	1	1	2	0	9	36
	Neutral	0	2	0	0	1	0	0	0	3	12
	Disagree	0	0	0	0	1	0	0	0	1	4
	Strongly disagree	0	0	0	0	0	0	0	0	0	0
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Table 8 Summary of Responses for Parameters “Service Level Agreements”, “Five Quality Principles” and “Understand how work contributes to strategy”

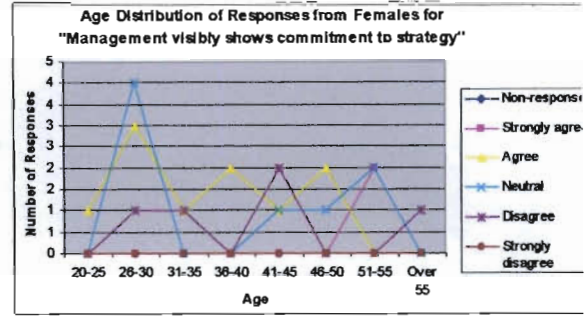
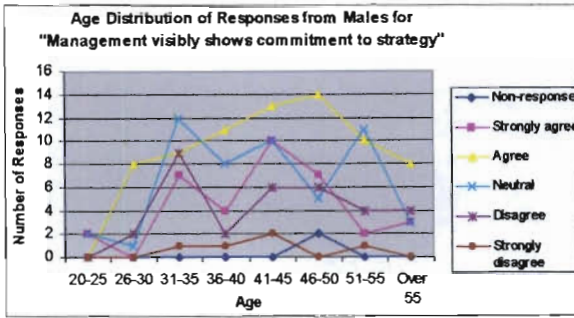


Figure 19 (a) and (b): Age Distribution of Responses for “Management visibly shows commitment to strategy” from (a) Males and (b) Females

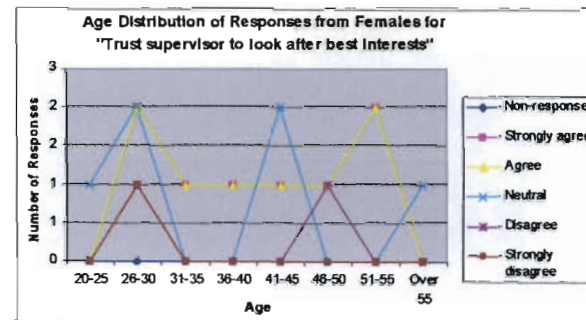
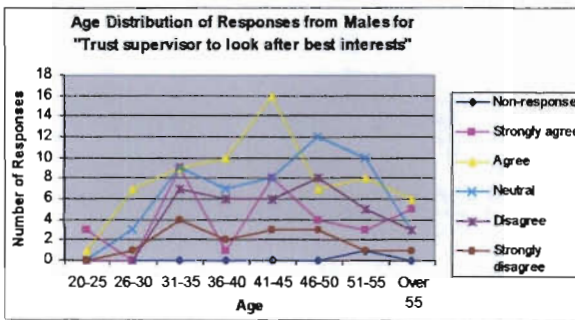


Figure 20 (a) and (b): Age Distribution of Responses for “Trust Supervisor to look after best interests” from (a) Males and (b) Females

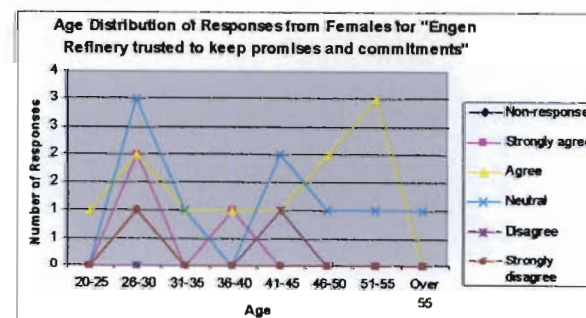
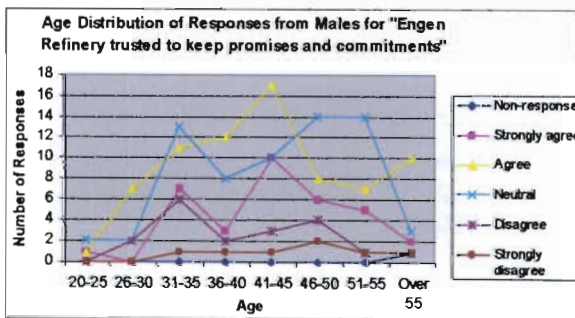


Figure 21 (a) and (b): Age Distribution of Responses for “Engen Refinery can be trusted to keep promises and commitments” from (a) Males and (b) Females

Gender	Parameter	Age								Total	Total
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age
Male	Managers visibly show commitment to strategy										
	Non-response	0	0	0	0	0	2	0	0	2	1
	Strongly agree	2	0	7	4	10	7	2	3	35	17.5
	Agree	0	8	9	11	13	14	10	8	73	36.5
	Neutral	2	1	12	8	10	5	11	3	52	26
	Disagree	0	2	9	2	6	6	4	4	33	16.5
	Strongly disagree	0	0	1	1	2	0	1	0	5	2.5
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	0	0	0	0	0	2	0	2	8
	Agree	1	3	1	2	1	2	0	0	10	40
	Neutral	0	4	0	0	1	1	2	0	8	32
	Disagree	0	1	1	0	2	0	0	1	5	20
	Strongly disagree	0	0	0	0	0	0	0	0	0	0
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Gender	Parameter	Age								Total	Total
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age
Male	Trust supervisor to look after best interests										
	Non-response	0	0	0	0	0	0	1	0	1	0.5
	Strongly agree	3	0	9	1	8	4	3	5	33	16.5
	Agree	1	7	9	10	16	7	8	6	64	32
	Neutral	0	3	9	7	8	12	10	3	52	26
	Disagree	0	0	7	6	6	8	5	3	35	17.5
	Strongly disagree	0	1	4	2	3	3	1	1	15	7.5
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	2	1	1	1	1	2	0	8	32
	Agree	0	2	1	1	1	1	2	0	8	32
	Neutral	1	2	0	0	2	0	0	1	6	24
	Disagree	0	1	0	0	0	1	0	0	2	8
	Strongly disagree	0	1	0	0	0	0	0	0	1	4
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Gender	Parameter	Age								Total	Total
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age
Male	Engen Refinery trusted to keep promises and commitments										
	Non-response	0	0	0	0	0	0	0	1	1	0.5
	Strongly agree	1	0	7	3	10	6	5	2	34	17
	Agree	1	7	11	12	17	8	7	10	73	36.5
	Neutral	2	2	13	8	10	14	14	3	66	33
	Disagree	0	2	6	2	3	4	1	1	19	9.5
	Strongly disagree	0	0	1	1	1	2	1	1	7	3.5
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Strongly agree	0	2	0	1	0	0	0	0	3	12
	Agree	1	2	1	1	1	2	3	0	11	44
	Neutral	0	3	1	0	2	1	1	1	9	36
	Disagree	0	0	0	0	1	0	0	0	1	4
	Strongly disagree	0	1	0	0	0	0	0	0	1	4
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Table 9 Summary of Responses for Parameters of Management Commitment and Trust

Section B of the questionnaire covered the factors affecting work performance as well as the interaction between employees and their direct line supervisor. Figures 22 and 23, respectively, show the overall view of responses related to the importance and presence of factors affecting employees' work performance. Details regarding the distribution of responses across the Lickert scales of "Most Important" to "Unimportant" in Figure 22 and "Always" to "Never" in Figure 23, have also been shown.

The data related to the importance of factors affecting work performance was further disseminated according to gender and age in order to investigate any relationships between these categories and the responses from employees. The results of this cross-tabulation have been shown in Tables 10 to 18.

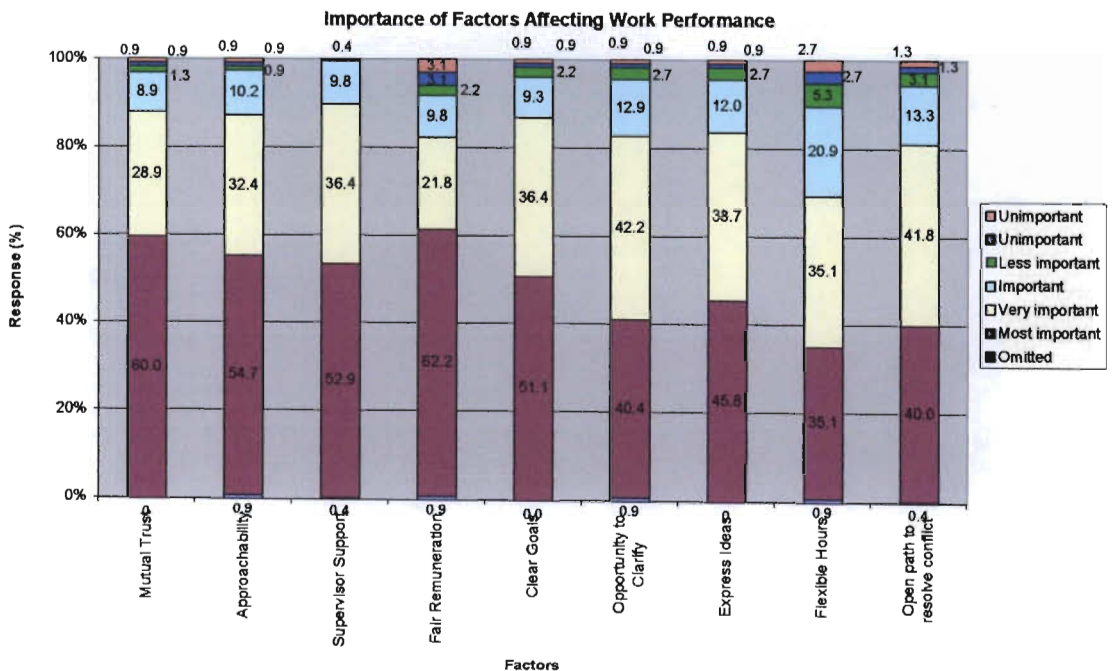


Figure 22 Summary of Responses Relating to the Importance of Factors Affecting Work Performance

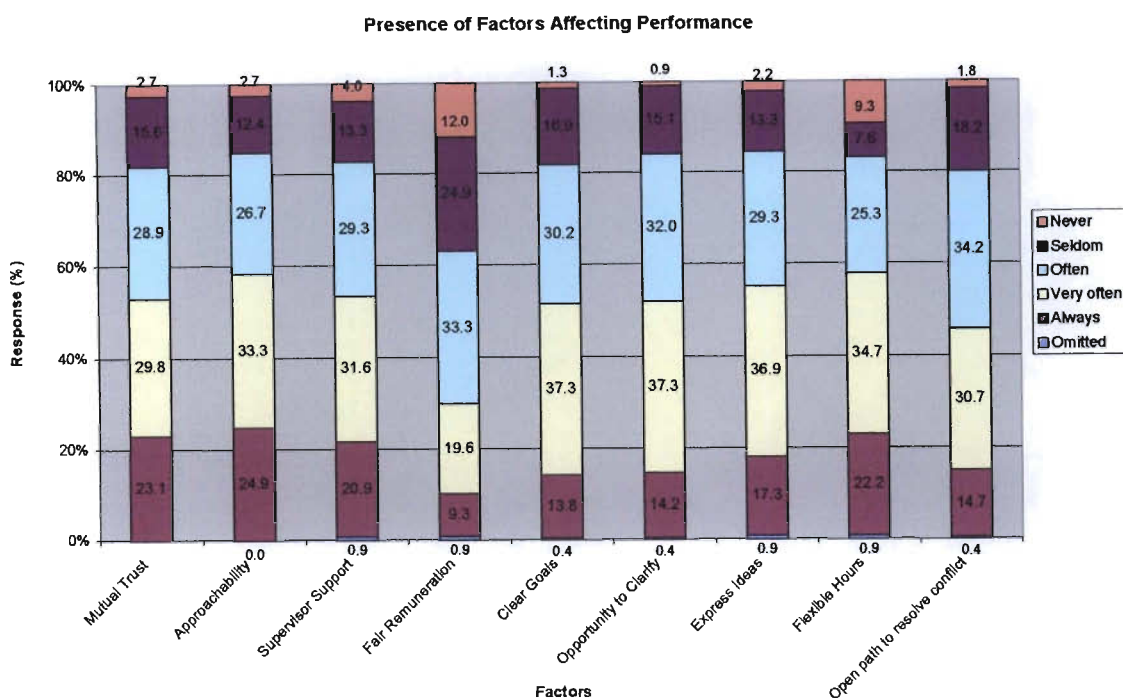


Figure 23 Summary of Response Related to the Actual Presence of Factors Affecting Performance in the Workplace

Gender	Factor	Age								Total No	Total %age
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55		
Male	Mutual trust										
	Non-response	0	0	0	0	0	0	0	0	0	0
	Most Important	4	4	25	16	27	16	14	13	119	59.5
	Very Important	0	5	9	6	10	11	12	4	57	28.5
	Important	0	2	2	4	3	5	2	1	19	9.5
	Less Important	0	0	1	0	1	1	0	0	3	1.5
	Unimportant	0	0	1	0	0	1	0	0	2	1
	Sub-total	4	11	38	26	41	34	28	18	200	100
%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	Most Important	0	7	1	1	2	1	4	0	16	64
	Very Important	0	1	1	1	2	2	0	1	8	32
	Important	1	0	0	0	0	0	0	0	1	4
	Less Important	0	0	0	0	0	0	0	0	0	0
	Unimportant	0	0	0	0	0	0	0	0	0	0
	Sub-total	1	8	2	2	4	3	4	1	25	100
	%age	4	32	8	8	16	12	16	4	100	

Table 10 Importance of Mutual Trust between Supervisor and Employee as a Factor Affecting Work Performance

Gender	Factor	Age								Total	Total	
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age	
Male	Supervisor Approachability											
	Non-response	0	0	1	1	0	0	0	0	0	2	1
	Most Important	3	5	22	14	26	15	11	12	108	54	
	Very Important	1	4	11	9	11	12	11	5	64	32	
	Important	0	2	2	2	4	5	6	1	22	11	
	Less Important	0	0	1	0	0	1	0	0	2	1	
	Unimportant	0	0	1	0	0	1	0	0	2	1	
	Sub-total	4	11	38	26	41	34	28	18	200	100	
%age	2	5.5	19	13	20.5	17	14	9	100			
Female	Non-response	0	0	0	0	0	0	0	0	0	0	
	Most Important	0	6	1	2	3	1	2	0	15	60	
	Very Important	1	2	1	0	1	1	2	1	9	36	
	Important	0	0	0	0	0	1	0	0	1	4	
	Less Important	0	0	0	0	0	0	0	0	0	0	
	Unimportant	0	0	0	0	0	0	0	0	0	0	
	Sub-total	1	8	2	2	4	3	4	1	25	100	
	%age	4	32	8	8	16	12	16	4	100		

Table 11 Importance of Supervisor Approachability as a Factor Affecting Work Performance

Gender	Factor	Age								Total	Total	
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age	
Male	Supervisor Support											
	Non-response	0	0	0	0	1	0	0	0	1	0.5	
	Most Important	2	4	25	10	25	17	13	8	104	52	
	Very Important	1	4	10	14	14	13	9	8	73	36.5	
	Important	1	3	3	2	1	4	5	2	21	10.5	
	Less Important	0	0	0	0	0	0	1	0	1	0.5	
	Unimportant	0	0	0	0	0	0	0	0	0	0	
	Sub-total	4	11	38	26	41	34	28	18	200	100	
%age	2	5.5	19	13	20.5	17	14	9	100			
Female	Non-response	0	0	0	0	0	0	0	0	0	0	
	Most Important	1	6	1	1	2	2	1	1	15	60	
	Very Important	0	1	1	1	2	1	3	0	9	36	
	Important	0	1	0	0	0	0	0	0	1	4	
	Less Important	0	0	0	0	0	0	0	0	0	0	
	Unimportant	0	0	0	0	0	0	0	0	0	0	
	Sub-total	1	8	2	2	4	3	4	1	25	100	
	%age	4	32	8	8	16	12	16	4	100		

Table 12 Importance of Supervisor Support as a Factor Affecting Work Performance

Gender	Factor	Age								Total	Total	
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age	
Male	Fair Remuneration											
	Non-response	0	0	0	1	0	0	1	0	2	1	
	Most Important	4	6	29	16	28	18	15	13	129	64.5	
	Very Important	0	3	3	7	6	10	6	5	40	20	
	Important	0	2	3	2	5	1	6	0	19	9.5	
	Less Important	0	0	2	0	0	2	0	0	4	2	
	Unimportant	0	0	1	0	2	3	0	0	6	3	
	Sub-total	4	11	38	26	41	34	28	18	200	100	
%age	2	5.5	19	13	20.5	17	14	9	100			
Female	Non-response	0	0	0	0	0	0	0	0	0	0	
	Most Important	0	4	1	1	3	1	1	0	11	44	
	Very Important	1	2	1	1	1	1	2	0	9	36	
	Important	0	1	0	0	0	0	1	1	3	12	
	Less Important	0	0	0	0	0	1	0	0	1	4	
	Unimportant	0	1	0	0	0	0	0	0	1	4	
	Sub-total	1	8	2	2	4	3	4	1	25	100	
	%age	4	32	8	8	16	12	16	4	100		

Table 13 Importance of Fair Remuneration as a Factor Affecting Work Performance

Gender	Factor	Age								Total	Total	
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age	
Male	Clear Goals and Objectives											
	Non-response	0	0	0	0	0	0	0	0	0	0	0
	Most Important	3	5	23	13	21	11	14	13	103	51.5	
	Very Important	1	5	10	12	16	13	9	4	70	35	
	Important	0	1	4	1	1	8	5	1	21	10.5	
	Less Important	0	0	0	0	2	2	0	0	4	2	
	Unimportant	0	0	1	0	1	0	0	0	2	1	
	Sub-total	4	11	38	26	41	34	28	18	200	100	
%age	2	5.5	19	13	20.5	17	14	9	100			
Female	Non-response	0	0	0	0	0	0	0	0	0	0	
	Most Important	0	6	1	0	1	1	3	0	12	48	
	Very Important	1	1	1	2	3	2	1	1	12	48	
	Important	0	0	0	0	0	0	0	0	0	0	
	Less Important	0	1	0	0	0	0	0	0	1	4	
	Unimportant	0	0	0	0	0	0	0	0	0	0	
	Sub-total	1	8	2	2	4	3	4	1	25	100	
	%age	4	32	8	8	16	12	16	4	100		

Table 14 Importance of Clear Goals and Objectives as a Factor Affecting Work Performance

Gender	Factor	Age								Total	Total	
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age	
Male	Opportunity to Clarify Issue											
	Non-response	0	0	0	1	0	1	0	0	2	1	
	Most Important	2	4	18	7	19	8	13	11	82	41	
	Very Important	2	5	16	14	16	16	6	6	81	40.5	
	Important	0	1	2	4	5	6	8	1	27	13.5	
	Less Important	0	1	0	0	1	3	1	0	6	3	
	Unimportant	0	0	2	0	0	0	0	0	2	1	
	Sub-total	4	11	38	26	41	34	28	18	200	100	
%age	2	5.5	19	13	20.5	17	14	9	100			
Female	Non-response	0	0	0	0	0	0	0	0	0	0	
	Most Important	0	5	1	0	1	0	2	0	9	36	
	Very Important	1	2	1	2	3	3	2	0	14	56	
	Important	0	1	0	0	0	0	0	1	2	8	
	Less Important	0	0	0	0	0	0	0	0	0	0	
	Unimportant	0	0	0	0	0	0	0	0	0	0	
	Sub-total	1	8	2	2	4	3	4	1	25	100	
	%age	4	32	8	8	16	12	16	4	100		

Table 15 Importance of the Opportunity to Clarify Issues as a Factor Affecting Work Performance

Gender	Factor	Age								Total	Total	
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age	
Male	Opportunity to Freely Express Ideas											
	Non-response	0	0	0	0	0	0	0	0	0	0	0
	Most Important	3	5	19	10	17	12	14	12	92	46	
	Very Important	0	4	15	12	20	13	6	3	73	36.5	
	Important	1	2	2	3	4	6	7	2	27	13.5	
	Less Important	0	0	1	1	0	2	1	1	6	3	
	Unimportant	0	0	1	0	0	1	0	0	2	1	
	Sub-total	4	11	38	26	41	34	28	18	200	100	
	%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0	0
	Most Important	0	5	1	1	2	1	1	0	11	44	
	Very Important	1	3	1	1	2	2	3	1	14	56	
	Important	0	0	0	0	0	0	0	0	0	0	0
	Less Important	0	0	0	0	0	0	0	0	0	0	0
	Unimportant	0	0	0	0	0	0	0	0	0	0	0
	Sub-total	1	8	2	2	4	3	4	1	25	100	
	%age	4	32	8	8	16	12	16	4	100		

Table 16 Importance of the Opportunity to Freely Express Ideas as a Factor Affecting Work Performance

Gender	Factor	Age								Total	Total	
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age	
Male	Flexible Work Hours											
	Non-response	0	0	0	0	0	2	0	0	2	1	
	Most Important	3	3	13	10	15	9	6	6	65	32.5	
	Very Important	0	5	18	8	13	14	11	4	73	36.5	
	Important	1	3	5	6	9	6	9	7	46	23	
	Less Important	0	0	2	1	3	3	0	1	10	5	
	Unimportant	0	0	0	1	1	0	2	0	4	2	
	Sub-total	4	11	38	26	41	34	28	18	200	100	
	%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0	0
	Most Important	0	4	2	2	2	1	2	1	14	56	
	Very Important	1	2	0	0	1	1	1	0	6	24	
	Important	0	0	0	0	0	0	1	0	1	4	
	Less Important	0	2	0	0	0	0	0	0	2	8	
	Unimportant	0	0	0	0	1	1	0	0	2	8	
	Sub-total	1	8	2	2	4	3	4	1	25	100	
	%age	4	32	8	8	16	12	16	4	100		

Table 17 Importance of Flexible Work Hours as a Factor Affecting Work Performance

Gender	Factor	Age								Total	Total	
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55			
Male	Open path for conflict resolution									No	%age	
	Non-response	0	0	0	1	0	0	0	0	0	1	0.5
	Most Important	3	2	18	10	20	9	9	8	79	39.5	
	Very Important	1	5	13	11	16	14	13	7	80	40	
	Important	0	3	5	4	5	7	4	2	30	15	
	Less Important	0	1	0	0	0	3	2	1	7	3.5	
	Unimportant	0	0	2	0	0	1	0	0	3	1.5	
	Sub-total	4	11	38	26	41	34	28	18	200	100	
	%age	2	5.5	19	13	20.5	17	14	9	100		
Female	Non-response	0	0	0	0	0	0	0	0	0	0	
	Most Important	0	6	1	1	2	0	1	0	11	44	
	Very Important	1	2	1	1	2	3	3	1	14	56	
	Important	0	0	0	0	0	0	0	0	0	0	
	Less Important	0	0	0	0	0	0	0	0	0	0	
	Unimportant	0	0	0	0	0	0	0	0	0	0	
	Sub-total	1	8	2	2	4	3	4	1	25	100	
	%age	4	32	8	8	16	12	16	4	100		

Table 18 Importance of an Open Path for Conflict Resolution as a Factor Affecting Work Performance

The mean values of overall responses regarding the importance and presence of factors affecting work performance were used to construct a gap analysis as shown in Figure 24. This shows the differences between the importance that employees place on a particular factor, and its actual presence in the workplace. It gives an indication of how employees want the work environment to be, compared with how it actually is.

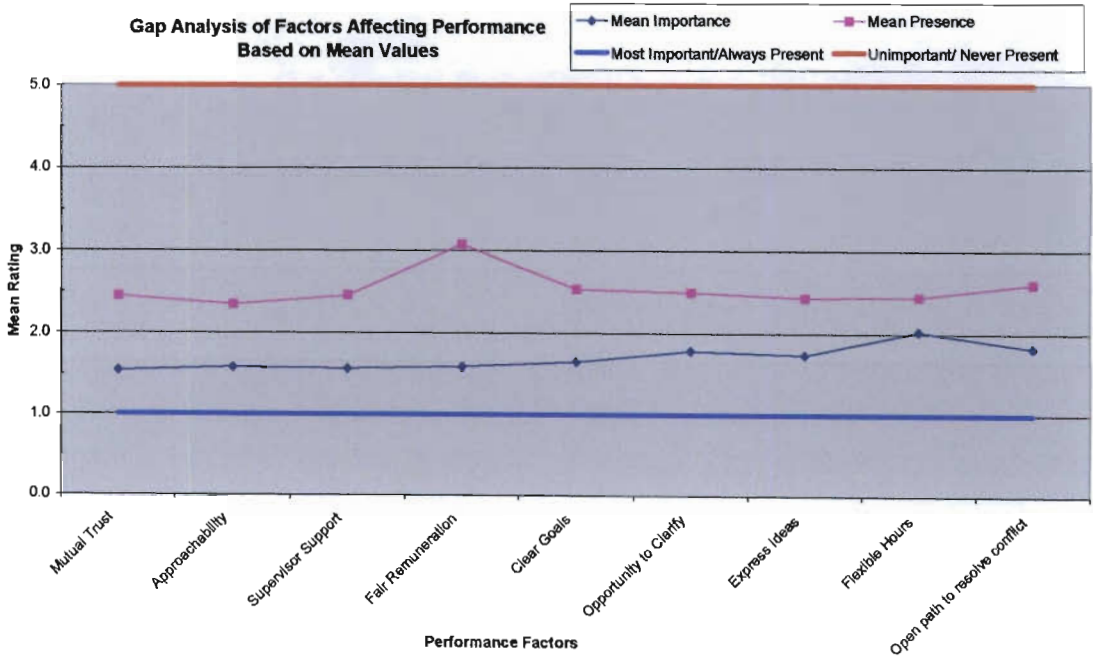


Figure 24 Gap Analysis of Factors Affecting Performance Based on Mean Values

Note: Most important/Always Present = 1.0 and Unimportant/Never Present = 5.0

Employees were also asked to indicate whether they were happy with their current level of performance, and 80% of respondents indicated that they were happy. Table 19 shows how these responses were distributed across the different age groups for each gender.

Gender	Parameter	Age								Total	Total
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age
Male	Happy with Current Level of Performance										
	Non-response	0	0	2	2	1	0	0	0	5	2.5
	No	0	5	7	5	8	5	1	3	34	17
	Yes	4	6	29	19	32	29	27	15	161	80.5
	Sub-total	4	11	38	26	41	34	28	18	200	100
	%age	2	5.5	19	13	20.5	17	14	9	100	
Female	Non-response	0	0	0	0	0	0	0	0	0	0
	No	0	3	0	1	1	0	0	1	6	24
	Yes	1	5	2	1	3	3	4	0	19	76
	Sub-total	1	8	2	2	4	3	4	1	25	100
		%age	4	32	8	8	16	12	16	4	100

Table 19 Employee Happiness with Current Level of Performance

Employees were then asked to choose, from a list, all the factors that they felt would contribute to them improving their work performance. They were also given the option of adding any other factors that were not on the prescribed list. The list consisted of the following factors:

- If my supervisor trusted me more
- Greater autonomy
- Acknowledgement of work done well
- Better relationship with supervisor
- Better relationship with colleagues
- Understood management tactics relative to work
- Effective communication with supervisor
- Mistakes dealt with when they happen
- Clear Service Level Agreements (SLA's) which everyone abides by
- Other

The responses received from employees regarding these factors have been summarised in Table 20, and have also been grouped according to age and gender. Considering all employees' responses regarding the factors that would improve their performance, it was found that 36% of respondents felt that they would improve if their supervisor trusted them more, 40% of respondents required greater autonomy and 51% of

respondents desired acknowledgement for work done well. Regarding the influence of working relationships on performance, 28% of respondents felt that their work performance would improve if their relationship with their supervisor was better, and 37% of respondents felt that a better relationship with their colleagues would help them improve. The understanding of management tactics relative to work was selected by 45% of respondents as a factor which would improve their performance. 68% of respondents felt that effective communication with their supervisor was necessary to improve performance. Regarding the effect of dealing with mistakes when they happen, 58% of respondents felt that this would improve their performance. The presence of clear service level agreements which everyone abides by was considered by 50% of respondents as a factor affecting their performance.

Gender	Parameter	Age								Total	Total
		20-25	26-30	31-35	36-40	41-45	46-50	51-55	Over 55	No	%age
Male	Factors that would result in performance improvement										
	Supervisor trusted me more	3	4	18	6	11	13	11	8	74	37
	Greater autonomy	4	2	21	9	16	15	11	8	86	43
	Acknowledgement of work done well	4	4	23	13	19	18	15	11	107	53.5
	Better relationship with supervisor	2	4	14	7	10	9	11	3	60	30
	Better relationship with colleagues	4	4	19	11	18	11	6	3	76	38
	Understood management tactics relative to work	3	4	16	14	14	16	12	9	88	44
	Effective communication with supervisor	4	7	28	18	24	22	24	11	138	69
	Mistakes dealt with when they happen	4	5	26	16	23	20	19	7	120	60
	Clear SLA's which everyone abides by	4	5	23	17	15	17	16	5	102	51
	Number of respondents	4	11	38	26	41	34	28	18	200	
	%age	2	5.5	19	13	20.5	17	14	9	100	
Female	Supervisor trusted me more	1	4	0	0	0	0	1	0	6	24
	Greater autonomy	1	2	0	0	0	0	1	0	4	16
	Acknowledgement of work done well	1	4	0	0	1	0	2	0	8	32
	Better relationship with supervisor	0	2	0	0	1	0	1	0	4	16
	Better relationship with colleagues	1	2	0	0	2	1	2	0	8	32
	Understood management tactics relative to work	1	5	2	1	1	3	1	0	14	56
	Effective communication with supervisor	1	4	1	0	2	2	3	1	14	56
	Mistakes dealt with when they happen	1	3	0	1	2	0	2	1	10	40
	Clear SLA's which everyone abides by	0	3	1	1	2	1	3	0	11	44
	Number of respondents	1	8	2	2	4	3	4	1	25	
	%age	4	32	8	8	16	12	16	4	100	

Table 20 Factors that Employees Feel will Improve their Performance

Employees' interaction and relationship with their direct line supervisor was further tested by asking them about key determinants of that relationship, specifically recognition received, creation of a vision and strategy for their work area, and whether feedback from the supervisor helps improve their performance. The results have been summarized in Table 21.

Note: Unit of measure is percentage of responses	Knowledge and experience contributed is recognised and rewarded		Supervisor creates a vision and strategy for your area		Supervisor feedback that helps improve performance	
Non-response	0.4		0.9		0.4	
Strongly agree	10.7	40.5	10.7	51.1	11.6	56
Agree	29.8		40.4		44.4	
Neutral	29.8		32.0		24.4	
Disagree	20.0	29.3	12.4	16	13.3	19.1
Strongly disagree	9.3		3.6		5.8	
Total	100.0		100.0		100.0	

Table 21 Responses Related to Supervisor - Recognition, Vision and Feedback

Respondents were further questioned about the overall frequency of feedback received from their supervisor and these results have been shown in Table 22.

Note: Unit of measure is percentage of responses	Frequency of Supervisor Feedback
Non-response	1.8
Very often	14.2
Fairly often	34.2
Sometimes	31.1
Rarely	13.3
Never	5.3
Total	100.0

Table 22 Frequency of Supervisor Feedback

In addition, respondents were also questioned about the frequency of useful one-on-one discussions held with their supervisors and the results have been summarised in Table 23.

Note: Unit of measure is percentage of responses	Frequency of Useful One-on-One Discussions with Supervisor
Non-response	0.9
Once a week	18.2
Once a fortnight	12.9
Daily	4.9
Once a month	8.9
Every quarter	8.0
Annually at performance review	20.0
Never	7.6
When requested by either party	18.7
Total	100.0

Table 23 Frequency of Useful One-on-One Discussions with Supervisor

Finally, employees were asked to give an overall view of how satisfied they are with the job done by their supervisor, in order to get a feel for how that relationship affects their psychological contract with the company. The results have been shown in Table 24.

Note: Unit of measure is percentage of responses	Satisfaction with Job Done by Supervisor
Non-response	0.4
Very dissatisfied	10.2
Somewhat dissatisfied	13.8
Neutral	20.4
Somewhat satisfied	34.7
Very satisfied	20.4
Total	100.0

Table 24 Overall Employee Satisfaction with Job Done by Supervisor

4.3 Qualitative Data

Qualitative data comprises comments made by respondents to the questionnaire, interview outcomes and results of the focus group discussion held with employees.

One on one interviews were held with two psychologists, one psychometrist and two employees who were also level 4 managers. All interviewees were first briefed about the background of the study and the concept of psychological contract was explained as being the relationship between employee and employer, represented by the employee's immediate supervisor, and the mutual expectations of each from that relationship.

Participants for a focus group discussion were randomly selected. The aim was to get a group that reflected the population demographics of Durban, which is 68.3% black, 19.9% Indian, 8.9% white and 2.8% coloured. Ideally, the group should have also been made up of an approximately 50/50 split of males and females. Invitations were sent out to sixteen employees, but due to the maintenance turnaround under way at the refinery, the initial response rate was very poor, since only three people accepted the invitation. The date for the discussion was then changed to accommodate those employees involved in the turnaround. The aim was to get seven to ten people, reflecting the abovementioned demographics and gender split. Eight people accepted the invitation, and based on this group which appeared to be sufficiently representative, the meeting was confirmed. However, only five participants attended the group discussion. The attendees included a black female, a white male, a black male and two Indian males. In the transcript below, they will be represented respectively as BF, WM1, BM, IM1 and IM2. The facilitator will be represented by AMP.

The group was initially briefed about the background to the research project. The concept of the psychological contract was explained as being an unwritten contract between the employer and employee, reflecting the expectations that each had of the employment relationship. It was also explained that an employee's relationship with their immediate supervisor was taken as being indicative of the employee's relationship with the company. It was also explained that the research involved looking at the possibility of links between that relationship and tactics implementation as well as work performance.

Qualitative data has been categorised according to emerging themes. Excerpts from all sources of qualitative data have been presented. In order to ensure employee confidentiality, reference to participants has been made in coded form. The codes used to represent participants are summarised below:

AMP: Research facilitator

SDE: Psychologist Sharon Enoch

MER: Psychometrist Ms Marie-Elise Retief

WM: Psychologist Mr Wim Myberg

EM1: Female employee, who is also a level 4 manager, who was interviewed.

EM2: Male employee, who is also a level 4 manager, who was interviewed.

WM1: White male employee, participant in focus group discussion.

BM: Black male employee, participant in focus group discussion.

IM1: Indian male employee, participant in focus group discussion.

IM2: Second Indian male employee, participant in focus group discussion.

BF: Black female, participant in focus group discussion.

4.3.1 Management Tactics

Employees were unable to name all the management tactics, when asked. It seemed that only a few of the tactics were really visible to employees, and these tended to be the ones which management advocated most strongly. One employee specifically stated that visible and sustained management support of tactics was integral to the successful execution of tactics. If senior management support for a particular tactic dwindled, or was perceived to dwindle, then that tactic was not successful. In addition, the tactics that were foremost on the minds of employees were those that they were most exposed to, in their specific departments, particularly those which were receiving more focus at the time of the interviews and focus group discussion.

Tactics identified by employees, who participated in qualitative data collection, included “Great Days”, initiatives related to “Reliability-centred Production”, “Serving the Customer”, “Black Economic Empowerment and Employment Equity”, “Staff retention”, “Sustainability”, “Making money”, “Employee focus and having fun”, “Engen is a good neighbour” and “STOP for safety”.

The successful implementation of management tactics was related to other emerging themes such as communication, relationship-building and respect, trust, performance appraisals and alignment of goals, and managerial style and commitment, which have been presented separately.

4.3.2 Communication

The topic of communication between managers and lower level employees came up in interviews and the focus group discussion. Associated with communication were comments related to the approachability and accessibility of immediate and higher level managers to employees. The topic of communication came up in the context of factors affecting employees' going the extra mile at work, job dissatisfaction, organisation of work, conflict resolution, manager-subordinate relationship, performance feedback and appraisal, motivation and acceptance or ownership of strategy. Communication was also linked to trust and respect, which are other emerging themes presented later.

Excerpts of interviews and the focus group discussion, related to communication will now be presented.

Excerpts from interview with psychologist, Sharon Enoch:

AMP: ...what factors do you believe affect an employee's willingness to go the extra mile at work?

SDE: Well, from my view, I think what has come through firstly, is there's a sense of being understood, if they feel that they are understood, you know, if they are understood in terms of their own needs... one of the other big ones is communication, where they feel that their employer is inaccessible. Ok. And even if they are accessible, sometimes they feel that they are heard but they are not listened to. So, basically, if they have grievances, if they are not happy with something, and they bring it to the employer's notice, he might either, not give them a hearing at all, he's got no time, or if he does listen, nothing is done about it... almost like a 'File 13' type of thing. It's forgotten. And, so, it is almost like a strategy he uses, not to deal with the problem. You see, he kind of listens, but nothing is acted upon. So they really feel completely, uh, ignored in a sense...

AMP: Why are people unhappy or dissatisfied at work?

SDE: I think it's linked up with the first one in a number of ways. Umm, I think a lot of the time, this whole issue of interpersonal skills, uh, interaction and, uh, what's the word I'm looking for now, human relations. It's a very big problem. It is linked up to the first question you asked. You know the communication between employer and employee, when they have a problem, the way they, uh, can they approach, can't they approach? If they approach, how are they received, when they do have complaints. So, it's the whole issue of human relations...

AMP: ...where workload is too high, do employees feel that they can approach their employer to reduce the workload, or at least discuss and prioritise it?

SDE: Some are terrified to do that. Others have done it, and nothing has been done about it, and their actual words to me were, 'That's it, at 4:30, I just pick up my bag and I leave'.... the attitude of the employer and his representatives, if you're looking at lower down the ranks. You know that top-down sort of approach, where 'what I say kind of goes, don't question it'. That's very stressful, because it creates, uh, a barrier to communication.

Excerpts from interview with psychometrist Ms M Retief:

MER: ... I feel that if the, the Human Resource department and the general people running the company, like the managing director and the people that work under, for him, are a bit separate from the rest of the workforce. I feel that there is not enough communication between the two. Actually the Human Resource department is, umm, supposed to function as the bridge between the two, but, umm, there is still a lot of miscommunication. I think the reason is because they don't, people don't always get enough information, and information, you know, if you don't have information, then it creates mistrust, basically. If you just take a simple example, that people are being called, informed that they are going to go through an assessment situation. Then you find that people are not always informed what it's about or what is going to happen or why they need to go to it, umm, do they have a choice in the matter, that, umm, creates a lot of frustration.... There are sometimes situations where, where maybe a manager will deal with a problem in front of other employees rather than calling that one person out and sitting down. And, also, um, not listening to that person's side of the story.

Excerpts from interview with employee, EM1:

EM1: Umm, personally I'd like more feedback from my supervisor than I get, but that's a matter that's beyond my control. But I have told him that as well, at the last appraisal.

AMP: And what did he say?

EM1: Well, I told him at the last appraisal that I think we should do a bit more of relationship building between the two of us and we should have more discussions, but, and he seemed to think it was a good idea, but things haven't changed too much.

AMP: Do you have any other general comments about how the work environment can be improved for better relationships, implementation of strategy and work performance?

EM1: No, not really. Umm, I think that we here at the Refinery have a wonderful environment on the basis of personal relationships with people in general. To me it's amazing, you know, that you have access to; I have access to whoever I want to talk to, be that above me or below me or beside me, you know, so umm, like I said, there is just this little issue that I would like to spend just a little more time with my boss, just to stay on track, but, apart from that, if I really have to see him, you know, I can track him down. So, it's not like he's inaccessible. I actually think it's an excellent, on a relationship basis, it's an excellent environment....I think that a big role of a manager is encouragement, and, uh, yes, so that's why, I, uh, you can't really do encouraging unless you have a relationship, or at least it's harder. So, you have to keep touching base with people, just to see where they are

Excerpts from focus group discussion among employees:

WM1: ... I always felt that Engen doesn't communicate enough. We seem to hear things by default. And I sit here, and I think about what the man has just said about Great Days, and I think that Great Days is a fantastic way of getting information across, and as I said to someone the other day, there is one thing I can never do, when it says 'not a Great Day' is to just click it off and let it go into my Deleted Items without opening it. I always open it to see what it is... So, that's something to keep in mind. So, either way, it's, uh, it's quiet communication to everybody. It's not someone coming to you and verbally saying 'we didn't have a great day because of this and that'. And yet in itself it's not enough... I mean, I picked up a

TSTI from a person who has been in the refinery for years, 'why must you do this?', 'cause it's nice to have'. The guy didn't understand. He knows he's got to put something in there, so he puts anything. Communication. We do STOP for the staff, and then we take forever to get the contractors onto the STOP system... It's not for an Engen employee to go tell a worker how to flog a nut, that belongs to his boss. But, the fact of the matter is that, if it's discussed with the people, it starts to ring a little bell. If I go back in time to my training here, way back in 1967 or 1968, I used to look at these guys and wonder how these bosses knew these things. Simple things, like the oxygen content is 2%, how do you get it down, double the pressure on the tower, only an engineer knows that, but I heard it, and suddenly one day it all fell into place, and I became a much better operator. So, we go back.

IM1: So, training and communication is vital.

WM1: You see even if you're not telling people, you can put signs on walls like that, it's excellent... It's there for our benefit. I just think if you keep harping, listen, red robot, stop, red robot, stop. What's a red robot? I don't know what the colour red is, I'm colour blind, but eventually the penny drops, and I think that's when people get into it... everyday for eleven days, I told one company, 'all of you are not wearing your safety glasses', and they said 'oh but we're only doing this', and I said 'come, let me explain to you what it's all about', and slowly, eventually on the eleventh day I came past, and the guys were wearing it. The penny dropped eventually, because you see, the attitude out there is an attitude that's picked up out there.

BF: ... in our department, where there are a lot of juniors compared to the number of seniors, I think we have to keep going back to the same people, even if it takes eleven days. So, if you got a lack of skills, then supervision is very important, you can't just tell them once and then leave it and expect it to be done; it's important to keep following it up...

WM1: So we get to how does management help? Management helps by communicating more. If management communicates more, then you hear more, and you start to pick up these little bits and pieces, that's what becomes interesting to me. You know we have this thing on the wall that says "mentor unselfishly". Every piece of communication is a piece of mentoring to somebody. Doesn't matter what the line may be.

AMP: Ok, let's put things a bit into perspective again. We're talking about management tactics and what has been implemented successfully. We have actually touched a bit on the next question which is what factors do you think affect the implementation of tactics. We've picked up the point about communication and proper supervision, especially of unskilled labour, umm, and basically, the floor is still open for you to talk about any other factors that affect the implementation of tactics.

IM2: I think when we talk about communication and effectiveness, that's a broad, a broad topic, and I think that a proper understanding of the communication process, along with specific orientation of the communication towards a specific audience is important...

BF: [regarding performance appraisals, referred to as "KRA's" representing Key Result Areas]Like the KRA's, you can't just come and say, 'well KRA's are now due people' that's it. 'Next month is STIP month again people, KRA's come let's talk, you get a four'. In between what happens?...

IM1: I think also, what they call roles and responsibilities, are important, and its on both sides also. If you take into consideration where, they should have a feedback mechanism, like with KRA's, if you feel like you're battling, you should be able to go and talk to the manager and it's a two-way thing also, and it should be expressed when you agree on the KRA's.

4.3.3 Trust

In the initial interviews with the psychologists and psychometrist, the issue of trust between employees and their employer was considered to be of concern. One of the psychologists, Mrs Enoch, felt that employees did initially trust their employer but that this might change as a result of experiences which have created dissatisfaction or disappointment in the workplace. Such experiences may have included the employer not listening to the employee's needs; the employer's speaking lies or evading certain issues, or the manner in which conflict has been handled by the employer. In addition, the same psychologist indicated that employees also did not feel that their employer trusted them, particularly when they needed to take sick leave for a genuine illness and this was not believed. Employees with psychological problems also felt that this would be seen as a weakness by the employer, and were reluctant to make the employer aware of such an illness.

The psychometrist indicated that trust was related to communication and availability of information, and that miscommunication between management and employees led to employees not having faith in the employer. In addition, the employer was seen as preferring to have strict rules and regulations in place, rather than trusting the employees to be responsible.

Psychologist Wim Myberg discussed at length the concept of trustworthiness as a function of competence and honourable character. He proposed that, in order for management to be seen as credible in the eyes of employees, managers should demonstrate competence as well as integrity. He believed that, if employees experienced the “collective competence of the people upstairs” and if the work climate was one “that is honourable, and there’s integrity, there’s openness”, then their level of trustworthiness regarding the organisation would increase. In addition, he made reference to a trend of “eroding trust” in the workplace:

WM: ...I’ve seen, uh, lots of writings over the last few years, uh, in our field, in scientific publications, about the eroding trust that has been noticeable in the, umm, employee world, if you want to call it that, in government and private companies, you know, among individuals and collectively. The levels of trust are actually reducing, if you do in-depth, longitudinal stuff, you’ll see that it’s dropping. Because people are, well, they see things like white collar fraud, corruption, and you sit here and now you think, ‘oh, I can’t trust these guys, they are only in it for themselves’. And that’s why I think that trust would be your main construct, around, well, upon which the psychological contract is built.

AMP: Have you seen in your readings, any tools for measuring trust?

WM: Ja, there are some measures. There is a guy up in UNISA, who is big on this thing and they developed an organizational trust survey. I must just think, what is his name... They have presented many papers and their almost diagnostic tool at conferences. I know, Koeberg, which is a process controlled environment, like this, do an annual trust survey. They say, ‘we’re measuring the index of trust because it’s a safety issue. If the trust drops, it is going to impact on our safety, so they’re monitoring it; not safety but the precursor to it’.

AMP: It is almost like monitoring behaviour to control the safety.

WM: Yes, yes, exactly. So they take trust. And I think if you use trust, you're very close to the core. And that is an eroding issue and what's affected by those things.

Myberg also stated that there was a direct correlation between trust and employee willingness to release greater levels of discretionary effort in going the extra mile at work. He also stated that he felt that employees trusted the employer less than what one would think and that employers trusted employees even less. He also stated that trust between managers and their subordinates depended to some extent on the level occupied by those individuals in the organization. At the senior management level, for instance, the interaction between the general manager and his functional managers may be based on high levels of trust. However, as you consider employees lower down in the ranks, trust between subsequent levels, reduces.

Trust was also considered to be a fundamental requirement for the successful implementation of strategy. If employees trust the organization and management, Myberg claims, there is a greater chance that they would accept and identify with strategy rather than view it as being suspicious. If there was no basis of trust, employees would see changes and new initiatives as an instrument of manipulation.

During the employee focus group, two issues came up which were related to trust. The first was the issue of a "blame culture" where one of the employees expressed that there was a feeling in the plant that when something goes wrong at the refinery, management first tries to find out *who* was responsible rather than getting to the root cause of the problem. It was also stated that, when such a feeling pervades the organisation, employees do not give honest feedback to supervisors.

The other issue was related to the effect of employees' home situation on their work performance:

WM1: The problem again, it comes back to that same thing. We all have got a private life, and some of our private lives might be horrendous, absolutely. And the trouble is, you bring that baggage to work with you, but I was always taught, never, ever, ever, as a manager, get involved with a person's private life.

IM2: That has changed now. I think there's a different school of holistic management, where people, people are allowed to bring their personal issues into the workplace, and, in a spirit of confidentiality, and at the discretion of the lower ranking individual, disclosure made about such issues. So, that's a trust relationship. It's aimed at building the trust relationship.

WM1: Alright, ok. Well, that's news to me.

4.3.4 Respect and Relationship

The concepts of respect and relationship are, by nature, linked together. A good relationship between two individuals is dependent on mutual respect, whereas a lack of respect characterises a poor relationship. Respect was referred to in the context of conflict resolution as well as day to day interaction between managers and their subordinates or even between colleagues. Respect was also linked to managers' acceptance of employees for who they were, as well as their skill at human relations. A lack of respect has been associated with increased stress amongst employees. The following excerpts from interviews are testimony to these views.

Excerpt from interview with Sharon Enoch:

SDE: Again it comes, you know a lot of it is around the way a person is treated in respect of his emotional and psychological aspects, umm. For example, uh, the whole issue of unconditional acceptance. I think that causes a lot of stress. Respect also, where people are handled in a way that demeans them, they, they feel that their ego is slighted. That's a problem that, that causes a lot of stress. Umm, even undermining a person's capabilities, perhaps not in a formal way, but in the way one comments on a person's work, in demeaning terms, you know. Where, if a mistake is made, it is probably generalised to you being a stupid person or a lazy person, something like that, where the problem is not attended to in respect of what the mistake was, and corrected, but the person is labelled based on the mistake he has made... So the focus is not on the deed that was not correctly done or whatever but on the fact that you are this or that. So, people actually feel demeaned in that way...

Excerpt from interview with Ms M Retief:

AMP: Ok, the next question is; what forms or levels of respect or disrespect do employees and employers have for each other?

MER: Hmm, ja, I think that's a big one! (laughs) Umm, I think, uh, I think there are some forms of disrespect in the way people might be handling problems or conflict situations. There are sometimes situations where, where maybe a manager will deal with a problem in front of other employees rather than calling that one person out and sitting down. And, also, um, not listening to that person's side of the story. Ja, that's basically, in my experience, a lot of it is about conflict situations.

Employees who participated in the focus group discussion made reference to the issues of respect and relationship in terms of managers displaying the courtesy of greeting employees in the corridor, and in taking a personal interest in employees. One of the employees related a story from his younger days as an operator, when the general manager at the time casually walked onto the plant, spoke to him and took a personal interest in his hobby which involved building a canoe. Later in the discussion another employee referred to this story, in reference to the effect that a good relationship could have on work performance:

IM1: Nobody comes to work to be lazy, unless something has happened to them historically.

IM2: And that's just what you call baggage.

BF: You do have to acknowledge that people come with baggage, you can't ignore it. You've got to, in a way, make things work for you, you can't say it's his baggage, so bugger him, because he's not going to perform at the end of the day, and that is going to reflect badly on you as well. So you need to, as WM1 said that guy went out of his way to find out about him building a canoe, that's baggage too, positive baggage in a way, but it is still something that has to do with him, which at the end of the day became effective, because whenever he wanted something done, then, A-Ok in the next five minutes you'll get it. While, if he had an attitude with you, you won't get it in the next year.

WM1: That's right.

IM2: Ok, so what you're saying is, the, you're saying the tactics, or the conscious tactic by management to ensure that, or to distance themselves from the people, to

the extent that they don't have interpersonal relationships adversely impacts performance.

BF: Definitely.

IM2: That's what you're saying? (nods)

IM1: Look, people are people.

IM2: Oh, are they? And managers?

IM1: What we're saying is... All of them are people. So you've got to work with people when you're trying to implement certain things because that's their strategy, right. But if you treat the people that are supposed to do the work, not like people... you're not going to get that. They want to be part of this winning team, they're part of this team.

Employees who participated in one-on-one interviews believed that a good relationship with their supervisor had a positive influence on their commitment and motivation. They also believed that they could influence their subordinates' performance by their relationship with them, their personal interest in them as people beyond the actual job, and by giving them honest feedback about any issues that they raised. Hence, they considered interpersonal relationships between themselves and their subordinates as being very important. The importance of truthfulness and transparency with subordinates was seen as vital to ensuring that they would listen to, and take their manager seriously.

AMP: Do you have any other general comments about how the work environment can be improved for better relationships, implementation of strategy and work performance?

EM1: No, not really. Umm, I think that we here at the Refinery have a wonderful environment on the basis of personal relationships with people in general. To me its amazing, you know, that you have access to... I have access to whoever I want to talk to, be that above me or below me or beside me, you know, so umm, like I said, there is just this little issue that I would like to spend just a little more time with my boss, just to stay on track, but, apart from that, if I really have to see him, you know, I can track him down. So, it's not like he's inaccessible. I actually think it's an excellent, on a relationship basis, it's an excellent environment.

4.3.5 Motivation, Work Performance and Performance Appraisal

Both psychologists and employees made reference to “unrealistic expectations” and high workloads which went unrecognised, leading to demotivation of employees. High workload, specifically with regard to the implementation of too many tactics at the same time, was seen by employees as an obstacle to maintaining focus and therefore had a negative effect on work performance. Motivation was also seen as being adversely affected if managerial style was very autocratic or if managers were non-communicative. A good relationship with one’s supervisor was seen as having a positive influence on motivation and work performance.

SDE: ...Also, unrealistic expectations. Sometimes in respect of workload, where far too much is expected of a person.

AMP: In that particular case, where workload is too high, do employees feel that they can approach their employer to reduce the workload, or at least discuss and prioritise it?

SDE: Some are terrified to do that. Others have done it, and nothing has been done about it, and their actual words to me were, ‘That’s it, at 4:30, I just pick up my bag and I leave’.

AMP: So, they are demotivated.

SDE: (nods) They’re demotivated, ja, and that causes a lot of stress

AMP: How do you think the relationships between employers and their employees affect their work performance?

SDE: I think it’s in their attitudes. A poor attitude can cause a huge loss, and work hours are lost, and people don’t perform well. Some employees respond to a negative attitude from the employer by becoming defensive, and the result is actually that their work output is high. Then the other extreme is that ‘I’ll do the least’ or the bare minimum because there is a sense of no appreciation.

MER: I think, umm, I think it’s important to have a good relationship with your manager because, it, if you look at an employee’s job description; in order to, you know, stay in the job and get the advancement for the bonus or whatever you have to fulfil those roles. But then there’s an extra part that companies are looking for, which they call organizational citizenship, that’s where a person will do more than

what his actual job description entails, but that will contribute to the well-being or better performance of the company as well, and I think that is where the relationship between an employer and employee plays a big role, where the employee will be motivated to actually put in that extra.

WM: ...there are things that people think, well, the organization has failed here, and there are things that organizations do, these character-logical things that don't build trustworthiness... It will lack a culture of commitment and lead to a culture of control, because people just disengage. 'I'm just here for Wim Myberg. I don't believe in the vision. I'm just here 8 to 5. And I have, I have all my discretionary effort I withhold, which is under my control, isn't it?' I don't... say, 'Can I help you there?' or 'Here's some information I thought you would need'. No, I just deal with my stuff, so all the discretionary efforts reduces and unfortunately you have no legal right to command any of that. So, as individuals we're quite powerful, that we can spend or display discretionary effort because it is under voluntary control. You can't legislate it. And it is organizations who get it right to get employees to spend more or stretch more, that become the super-organisations. They are run by commitment; commitments, identification and extra-role behaviour. People go outside the box. Whereas, maybe, some organizations become more just role behaviour, they're just boxed and people do the bare minimum.

While a few employees believed that the performance appraisal system at Engen was a good one, others felt that it was open to subjectivity on the part of the manager and that it was not executed fairly. Employees agreed that the manner in which performance contracts were drawn up had a link to the company's overall strategy or management tactics, but there were still instances where clarity of goals and objectives were questioned. The importance of interim feedback sessions between an employee and his supervisor was mentioned and there was a feeling that many employees are surprised by poor ratings at the end of the year, and would have preferred it if their manager had informed them during the year of poor performance so that improvements could have been made.

Excerpts from focus group discussion:

AMP: Do you believe that management tactics, as in strategy, are clearly linked to the performance expectations of all employees?

IM2: Yes, by the structure of the performance contract, they are.

AMP: Everybody agree with that?

WM1: I would say, having been well trained by the refinery, that the performance ratings and KRA's and KPI's and all that goes with it, are not being done properly at all, because, come December, or the end of the year, that should be a non-event. They should say, 'listen everybody, you got a number one, the whole lot of you are number one because you are clearly exceeding what we have trained you for during the year because the first month when you didn't reach your proper standard, we pulled you in the office and we helped you, made you right'...

IM1: I think that with performance contracts, there should be like continuous checks on that throughout the year. Because, if the guy is performing poorly, you would know that before the end of the year, you would get feedback from people.

IM2: But is it a fault with the system which calls for interim appraisals, or is it a fault with the managers that are ineffectively implementing the system as it is intended?

IM1: Ok, let's look at the bottom line right. The bottom line is this, you sign a KRA with a guy right, end of the day, ok yearly there is a STIP and all that involved, right. You come end of the year and the guy gets a four rating. He doesn't get STIP. He's going to be demotivated for the next whole year. You've already messed him up. You've messed him up and he hates the organisation, because he thinks this organisation doesn't care about him. However, if you say, you don't wait for the whole year, but if you know in the first three months that he's not performing very well and you call him in and say so, ok, fine. I hear the point were you say don't wait the whole year. Try to rectify the problem before it gets to that serious dissidence where he feels messed up. Because, you don't want the guy to not get an increase, not to get STIP and all that.

IM2: Why?

IM1: Why would you want that? Because, you know why, the question was about strategy and its implementation. If you get that guy to the level where he is dissident, you're not going to get anything from him for the next whole year. He'll be sitting back and saying that 'I don't care a damn', uh, 'the organisation can do what they want, while I'm here to do the least amount', so how would you implement the strategy when he is the man on the floor? It has to go via him. You can have all these brilliant ideas from the top, but if he doesn't turn that spanner

down there, because he doesn't like you because you didn't give him an increase one year, because you didn't discuss it and were not honest with him and resolve something. Nobody comes to work to be lazy, unless something has happened to them historically.

AMP: Ok, now moving on to a few more questions, focusing on your role as a manager. How do you motivate your subordinates?

EM1: How do I motivate my subordinates – very good question (laughs). Ok, I suppose my, my style is, goes about relationship. So, obviously we have performance contracts and you set expectations but, in terms of getting people to achieve, it's about spending time with them, and understanding them, who they are, and what motivates them.

AMP: So, do you find that people are different, and you've got to use different techniques to motivate different people?

EM1: Umm, yes, yes. Although, it's not always easy to get to what is everybody's hotspot, you know, but I suppose my going in point is usually relationship.

4.3.6 Managerial Style and Commitment

Managerial style has been linked to respect and communication, which has been presented earlier. Managers who showed little respect or commitment to employees in their manner of speaking or dealing with conflict had a negative influence on employees. Autocratic managers also had an adverse effect on employees. In addition, both psychologists and employees mentioned that some managers were not impartial; and that favouritism was an issue. One employee referred to her manager's having a "class pet" who got the best rating despite doing the least work in the department.

Employees have also indicated that the concept of situational leadership should be deployed by managers. For example, during the focus group discussion, the following remarks were made:

BF: ... So, if you got a lack of skills, then supervision is very important, you can't just tell them once and then leave it and expect it to be done; it's important to keep following it up. Fine it does take a bit of time, but that's the way things work in the system. Make sure that you consistently keep checking to make sure that it's done

right, and the good thing is that, if it's not done right, you catch it earlier, before it becomes a disaster. So, supervision is very important, if you know you've got unskilled labour.

BM: ...Some people may need to have daily interaction with their line manager, in terms of, umm your line manager gives you direction as to what he wants. For instance if my line manager wants something, not to bring it up in a meeting, but maybe on a personal basis, to kind of track your pathway. I may be probably saying I'm doing my best, but then I'm going off course.

IM2: The steering part?

BF: It is the same thing we were saying about the supervision part. You don't just tell a person, well, this is what you've got to do and then just leave them, when you know very well the level they are at... but if you come back an hour later to see if he's doing what he's been asked, you're going to pick up there and then that, no, he's not... But if you just leave him there the whole day to mess up and you came back and scream, well, it doesn't work that way. You as a manager, you understand the levels your people are at and for different levels, you have to do different things. And as he said, people too are different, one may want continuous supervision, one may not. You pick it up as you work with them.

BM: You need to know your people.

Employees who participated in one on one interviews also believed that management or leadership of a team was dependent on knowing their people well and visibly showing their commitment to them as a manager as well as advocating support for the company's tactics. These points are illustrated by the excerpts below.

EM1: ... depending on where people are, that whole thing of, what's that curve, situational leadership curve, where, you know, some people need standing over and step by step, and, umm, but generally I just let people get on with it. I expect them to know what they're supposed to do. ... Touch sides with them from time to time. Make sure that they are supported.

EM2: I believe that people are the most valuable asset of any organisation. It is through people that organizations achieve their vision. Before everything I ensure

people's well being is taken care off. I'm honest with my employees. I do not hide information that they need to do and excel in their job. Knowledge is power, we must not forget that. As a leader I support the strategies and tactics. I therefore ensure that I play my role by participating in the roll out, by explaining and resolving any ambiguity that the people on the floor may have. I may not have all the answer but there is no harm in telling people if you are leader that you do not know but you will find out. When you do find the correct answer, ensure you give them feedback. Feedback is an integral part of a good working environment.

The sustained, visible commitment to tactics from senior management was also seen as key to ensuring that those tactics were successfully implemented. An employee, EMI, also commented that management commitment should not be about managers paying lip service to their commitment, but that it should be "something tangible that they are actually doing things to create awareness".

4.3.7 Remuneration and Recognition

Fair remuneration and recognition for work done well were two factors that employees felt would motivate them to perform better. These factors were not seen as one and the same thing. While remuneration is a form of recognition, employees also felt that recognition went beyond monetary gains.

The psychologists and psychometrist also mentioned that employees had to contend with heavy workloads or make sacrifices like working away from home, and did not receive remuneration commensurate with that workload or amount of sacrifice. In addition, there was a belief that employees did not receive verbal acknowledgement, gratitude or recognition from their employers, and this resulted in employees losing interest or disengaging their commitment to their work.

Recognition has also been highlighted in the context of the fair execution of the performance appraisal process. When a manager was partial and favoured a particular employee who did not necessarily pull his weight with the workload, employees who did work well, but were not rewarded accordingly, lost interest in contributing at the same level as before.

Comments made by employees responding to the questionnaire included the following:

“25 years and a pathetic salary”

“to be recognised as someone in the organisation, not just a non-important person.

There are people in positions who have far less experience than me who are in a far better situation financially, etc. I know that this survey will not make any difference”

“Credit is not always given where it is due, only certain individuals are treated well”

“One needs to be rewarded for the good one does...does not have to be money... but a little thanks for the good job”

4.3.8 Discrimination

The interviews included questions regarding discrimination with regard to gender, relative age and race.

Four out of five interviewees felt that gender discrimination against women, was less of an issue in current times compared with the past. One of the interviewees thought that women still feel that it is a factor affecting the work life because males viewed them as being “more emotional”, and for this reason they are reluctant to discuss issues and problems with their male managers. Despite this, it was not believed that advancement or job progression would be hindered due to gender.

Regarding relative age, there was a general opinion that older employees felt discriminated against, in the sense that there was a perception that younger employees are preferred for promotion opportunities. A few of the older employees felt that they had more experience and should be promoted or receive better remuneration, commensurate with that experience, in preference to younger employees. One employee specifically stated that qualifications should not be the only criteria used in selection for appointments but that experience should also be a factor to be weighted against formal tertiary qualifications.

The issue of racial discrimination was referred to in the context of Employment Equity initiatives. The psychological experts believed that non-black, most specifically white, people felt discriminated against due to the Employment Equity policy. One of the

psychologists, who is involved in psychometric testing with Engen employees, stated that racial discrimination seemed to be less prevalent at the refinery compared to other companies. Employees interviewed at Engen felt that the refinery's progress in implementing Employment Equity was fair, and that people who were appointed into positions were competent to fulfil the job requirements. Other employees who responded to the questionnaire felt that Employment Equity appointments resulted in discouragement amongst other candidates who believed they had more experience for the job and that "we should stop hiring people just to satisfy a demographic".

One of the psychologists also brought up the issue of race in the context of a black person's interpretation of a comment from a white person, where a "racially neutral" statement about any particular issue was perceived as being a "racist comment". This was attributed to the history associated with the country's apartheid policy and was expected to take time to work its way out.

4.4 Summary

Research was conducted via the tools of an employee questionnaire, interviews and a focus group discussion. Interviews were conducted with psychologists in order to get a feel for the overall framework of the topic. The questionnaire was then developed, approved by the company's senior management team and administered to employees via the company's e-mail and intranet system. Interviews were held with two employees who were also middle managers, one being a white female and the other a black male. A focus group discussion was held with a group of five employees, from different departments and levels in the organisation.

The results of the research were broadly categorised as quantitative and qualitative data.

Quantitative data was grouped according to its relevance to the areas of management tactics, work performance and employee interaction with their immediate supervisor. Employee responses were also categorised by gender and age. Data was presented in the form of tables and graphs.

Qualitative data was collated in eight emerging themes. Some of these themes were interrelated, but were still considered sufficiently relevant to be distinctly represented. Excerpts from interviews, the focus group discussion and employee comments made when responding to the questionnaire were also presented here.

5. DISCUSSION

5.1 Introduction

Quantitative and qualitative data have been presented in Chapter Four. Descriptive statistics have been used to analyse data. In addition, qualitative research results have been collated according to emerging themes.

Results will be linked to the concept of the psychological contract, and its influence on the execution of strategy in the form of management tactics as well as work performance.

The contribution of results in answering the research questions will be evaluated. These questions are:

- How do interpersonal relationships between supervisors (representing the employer) and subordinates (employees) influence overall commitment to the company's management tactics?
- Does social interaction with colleagues affect the psychological contract of individuals?
- What is the role played by the psychological contract of individuals in the implementation of those tactics?
- Further to this, how is the employee's performance affected by the psychological contract, and can it be optimized by an improved understanding of this concept?
- Do factors such as gender, relative age (reflecting possible generation gaps) or race influence how the concept of psychological contracts relates to strategy implementation and performance?
- How can these findings be practically applied to an organization to eliminate gaps and optimize the working relationship?

Research findings will also be related to previously published literature which has been reviewed in Chapter Two, where applicable.

The suitability of the research methodology and techniques used will also be evaluated.

5.2 The Psychological Contract

The relationship between an employee and his direct line supervisor, or manager, has been assumed to be reflective of the employee's psychological contract with the employer. This relationship has been assessed by researching employee views on factors such as trust, respect, supervisor approachability, supervisor support, issues around communication related to goals, conflict resolution and performance feedback, and overall employee satisfaction with the job done by their supervisor.

5.2.1 Trust

As shown in Table 4.2.3, responses to the employee questionnaire indicated that 9.8% of employees strongly agreed and 34.2% agreed that there was an environment of trust and honesty amongst their team. 19.1% of employees disagreed with this statement and 7.1% strongly disagreed. The balance of 29.3% of employees gave a neutral response. Mutual trust between the employee and supervisor, as a factor affecting performance, was considered as most important by 60% of employees, very important by 28.9% of employees and important by 8.9% of employees. Only 18.2% of employees strongly agreed that they trusted their supervisor to look after their best interests, and 32% of employees agreed with this statement. Trust is therefore regarded as being a vital ingredient for success at work, yet the presence of this factor in the work environment appears to be lacking. When asked about the presence of mutual trust in their relationship with their supervisor, only 23.1% of employees indicated that it was always present. 29.8% of employees felt that mutual trust was present very often and 28.9% of employees indicated that it was present often. A small minority of employees indicated that it was present seldom (15.6%) or never (2.7%). This fluctuation in the presence of mutual trust between employer and employee does not indicate a good one on one relationship as it undermines the basis of such a relationship. By its very nature trust is something that is either present or not, and any response between the two extremes indicates doubt or uncertainty on the part of employees.

Interestingly, when the concept of trust was extended beyond the immediate supervisor or team, to a statement of "Engen Refinery can be trusted to keep its promises and commitments", the response was slightly more positive, with 16.4% of employees strongly agreeing and 37.3% of employees agreeing with this statement. Only 3.6% of employees strongly disagreed with the statement. This implied that it was possible that

employee trust in the organisation as a whole, possibly related to their view of senior management or other positive factors in the workplace as opposed to the exclusive relationship with their immediate supervisor, could also play a role in their commitment to the company. This finding was not expected, but was qualified further by qualitative data, where one of the interviewees stated that “people who actually don’t get along with their managers... still have loyalty towards the company... So, if there are a lot of things that are good, then the manager-employee relationship will not play such a big role in their loyalty”. Based on the differences in responses to the question of trust related to the direct supervisor as opposed to the company as a whole, the occurrence of such a view amongst employees is expected to be limited to less than 10% of employees, since the total of positive responses regarding trust in the refinery was 3.5% higher than that regarding mutual trust between the supervisor and employee, and 8.7% higher than that regarding an environment of trust and honesty amongst team members.

Qualitative data also indicated that trust was fundamental to ensuring employee commitment and job satisfaction in the workplace. Trust was also linked to the credibility and competence of managers. The perceived breach of the psychological contract, in the form of the employer speaking lies, evading conflict, paying lip-service to meeting employee needs, displaying favouritism, or not giving due recognition for good performance or personal sacrifices; resulted in a reduction in employee trust. This ties up with some of the significant elements in the definition of the psychological contract provided by Smithson and Lewis (2003) in Chapter Two, which are, the extent to which expectations are perceived to be met or violated and the extent of trust within the relationship.

5.2.2 Supervisor Approachability and Support

The importance and presence of supervisor approachability and support were also evaluated as an indication of the psychological contract. As indicated in Figure 4.2.18, the vast majority of employees believed that these factors were important to most important. However, there was a gap between the importance of these factors and their actual presence in the work environment, as indicated in Figures 4.2.19 and 4.2.20, with only 23.1% of employees indicating that supervisors were always approachable and 24.9% of employees indicating that they always received supervisor support. Nevertheless, the fact that these two factors were only seen by a minority group as

never (2.7% and 4% respectively) or seldomly (12.4% and 13.3% respectively) being present, indicates that they are present more often than not. This is positive in that it shows that supervisors do place some value in being approachable and in showing support to their subordinates.

5.2.3 Communication

Issues related to communication in the contexts of performance feedback, management tactics, conflict resolution and goals seemed to be significant. The majority of employees indicated that having clear goals from their superiors, the opportunity to clarify issues or freely express ideas and an open path for conflict resolution were important to most important to them, as shown in Figure 4.2.18. When questioned about supervisor feedback, 56% of respondents either agreed or strongly agreed that this feedback helped improve their performance. Regarding the frequency of supervisor feedback, 48.4% of respondents indicated that it occurred fairly to very often and 31.1% stated that it only occurred sometimes. A small minority of 5.3% of respondents indicated that feedback never occurred. This implies that there is a relatively fair extent of feedback occurring in the organisation. Interestingly, when respondents were further queried about one-on-one discussions held with their supervisor, the minority indicating “never” increased slightly to 7.6%, implying that feedback may have been received in a group setting, rather than on a one-on-one basis. 20% of respondents indicated that they only had a one-on-one discussion annually during their performance review. As tabled during the focus group discussion, most employees did not believe that this was sufficient. As indicated in Table 4.2.22, 44.9% of respondents had one-on-one discussions with their supervisor at least once a month or more frequently (ranging from daily to once a month), and 8% of respondents had such sessions quarterly. The fact that one-on-one sessions were in fact occurring more often than at the performance review was considered to be a positive trend. However, there is still a perceived need amongst employees that this needs to happen more widely in the organisation.

5.2.4 Job Done by Supervisor

When questioned about their overall satisfaction with the job done by their supervisor, 20.4% of employees indicated that they were very satisfied, and 34.7% of employees were somewhat satisfied, as shown in Table 4.2.23. These responses total a slight majority of positive response. On the other hand, 10.2% of employees were actually

very dissatisfied and 13.8% of employees were somewhat dissatisfied. The balance of respondents gave a neutral response. These results indicated that employees see room for improvement in the manner in which their supervisors do their jobs, and this is most likely related to their direct interaction with them. Taking all the other factors related to their supervisors into account, it can be concluded that the relationships and levels of trust could be enhanced and that supervisor approachability and support of employees could go a long way in improving the working environment.

Research findings have indicated that employees at Engen Refinery tended to favour a relational psychological contract, as opposed to a transactional one. The relative importance that employees placed on factors affecting their performance due to relational aspects of the work environment was testimony to this. In addition, employees who participated in interviews and the focus group discussion clearly favoured a relational psychological contract, based on trust and mutual respect. Based on the model proposed by Lee (2001), as represented by Figure 2.1 (a), this implied that if the employer also sported a relational psychological contract, then the relationship would fall into the full retention paradigm. On the other hand, if the employer preferred a transactional contract, then the relationship would become one characterised by the rebellion paradigm. The paradigms could be extended to work performance as well, whereby a two-way relational contract results in optimum performance but a contrasting relational-transactional contract results in sub-optimum or poor performance.

Research, particularly qualitative data, indicated the presence of these two paradigms, both in the context of staff retention and work performance in the form of motivation. Employees, who felt that their supervisor was not sufficiently relational, also felt a lack of recognition and motivation to work well. Loss of trust in supervisors due to the belief, whether real or perceived, that supervisors were partial or favoured certain subordinates, resulted in discouragement and frustration. On the other hand, where the relationship between the employer and employee was more positive, motivation for better work performance was clearly present and job satisfaction was higher. Employees who felt a more positive attitude towards the company were also more interested in the successful implementation of management tactics, and showed some degree of ownership of those tactics.

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Employees who indicated that they were dissatisfied with the job done by their supervisor and who had a useful one on one discussion with their supervisor only once a year or never, made the following comments when responding to the questionnaire:

“Clear performance measurements and communication as to what is the company’s critical path and identify the correct people to commit to delivering and I believe I can contribute more given the opportunity. I believe people’s potential should be identified and placed in positions so that they can add value to the organisation, which I believe is not being done”

“low level management have a fear of competition from subordinates”

“Reduce red tape. The structure of performance contracts promotes a lot of individualism, people building their own empires, concealing information”.

“Working as acting supervisor with no money that is no good and still getting less pay than some fellow workers. One needs to be rewarded for the good one does....does not have to be money....but a little thanks for the good job”

“I strongly think there are many supervisors that should be sent on some course to better their supervisory skills. Some don’t have an idea how to supervise”.

“Everybody treated equal. The culture of backstabbing should stop”

“The Company needs to utilise its people to the fullest. The best man for the job must apply. Do not advertise jobs and interview people if you know who you are going to appoint”.

“Credit is not always given where its due, only certain individuals are treated well, according to Engens people values, if these people values were actually working and abided by it would be a pleasure to work at Engen”.



“Treat people fairly. Stop giving people in the same levels of work different stips and increases as we work for the same company and share the work.”

“We need transparency and not blatant lies from our supervisors. We need to be rated on what we do and not who we are.”

“It is very important for supervisors to be transparent with regards their actions. Also the behavioural pattern of having a "class-pet" and practicing favouritism must stop. There needs to also be consistency in the application of policies and procedure”

On the other hand, employees who were satisfied or very satisfied with the job done by their supervisor and had a one on one discussion with the supervisor at least once a quarter or more frequently, either made no negative comment or had the following remarks:

“above is all happening” [in reference to factors affecting work performance]

“All of the above are in place. These are sufficient to support my present performance”.

“Generally a good company to be with but Supervisors need more help with people handling”

“Engen is a blessing”

“Follow up on individual performance is necessary. We need to an effective employee care programme. On ongoing basis we need to stay abreast to the performance and swing which result in people movement, we need to convinced and be sure that we remunerate above market rate”

“Build the Team daily to where we need to be to stay in business post 2010.”

It followed that, while some employees seemed to have a positive psychological contract, others showed signs that they experienced a violation of their psychological contracts, and this issue needed to be addressed.

5.3 The Implementation of Management Tactics

5.3.1 Overview of Research Findings for the Implementation of Management Tactics

Respondents to the employee questionnaire gave a relatively positive view of regarding the identification and success of tactics represented in the survey. The mean values of responses tended to be in the range of 2 ± 0.5 , indicating that the majority of respondents tended to agree with statements regarding the successful implementation of tactics. This has been represented in Figures 4.2.1 and 4.2.2 and Table 4.2.3. On average, only 6.3% of employees disagreed and 2.3% of employees strongly disagreed with the statements related to tactics. It is also worth mentioning that 20.2% of employees, on average, gave a neutral response regarding tactics, implying that they were either not aware of these tactics or believed that their implementation was not significantly successful or unsuccessful. The balance of 70.7% of respondents either agreed or strongly agreed, on average, with the statements related to management tactics.

The majority of employees also agree that they understand how their work contributes to strategy. A total of 89.8% of employees either agreed or strongly agreed with this statement. This correlates well with the positive response received regarding tactics as discussed earlier. However, the differences between the two aspects indicates that, while employees may be aware of how some of the tactics are linked to their work, their awareness and identification with *all* the tactics is more limited.

In the interviews and focus group discussion, it was interesting to note that employees could not recall all the company's tactics. Rather, they were only able to name those which were widely advertised or those in which they were directly involved as part of their jobs. In addition one employee categorically stated that it is only those tactics which get top management's visible support and commitment that tend to get focus from the workforce, and are successfully implemented. If sincere management commitment was perceived to be lacking for a specific tactic, it tended to fall out of focus.

Responses to each tactic were also grouped in categories of age and gender. There were no significant trends related to age, since responses on the Lickert scale of “strongly agree” to “strongly disagree” were distributed randomly across all age groups. There were some differences in how men and women viewed the tactics, and this has been evaluated taking each tactic in turn.

5.3.2 Tactic: Serve Customers Well

Overall, 69.8% of employees agreed that Engen Refinery served its customers well. When the responses were categorised by gender, it was found that 71% of men and 60% of women held this view. Men and women interpret the success of serving customers well very differently and, while in both cases it still represents the majority, it may be interesting to determine why this difference occurs.

5.3.3 Tactic: Work is Desirable and Fun

Overall, 51.6.8% of employees agreed that working at Engen Refinery was desirable and fun. When the responses were categorised by gender, it was found that 52.5% of men and 44% of women held this view. Once again, there is significant difference between the genders. The factors influencing the desirability and fun aspects of working at Engen Refinery need to be studied further in order to understand why this difference exists.

5.3.4 Tactic: Work Hours Balance

Overall, 64.9% of employees agreed that the 9-day fortnight made life more balanced. In terms of gender, it was found that 64% of men and 72% of women responded positively. It would appear that the different roles played by men and women in the family probably impacts on employee views regarding work hours balance. Women value flexibility with regard to work hours more than men do. In fact, from the comments received as part of the survey, men tended to complain more about the longer hours cutting into their social time, while women were grateful for the flexibility. Interestingly, a female shift worker indicated that the flexibility experienced by 9-day fortnight workers should be extended to employees working shift in order to ensure quality family time.

5.3.5 Tactic: Good Neighbour

In total 73.3% of respondents agreed or strongly agreed that Engen was a good neighbour to the community. With regard to gender, it was found that 74.5% of men and 64% of women believed this to be true. Once again the difference between the genders should be further investigated, as this could have an impact on the company image. Qualitative data implied that awareness regarding this tactic was high, and this could also be related to management's visible commitment as well as wide advertising thereof in the company. Communication related to this tactic was done well and any incidents affecting the community deemed to have been well handled by management.

5.3.6 Tactic: STOP for Safety

Overall 83.6% of respondents agreed or strongly agreed that STOP for safety was helping the company to improve standards. This tactic received the highest positive response relative to all other tactics. In addition, during interviews and the focus group discussion it was one of the first to be mentioned by employees. STOP for Safety was seen as being high on the priority list of top management, received sincere and visible management commitment and was communicated well to all permanent employees. With regard to gender, 83% of men and 88% of women responded positively to this tactic. The difference between the genders is lower than that for other tactics, most likely because of the factors related to management commitment and communication already discussed.

STOP for safety is based on the theory of behaviour modification and positive reinforcement and this may be why it was practically more successful than other tactics. Employees have been trained well to perform STOP audits in the working environment, and it was seen as non-punitive. Communication regarding STOP for safety was seen as clear and well understood by employees. In addition, the expectation that employees should do a minimum of four STOP audits per month was not ambiguous. This aspect of employees' psychological contract with the employer is well defined.

5.3.7 Tactic: Great Days

In total 72.9% of respondents indicated a positive response regarding whether they believed that the Great Days initiative was working for the company. In terms of gender, 72% of men and 80% of women held this view. While management support for

this tactic was evident, particularly when it was first introduced, there was a feeling amongst employees that this process had its flaws. For example, an employee made the following comment:

The Great Days programme is being abused by sections of the Refinery to meet their own targets to the detriment of other sections. A problem on equipment is sometimes not reported timeously, so it can be rectified with minimal cost and less damage.

There was a perception amongst employees that managers pay lip service to this tactic and that employees would act in a manner to prevent them from being blamed for the loss of a “Great Day”. The concept of a “blame culture” came up during the focus group discussion, where it was felt that management tried to find the person to blame before finding the cause of the problem and that this had an adverse effect on levels of trust and honesty in the organisation.

While the majority of employees agreed that this initiative was working for the Refinery, the opposing views expressed by employees should not be ignored as this particular tactic may be hanging on the balance in terms of success and could become a failure in the longer term if the perceived flaws are not investigated and addressed. Research results related to this tactic also highlighted the importance of *sustainable* and *sincere* management commitment.

5.3.8 Tactic: Shared Values

Overall, 76.4% of employees agreed or strongly agreed that they took Engen’s policy of shared values seriously in their daily work. The gender split of positive responses was 77% male and 72% female, with the difference being relatively lower than that for other tactics. It can be stated that, relative to other tactics this one has enjoyed success amongst employees, since it is well above the average positive response rate for all tactics.

Shared values touch on the softer issues in the work environment and influence relational aspects thereof. Shared Values have been communicated to employees through a training programme which received sincere management support and

commitment, and employees are reminded of them by posters on the walls throughout the buildings in the refinery. It has already been stated that Engen Refinery's employees tended towards a relational psychological contract with the company, and it is expected that it is for this reason that Shared Values have the ownership of employees.

5.3.9 Tactic: Reliability Centred Production

In total, 80% of employees responded positively to the statement that Reliability-Centred Production helped improve operational performance. In terms of gender, 79% of men and 88% of women held this view. It would be interesting to determine why there was a difference between the responses received from each gender, particularly since the majority of employees directly involved with production are male.

Nevertheless, the responses to this tactic were significantly positive relative to all the tactics, which once again indicated the role played by management commitment and visible support of tactics. Several initiatives have received funding and support from management in order to execute this tactic successfully, as mentioned by employees during interviews and focus group discussions.

5.3.10 Tactic: Service Level Agreements

Overall, 80.9% of employees either agreed or strongly agreed that they understood and applied the Service Level Agreements that applied to them. With regard to gender, 79% of males and 96% of females claimed this to be true. This vast difference between men and women sparked keen interest into the reasons for it.

When evaluating qualitative data it was remarkable to note that none of the male employees voluntarily referred to Service Level Agreements (SLA's), but females did. One of the female employees, who participated in an interview, expressed the view that SLA's have "had some very good impact around the refinery. And that's one where I have actually seen, although it was a huge task that the team undertook there, and they by no means have finished it, and probably never will finish it, but I've seen improved service between departments in the refinery". The same employee strongly believed that sustainable and tangible management support was fundamentally important, and the key to successful implementation of tactics, as in the case of SLA's.

Service Level Agreements play an important role in the psychological contract of employees since it defines many of the expectations for a particular job or position in the organisation. They also influence inter-departmental work flow, create direction and clarify roles and responsibilities.

The fact that the majority of employees believed that this tactic has been well implemented, despite the difference in responses between men and women, bodes well for the organisation as a whole.

5.3.11 Tactic: Five Quality Principles

Overall, 53.8% of employees responded positively and 17.3% of employees responded negatively to the statement that Engen “lives” the Five Quality Principles as far as possible. In terms of gender, 54% of men and 52% of women were positive while 18.5% of men and 8% of women were negative. The balance of respondents took a neutral view on this tactic.

Although the overall response is relatively positive, it fell way below the average positive response of 70.7% for all tactics, and has therefore raised concern. It has highlighted the reality that total quality management has not received the attention it should in a manufacturing environment. While this tactic was rolled out with the Shared Values tactic, the quality or business aspect has not received as great a sense of employee ownership as the relational or people values part of Shared Values.

5.3.11 Summary of Management Tactic Findings

Tactics which received tangible and sustained management support and commitment tended to be more successful than those which did not. Communication of tactics, and employee understanding thereof, also played a key role in employee ownership and successful implementation of tactics. Qualitative results from employees also indicated that the structure of performance contracts, which consist of key result areas (KRA's) and objectives linked to the company's strategy in the form of management tactics, determined the level of success enjoyed by certain tactics. Clarity of roles, responsibilities and goals aided the successful implementation of key tactics. Results also indicated that identification and successful execution of tactics was proportional to

levels of trust in the organisation, as shown by the mean values of responses in Figure 4.2.1. Trust levels did, however, indicate that room for improvement in this area existed.

5.4 Work Performance

Research done on work performance of employees included two broad categories: namely, the importance and presence of factors affecting work performance, and the role played by the supervisor in influencing an improvement in performance.

The importance of factors affecting work performance was further disseminated according to responses received from men and women of different age groups. While there were no significant trends related specifically to age, the importance of factors relative to gender has been evaluated further.

5.4.1 Importance of Factors Affecting Work Performance

5.4.1.1 Mutual Trust

Overall, 97.8% of employees felt that mutual trust between themselves and their supervisor was important to most important. Regarding gender, 97.5% of males and 100% of females shared this view. In fact, mutual trust ranked second highest amongst all the other factors affecting work performance. Qualitative research qualified this since clear links were made between levels of trust and employee commitment to performing well.

Trust is the fundamental basis of any relationship and its importance in the minds of employees, specifically with regard to work performance, is testimony to the effect of a positive relationship on the psychological contract of employees.

5.4.1.2 Approachability of Supervisor

Overall, 97.3% of employees felt that the approachability of their supervisor to enable honest communication was important to most important. In terms of gender, 97% of males and 100% of females shared this view. Qualitative research endorsed these findings since the topic of communication came up, particularly with reference to issues of respectful interaction and the approachability of the supervisor. This concept also tied in with employees' preference for a relational psychological contract.

5.4.1.3 Supervisor Support

Overall, 99.1% of employees felt that their supervisor should support and stand up for them. Regarding gender, 99% of males and 100% of females felt that this factor was important to most important. Supervisor support ranked highest in importance amongst all factors affecting employee work performance.

The concept of supervisor support could be linked to needs theories which influence work performance. The fulfilment of the need to feel safe and secure in the work environment as well as the need to feel a sense of belonging or affiliation with one's supervisor and team was seen as a factor which would result in motivation to perform better. In addition, the equity theory may be applied in the context of supervisor support, in that the employee's perception of fair treatment in the work environment could be related to the support received from his supervisor. Ultimately, supervisor support contributed to a positive relational psychological contract, and since this is what employees tended towards in their expectations, it became clear that this factor would have a positive effect of work performance.

5.4.1.4 Fair Remuneration

In total, 93.8% of employees considered fair remuneration to be important to most important in influencing work performance. The gender split comprised 94% of men and 92% of women. Surprisingly, while the vast majority placed importance on this factor, relative to other factors affecting performance, it was considered less important than relational factors. This further emphasises the trend that employees prefer a relational psychological contract. It was also interesting to note that relatively fewer women felt that fair remuneration was high on the agenda compared to men. It could therefore be seen that while all employees wanted a relational psychological contract, this may be regarded as slightly more so for female employees.

In terms of equity theory, the importance of *fair* remuneration implied that improvements in work performance were driven to some extent by employee perception of relative fairness of their own salary package and that of other employees. Qualitative research further enhanced the relevance of equity theory with regard to remuneration, as revealed by the following comments made by employees:

“Engen’s policy of remuneration has created a division amongst colleagues, stress and a division of the team”.

“There are people in positions with that have far less experience than me who are in a far better situation financially”

“verify my salary package compared with others with my performance and same level in the organisation”

Research findings indicated that employees did not feel that remuneration packages were fair. Further, performance appraisals and ratings, which influence salary increases and performance incentive awards that are realised, were seen as not done fairly by supervisors. References to “the class pet” and “favourites” indicated that certain supervisors were subjective in the appraisal and rating of employees. According to equity theory, this would understandably result in a reduction in work performance from employees who feel slighted in this regard.

In addition, the presence of these circumstances indicated that violation of the psychological contract has occurred for employees in this situation. If action is not taken to rectify the situation, the ultimate consequence of termination of the employment relationship, most likely preceded by a reduction in work performance, commitment and loyalty, is expected to result.

5.4.1.5 Factors Related to Communication

In total, 96.9% of employees believed that clear goals and objectives from their superiors were important to most important in order for them to work effectively. The responses were made up of 97% of the men and 96% of the women.

The opportunity to clarify issues was regarded by 95.6% of employees as being important to most important, with this statistic being made up of 95% of the men and 100% of women. The difference in responses between the genders indicated that women were more likely than men to want to clarify an issue, and were generally more communicative.

Regarding the importance of having the opportunity to freely express ideas, 96.4% of employees regard this as important to most important, and this was made up of 96% of the men and 100% of women. This provided further testimony to the relatively higher communicativeness of women to men.

The last factor affecting performance which was related to communication was having an open path for conflict resolution. In this case, 95.1% of employees felt that this factor was important to most important in helping them to work effectively. Regarding gender, it was found that 94.5% of men and 100% of women held this view. Once again it could be seen that women tended to place more importance on being communicative than men did.

The overall findings were expected since knowing what to do, in terms of goals and objectives, is the starting point for good work performance. Communication was once again identified as the key to ensuring ongoing improvement in work performance. Clarity and understanding of goals and objectives was seen as necessary for effective work performance. The opportunity to freely express ideas, clarify issues and resolve conflict openly were all seen as important in order to maintain a positive working relationship and psychological contract which would be conducive to improving work performance. Women were seen as being relatively more communicative and relational compared to men.

5.4.1.6 Flexible Work Hours

Overall, 91.1% of all employees regarded flexible work hours as being an important factor related to their work performance. In terms of gender, 92% of men and 84% of women believed that flexibility influenced their work performance. Of all the factors affecting work performance, the flexible work hour structure was regarded as relatively less important. Nevertheless, flexibility in work hours was regarded as being more relevant to creating a balance between home and work life rather than having an influence on work performance. Even, so, the fact that a large majority of employees placed importance on work-hour flexibility indicated that it should not be totally discounted relative to the other factors influencing work performance.

5.4.2 Gap Analysis: Importance vs Presence of Factors Affecting Work Performance

A gap analysis was done between the importance and presence of factors affecting work performance, as illustrated in Figure 4.2.20. The purpose was to identify which factors needed greater attention in order to ensure that work performance could be improved further. The smallest gap occurred for the factor of flexible work hours, and it could be concluded that the 9-day fortnight work hour structure has resulted in employee satisfaction with this area. The largest gap occurred for the factor of fair remuneration. This was not surprising since comments from survey respondents and other qualitative research findings indicated that remuneration, particularly the concept of equitable remuneration, was a major factor in motivating employees to perform.

Gaps between the importance and presence of all the other factors affecting work performance were relatively similar with the differences in mean values (representing the gap) ranging from 0.7 to 0.9. In all cases, the need for improving the presence of the factors influencing work performance was confirmed.

Closing these gaps was seen as a necessary step towards improving work performance. Most of the factors were related to the employee's psychological contract, particularly to one that is more relational rather than transactional, with the need for two-way communication and understanding playing an important role in ensuring improved work performance. The relevance of equity theory to motivating employees and influencing work performance was also proved by the research findings.

5.4.3 The Role of the Supervisor/Manager

While 80% of respondents were happy with their current level of work performance, 36% of employees felt that they would improve if their supervisor trusted them more and 28% believed that improvement in work performance would result if they had a better relationship with the supervisor. Effective communication with their supervisor was cited by 68% of respondents as necessary for the improvement of performance. In addition, 58% of respondents felt that performance would increase if mistakes were dealt with when they happened.

These statistics indicated that the interaction between an employee and his direct line supervisor influenced the extent to which work performance improved. This was

expected since managerial style was expected to affect motivation and therefore performance of employees. As expected, communication was rated highest amongst all factors related to the relationship between the employee and his supervisor. Research findings in this regard further endorsed the tendency of employees to prefer a relational psychological contract. The concepts of trust, mutual respect, honesty and clear, two-way communication were seen as vital to ensuring the continuous improvement of work performance.

The research questionnaire and qualitative tools were utilised to further investigate interaction between employees and their supervisor, specifically with regard to goal-setting, motivation by positive reinforcement in the form of recognition and performance feedback. The quantitative results have been presented in Tables 4.2.20 through to 4.2.22.

Only 51.5% of respondents agreed or strongly agreed that their supervisor created a vision and strategy for their area. Some employees commented that they did not know what was expected of them in terms of goals and objectives. This was of concern since goal-setting and having a vision of what needs to be achieved is the first step in executing management tactics and also plays a role in motivation and improving work performance. If employees were not clear about what was expected of them, the basis of their psychological contract was already flawed since it has been based on assumptions which may not be relevant to the company's overall strategy, with regard to job requirements.

Only 40.5% of employees agreed or strongly agreed that the knowledge and experience they contributed was recognised and rewarded. Some employees felt that they were not thanked for their contributions but were, instead told that their contribution was "part of their job" and was expected of them. Favouritism was also mentioned with regard to recognition and rewards, and employees showed signs of feeling inequity in the workplace. One employee made an interesting comment that recognition did not have to be in the form of money, but that a simple "thank you" would be appreciated. Employees' needs for recognition and affiliation were very apparent and it would be wise to heed them.

The theory of behaviour medication or positive reinforcement was very relevant to the situation at Engen Refinery. Employees wanted to be recognised and admitted that this would improve their work performance. They would therefore be very open to positive reinforcement, provided that it was sincere. In addition, according to equity theory, not only would recognition improve their job satisfaction, but it would also ensure that they maintain or improve their work performance. Further, from a psychological contract perspective, it would reduce the effects of psychological contract violation, which has already occurred.

Regarding the incidence of supervisor feedback which helped employees improve performance, 56% of respondents claimed that this was occurring. Only 34.2% of respondents stated that it occurred fairly often and 14.2% indicated that it occurred very often. In a dynamic, manufacturing environment like Engen Refinery, this was not considered to be sufficient. Furthermore the frequency of useful one-on-one discussions between employees and their supervisor was not considered to be sufficient. Employees who participated in the focus group discussion expressed that feedback was essential with regard to providing direction, ensuring that work progress was on the right track, to understand what was expected of them and how well they were performing compared to expectations in order to improve performance. One-on-one sessions would give employees the opportunity to clarify goals and expectations and thereby improve the basis of their psychological contract. This was expected to reduce the anomaly between an employee's expectations of the performance appraisal results and the supervisor's assessment.

5.5 Discrimination and Employment Equity

Employees were questioned about their opinions related to discrimination due to gender, relative age and race in the workplace.

There were no significant findings that suggested that gender discrimination occurred at Engen Refinery. On the contrary, it was felt that organisation had come a long way in weeding out gender discrimination and that men and women were, in fact, regarded as equals, and were judged on the basis of competence rather than gender.

Regarding relative age, there was a concern from older employees that their experience was not recognised and that promotion opportunities were given to younger employees.

Issues regarding racial discrimination were expressed in the context of employment equity. Overall, there appeared to be a balance of views regarding the implementation of the Employment Equity policy. While some employees felt that it was done fairly, and that individuals who were promoted were in fact competent to do the job, others believed that such promotions were done to satisfy racial demographics and were not based on competence.

These opposing views regarding Employment Equity were expected since people can be very subjective on the topic, and it was considered to be sensitive in nature. Negative views should not be ignored. According to behaviour modification theory, attitudes normally change after behaviour is modified (Fournies, 1987). Positive reinforcement and recognition could be relevant means of changing negative attitudes towards Employment Equity.

5.6 Summary

Research results have been evaluated in the context of employees' psychological contract, and its influence on the execution of management tactics as well as work performance.

It was found that the employees at Engen Refinery tended to favour a relational psychological contract. Factors affecting their relationship with their direct line supervisor, such as mutual respect, trust and communication, had an influence on their commitment and execution of management tactics, as well as their work performance. Feelings of inequity, whether perceived or real, had an influence on work performance as expected by equity theory.

An interesting finding was that in some cases, even though the relationship or level of trust between an employee and line supervisor was not favourable, if top management exhibited sincerity and commitment, and there were a sufficient number of positive aspects present in the organisation, that employee still expressed loyalty and trust in the organisation as a whole. Hence, an employee's psychological contract was not necessarily solely dependent on his line supervisor, but could be influenced by the wider organisation. This could also indicate that social interaction with colleagues could influence the psychological contract of individuals, possibly more so than the employee's supervisor.

The role played by an employee's psychological contract, specifically regarding the implementation of tactics, was based on the employee's understanding of job expectations as communicated by his supervisor. Since employees favoured a relational contract, the quality of that relationship would influence the level of communication and clarity sought by the employee from the supervisor, which would enhance the employee's understanding of goals and objectives relevant to tactics. The employee would then know exactly what is expected of him, and would be more capable of executing those tactics.

An employee's work performance was directly related to his psychological contract. Any perceived violation of the psychological contract resulted in feelings of inequity which resulted in a drop in work performance. On the other hand, recognition or

positive reinforcement was expected to improve work performance. In addition, relational factors such as trust, respect and communication were expected to increase motivation and the release of discretionary effort, thereby improving work performance.

If supervisors understood the significant improvement that would occur by first acknowledging that employees' psychological contract was more relational than transactional, and then applied the theories of equity and behaviour modification, optimisation of work performance would be more feasible and successful.

Gender and age did not seem to have a significant influence on how the concept of the psychological contract related to strategy implementation and performance. However, it was observed that women tended to desire relational and communicative aspects more than men did. Race, in the context of Employment Equity, did have an influence on psychological contracts and how they related to tactics and work performance. Some employees attributed their feelings of inequity and loss in motivation to the execution of the Employment Equity policy, particularly with regard to promotions or job appointments.

Practically, understanding employees' need for a relational psychological contract, should guide management with regard to how employees should be approached in order to eliminate gaps and optimise the working relationship. Trust, respect and communication are fundamental to doing this. Management commitment, support and sincerity would also contribute to improving the overall work experience at Engen Refinery.

6. CONCLUSION

6.1 Introduction

Research findings have established that employees at the Engen Refinery tended to favour a relational psychological contract. If the model proposed by Lee (2001) regarding the relational-transactional view of psychological contracts in the context of staff retention was applied to the implementation of management tactics and improvement of work performance, it could be concluded that a win-win scenario would exist if the employer also exhibited a relational psychological contract towards the employee. This does not have to strictly follow the definition of the “old psychological contract” which may not be totally suitable to the current work environment. For example, job security with regard to a lifelong career in one organisation may not be practically feasible. However, the findings of this research could be utilised to guide the development of a psychological contract that is closer to satisfying employee needs in order to improve how well management tactics are implemented and to optimise work performance.

If mutual expectations are met, the health of the psychological contract improves and the probability of contract violation on the part of either party reduces significantly. The psychological contract does not have to be purely relational. Some aspects of job requirements would dictate a transactional contract. However, the relational aspects of the psychological contract are seen as a pre-requisite for improving the transactional aspects thereof. After all, execution of tactics and improving work performance are, in fact, transactional in nature. Yet, research findings indicate that the relational aspects have a significant influence on these two job requirements.

Research results have answered the research questions, as outlined in the problem statement in Chapter One, in the following ways:

6.1.1 The Influence of Interpersonal Relationships on Commitment to Management Tactics

The relationship between an employee and his direct line supervisor does have a direct influence on the employee’s commitment to management tactics. This relationship is based on the level of trust and respect, as well as the quality of communication between the two individuals. If an employee trusts his supervisor, it means that he views him as

being competent and credible and thus, goals based on management tactics are more likely to be seen as valuable initiatives to be pursued as part of the job requirements. Mutual respect and good communication skills create a motivating work environment. Research findings indicate that the opportunity to clarify issues about job requirements or resolve conflict, or just understanding the link between tactics and one's own job, can improve employee motivation and commitment to improve work performance. An autocratic or pacesetting managerial style is not conducive to a good relationship and can have the knock-on effect of reducing employee commitment to tactics. Miscommunication or vague understanding of management tactics or intentions can cause employees to become suspicious of strategic initiatives, resulting in a lack of commitment to them.

6.1.2 Social Interaction with Colleagues and the Psychological Contract

Interaction between an employee and colleagues may influence an employee's trust in the organisation. Employees indicated in the survey that they trusted colleagues in their team more than their supervisor, who received the lowest "score" with regard to trust, and the organisation as a whole. It could be deduced that an employee's relationship with colleagues influences their view of the organisation as a whole. When this relationship is balanced against that of the supervisor, the result is that trust in the organisation tends to be relative to these two relationships. If the former is very positive and the latter very negative, then the trust in the organisation lies between the extremes. If both are negative, then the trust in the organisation would also be expected to be negative.

In terms of the dynamic nature of psychological contracts, an employee's need for affiliation with colleagues, would, over time, result in a change in the psychological contract with the employer which would be based on interaction with colleagues, and prevailing opinions of the work environment. Hence, a motivating work environment, where the majority of employees express a more positive view of management, would result in a healthier psychological contract. On the contrary, if feelings of inequity prevail amongst colleagues, even if only perceived, a spiralling effect occurs with regard to additional feelings of inequity and the psychological contract suffers from the effects of violation.

6.1.3 The Role of Individual Psychological Contract in the Implementation of Tactics

It was found that the implementation of management tactics was directly linked to the employee's understanding of those tactics relative to his own work. This understanding was dependent on the quality of communication between the employee and his line supervisor. If the relationship between the employee and supervisor prevented good communication, which implied that the psychological contract was poor, then the implementation of tactics would be more likely to fail. Since employees favoured a relational contract, and the quality of the relationship was good, employees would feel more comfortable in communicating with the supervisor, specifically to seek clarity about goals and objectives in relation to tactics. If the employee knew exactly what was expected of him, he would be more capable of executing the tactics. If there is little room for ambiguity with regard to mutual expectations, in terms of the psychological contract, it is more likely that the contract will be honoured. The satisfaction of relational aspects, such as clear communication, is a pre-requisite for the satisfaction of transactional aspects, such as the execution of tactics.

6.1.4 Employee Performance and the Psychological Contract

The correlation between employee work performance and the psychological contract was based mainly on the violation of the contract, whether perceived or real, and the relevance of equity theory to the situation. Feelings of inequity with regard to how performance was appraised and recognised resulted in a loss of motivation, and a drop in work performance. Positive reinforcement or behaviour modification theories could be used to improve performance. Since employees tended to favour a relational contract, improving the relationship between managers and employees is expected to improve commitment to good performance. Managerial style also influenced work performance since it had an impact on whether the work environment was motivating or not.

6.1.5 Gender, Relative Age and Race

Gender and age did not seem to have a significant influence on how the concept of the psychological contract related to strategy implementation and performance. Nevertheless, it could be concluded that women tended to desire relational and communicative aspects more than men did. Race, in the context of Employment Equity, did have an influence on psychological contracts and how they related to tactics and

work performance. Some employees attributed their feelings of inequity and loss in motivation to the execution of the Employment Equity policy, particularly with regard to promotions or job appointments. It was interesting to note that, while women also form part of the “previously disadvantaged group” according to Employment Equity policy, gender was not seen as an issue to the extent that race was.

6.1.6 Practical Relevance of Research Findings

Research findings have shown that employees at Engen Refinery favoured a relational psychological contract. Managers should heed this finding, and pay particular attention to how they relate with employees. Management actions should be conducive to building trust and showing respect to employees, in line with Engen Refinery’s People Values. Communication should be non-ambiguous and employees should have the opportunity to clarify the meaning of what has been communicated, whether it relates directly to their own goals and objectives or not. It is also vital that employees understand the link between management tactics and their own work in order to execute them efficiently. Feelings of inequity should be addressed quickly and conflict resolved in an amicable manner in order to maintain a good relationship. If feelings of inequity are ignored, the result will be a drop in work performance and reduced loyalty. Since it is easier to maintain a good relationship than rebuild one which has been destroyed, managers should know and understand their employees, and intervene when a violation of the psychological contract has been perceived, in order to restore the balance immediately.

6.2 Recommendations

It is recommended that the starting point for improving the success of tactic implementation and optimising work performance lies in the relationship between employees and their line supervisor, as well as top management and the wider organisation. Some employees have indicated that Engen Refinery was “like a family” and that relational aspects are improving, which is a positive sign. However, other employees also indicated that relationships were not good, that trust, respect and effective communication were lacking.

6.2.1 Supervisor Training and Behaviour

Supervisor training with regard to people skills and values should be done regularly. In addition, the theory of behaviour modification through regular and sincere acts or words of recognition should be applied in an equitable manner. Acts of favouritism must be aborted, particularly with regard to performance appraisal and reward.

Coaching skills should be taught to supervisors to ensure that employees get the direction they need. Situational leadership could also play a role in improving the work performance, commitment and confidence of employees. It is therefore important for supervisors to be trained in the application of this theory. It is also critical that supervisors take a keen and sincere interest in employees and understand their individual needs as well as get an appreciation for what motivates those individuals. If, for example, flexibility of work hours improves an individual’s performance, it should be optimised.

It may be necessary to consider 360 degree appraisals in order to get a better feel for how well supervisors are performing their role for the long term benefit of the wider organisation. Supervisors who do not live the “People Values” that Engen Refinery endorses should not be rewarded. Dishonesty and favouritism on the part of supervisors which, by equity theory, would only result in a drop in performance of employees and psychological contract violation, with the ultimate result of termination of the contract by the employee, should not be rewarded. The theory of behaviour modification should be applied by top management to supervisors to ensure that the supervisory role serves its purpose. If supervisors are rewarded even though they show favouritism or are unable to communicate well with subordinates, there will be no improvement in the

performance and commitment of lower level employees. Hence, any behaviour that has the potential for increasing feelings of inequity and insincerity must be stopped at the middle management level, before it cascades to the rest of the organisation.

When candidates are being considered for promotion to middle management, they should undergo an assessment which measures their relational ability. If they are unable to relate to others and communicate sufficiently well, regardless of their technical ability, the gap should be closed by training before promotion, or no such promotion should be given. The consequences of violating employee psychological contracts due to the appointment of middle managers who are unable to build relationships and maintain the contract, is too high a price to pay for the loss in performance and annihilation of well-thought out strategy it can cause.

It is recommended that the company does an assessment of the current relational intelligence of supervisors and implement training programmes to close the gaps appropriately. In addition, if it is shown that certain supervisors are having a negative effect of employee motivation, they should not be rewarded for such behaviour, and if training does not result in an improvement, these supervisors should be replaced.

6.2.2 Trust

Trust levels should be measured by the company regularly to give an indication of whether the relational aspects of the psychological contract are improving. Surveys should be done at least once a year in order to measure the relational state of the organisation. The survey could also be used to gauge how employees feel the situation could be improved. It may also indicated if there are any departments which require greater attention with regard to improving the psychological contract, in order to effect better work performance and successful implementation of management tactics.

Trust will improve as sources of inequity, such as favouritism or the lack of recognition, are removed. Clear communication and honesty are also important in this regard. Misunderstandings should be avoided or resolved as soon as they occur. If supervisors lie or evade employees' needs for communication, trust will be destroyed and the psychological contract will be violated.

6.2.3 The Role of Management in the Implementation of Tactics

Top management needs to show visible commitment and support for tactics in order to facilitate their success. Tactics should also be communicated clearly to employees and linked to their own work objectives. The opportunity for employees to clarify those objectives and any other work related issues should always be present, and supervisors should be approachable. Managerial styles which include affiliation, coaching, authoritative and democratic aspects, which are applied to suit the circumstances and individual employees, are more likely to create a motivating environment, and these should be advocated.

Sensitive issues, like the implementation of Employment Equity, must be handled in a manner that would not create adverse reactions amongst other employees. The competence of Employment Equity candidates may need to be demonstrated quantitatively to other employees and recognition of employees who are not promoted should still be prevalent. Positive reinforcement is one way to help change employee attitudes from being negative.

6.2.4 Performance Management

Feedback is an important part of performance management. It also influences the psychological contract in that it clarifies the employer's expectations. Employees expressed the need for regular, one-on-one feedback sessions with their supervisors, and the company must ensure that this happens.

These sessions should serve the purpose of clarifying goals, directing job requirements, assessing gaps in performance and coaching the employee with regard to how performance may be improved. The quality of communication at these sessions is also important. Both parties should reach a mutual understanding and clarity sought on any point which may cause perceived violations of the psychological contract later on. Performance appraisals and ratings should not result in large differences in opinion between the supervisor and employee if interim feedback sessions are done well. It is therefore recommended that quality feedback sessions are done regularly. Depending on the task-relevant psychological maturity of individuals, as proposed by situational leadership theory, the frequency of feedback sessions needs to be customised for different employees.

6.2.5 Implementation of Recommendations

The implementation of these recommendations requires that supervisors have some level of understanding about the personality of individual subordinates and can use appropriate techniques to motivate them accordingly.

This requires that supervisors are trained well to do this, and also that they are willing to do it. A lack of sincerity on the part of supervisors can be easily detected by employees and will result in suspicion or mistrust which will have a detrimental effect on the work environment.

In summary, improving the relationship aspects of the psychological contract, through communication, trust, respect and the application of the theories of equity and behaviour modification is expected to facilitate the successful implementation of tactics and optimise employee work performance.

6.3 Further Research

Further research should be done to assess the employer view of the psychological contract, which was beyond the scope of this study.

In addition, reasons for differences observed in responses from men and women should be further researched. This may assist in determining whether men and women should be supervised differently or not, in order to further optimise work performance.

The effects of the implementation of the Employment Equity policy should also be researched further in order to determine how any negative influences could be minimised. Employees raised a concern that individuals appointed to Employment Equity positions were not competent and if this was so, it could have far reaching consequences for the long term success and reliability of the refinery.

6.4 Limitations of the Project

The project is limited to employees at Engen Refinery in Durban, South Africa.

Analysis of psychological contracts was not rigorously clinical in nature. Rather, an emphasis on general trends and relationships between key variables were made in order to achieve the objectives set out in Section 1.6.

The level of honesty in responses received from employees may have been reduced due to employee fear of prejudice against them, on the part of employers. Statements made by employees who participated in the focus group discussion indicated that they felt that if their identity were revealed, management could use the information against them. A respondent to the questionnaire also expressed the opinion that the survey would make no difference to their current work environment.

The number of participants as well as the representation of different ethnic groups in the focus group posed a limitation, as the local demographics were not met.

Data collection was done during a period when staff, particularly those involved directly in the operation and maintenance of the process plants, were participating in a

major maintenance turnaround, which limited their availability to contribute to the research.

While the findings of this research study, and the recommendations which resulted, could go a long way in improving the relational aspects of the psychological contract of employees at Engen Refinery, which in turn could have a significant influence on the implementation of management tactics and work performance, the implementation thereof rests solely with the company.

6.5 Summary

It has been concluded that employees at the Engen Refinery favoured a relational psychological contract over a transactional one. It was also determined that the psychological contract of employees influences their commitment and ownership of management tactics as well their overall work performance.

It was therefore recommended that the relational aspects of the work relationship be given focus in order to result in the transactional aspects of executing strategy and optimising work performance being realised.

Interpersonal relationships between supervisors and subordinates had a direct effect on psychological contracts and on employee commitment to management tactics. However, top management support and sincerity as well as a positive organisational environment could overshadow the effects of a poor relationship with the line supervisor. Social interaction with colleagues could also influence an individual's psychological contract.

Since employees tended towards a relational psychological contract, a better relationship with the company, characterised by high levels of trust, respect and open communication, and built on the precise recommendations put forward by this study, would *improve the successful execution of management tactics*.

Gender and relative age had little influence on how the psychological contract related to strategy implementation and work performance. The execution of Employment Equity did, however, highlight the influence of racial dynamics.

Employee work performance was also influenced by their psychological contract, particularly in relation to the theories of behaviour modification and equity. A lack of recognition and feelings of inequity could be construed as a breach of the psychological contract, which in turn resulted in a drop in work performance. The corollary to this is that a better relationship with the employer, which resulted in fewer gaps in the expectations of the employee's relational psychological contract, as well as equitable acts of recognition, would lead to work performance optimisation.

It can therefore be reasonably concluded that this study has addressed the research problem. This has been done by showing the relevance of the relationship between the employee and his supervisor on the psychological contract of the employee.

Further, this relationship directly influenced the employee's identification of and commitment to management tactics. The healthier the psychological contract of the employee, the more likely he was to take ownership of tactics, and the more likely were the chances of those tactics being implemented successfully. Hence, the role of the psychological contract in the successful implementation of tactics was identified, and its practical relevance lay in the communication and alignment of tactics with individual goals through a good relationship between the individual and his supervisor.

The role of the psychological contract in the optimisation of employee work performance was also reflected by the relationship between the employee and his supervisor. Equity theory and behaviour modification were key in this regard. Recognition and reward, coupled with feedback to manage performance, all done in an equitable manner were fundamental in maintaining a good psychological contract and improving work performance. A breach in the contract would drop performance. Hence, taking care of the relational aspects of the psychological contract was fundamental in order to optimise work performance.

The role played by the psychological contract in the workplace is key to the implementation of tactics and optimisation of work performance.

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Appendix A: Full Transcripts of Interviews and Focus Group Discussion

A1: Interviews with Experts in the Field of Psychology

Three interviews were held at the outset of this research project, with experts in the field of psychology. Two of these individuals were clinical psychologists, and one a psychometrist.

A1.1 Transcript of Interview with Sharon Enoch:

Mrs Enoch is a clinical psychologist who has practiced in the Bluff area, where Engen Refinery is located, and is currently practicing in the Kloof area, west of Durban.

Date of interview: 16 December 2004

AMP: Thanks for agreeing to do this interview. Ok, the topic is looking at the psychological contract of employees and the role it plays on how successfully strategy is implemented, as well as on how employees perform their work. So, if we look at it generally, the psychological contract is basically, what does an employee feel their relationship is with their employer, and how does that affect their loyalty and commitment to the job. So it's more/ an emotional and psychological, mutual trust, and that sort of thing. So, I am just going to ask you some very general questions, and based on your cases you've had or deal with or any other interaction that you have had with your clients, with regards to how you think their psychological contract is affected by their relationship with their bosses and

how it affects their work performance.

SDE: So, when you talk about the psychological contract, you're talking about their relationship with the employer?

AMP: Yes.

SDE: And how that influences their output?

AMP: That's correct.

SDE: Ok.

AMP: Whether it is directly their immediate supervisor or higher more senior management, it's basically their attitude related to the employer.

SDE: Ok. That's fine.

AMP: So the first question I am going to ask you is, what factors do you believe affect an employee's willingness to go the extra mile at work?

SDE: Well, from my view, I think what has come through firstly, is there's a sense of being understood, if they feel that they are understood, you know, if they are understood in terms of their own needs, umm. I think another big one is whether they feel acknowledged and appreciated. Umm, in fact, I'm drawing from their reactions to the negative things that actually come out in sessions, right, and one of the other big ones is communication, where they feel that their employer is inaccessible. Ok. And even if they are accessible, sometimes they feel that they are heard but they are not listened to. So, basically, if they have grievances, if they are not happy with something, and they bring it to the employer's notice, he might either, not give them a hearing at all, he's got no time, or if he does listen, nothing is done about it. So, their own needs, like this one guy who needed a decent bed to sleep on. He leaves Durban Sunday afternoon, he drives to Port Shepstone and he is on site for five days. So his employer decided to get a house, and get three of the guys to live in the house. But in that house, there is a bed that is not comfortable. And that affected his production big time, because he couldn't sleep well and he was frustrated because I think he must have asked him about five or six times.

AMP: So he did make the employer aware?

SDE: He made him aware.

AMP: And nothing was done.

SDE: Nothing was done. In fact, he, well, I think almost like a 'File 13' type of thing. It's forgotten. And, so, it is almost like a strategy he uses, not to deal with the problem. You see, he kind of listens, but nothing is acted upon. So they really feel completely, uh, ignored in a sense.

AMP: So is it more like, uh, managers tend to pay lip-service to, to try to meet the employees needs?

SDE: Ja, ja. They don't feel, well the clients that I'm seeing at the moment, I am just thinking of a few of them, they don't feel that their needs are a priority at all. They feel that the priority is for production and profit, and for output. Uh, ja, so, I think that a sense of acceptance is another thing that they battle with, and respect is the other one. When they are treated with respect, even in the language that's used, the way they are addressed, I know that, that's a very upsetting thing for them, if they are treated with no respect or dignity.

AMP: Is there anything else affecting their willingness to basically go that extra mile?

SDE: Their salaries. They feel that they are putting in far more than they are getting out, and then they are not interested. There are those who actually, despite that salary being low, they would go the extra mile, work their Saturday mornings, but if there is no acknowledgement or what's the word, uh, incentives, not necessarily monetary incentives, but even, uh, maybe to be acknowledged as the best employee for the month or some type of recognition that, 'we have seen that you have put in the extra bit and thank you for it'. There is no thanks, there is no recognition, it's almost like 'well, you did it, it was part of your job', so she stopped. She stopped working on Saturdays, she said 'no, there's no acknowledgement, it's as if, you know what, that's what is expected of you as part of your job'. So, she stopped. Ja, so that's the other thing, the recognition for anything that is done.

AMP: Ok.

SDE: That's just a basic need.

AMP: Why are people unhappy or dissatisfied at work?

SDE: I think it's linked up with the first one in a number of ways. Umm, I think a lot of the time, this whole issue of interpersonal skills, uh, interaction and, uh, what's the word I'm looking for now, human relations. It's a very big problem. It is linked up to the first question you asked. You know the communication between employer and employee, when they have a problem, the way they, uh, can they approach, can't they approach? If they approach, how are they received, when they do have complaints. So, it's the whole issue of human relations. There's no skilled, uh, no skills in some cases. They may have all the business skills, and they may have a very successful business, but in terms of human interaction, there's, a lot of the time it's lacking, hugely.

AMP: Generally, from the cases you've see, do you think that employees trust their employer?

SDE: Trust. I think they do trust. I haven't come across people who don't trust. I think it depends, trust in what context as well. Are you looking at general trust, or, what exactly, any particular context of trust, or just general trust?

AMP: Just general, in their jobs.

SDE: Umm, the issue of trust has never come up. But, dissatisfaction and disappointment comes up. So they don't actually, you know, none of those I've seen, and there's quite a few of them, have ever mentioned the whole issue of trust. But, you can infer from the other things they say that, if I had to pose the question, it will probably be a negative answer.

AMP: Do you think that maybe they, they trust the employer, but maybe that trust has been violated in some way, by actions that have happened, to any extent?

SDE: I can surmise that when you get into a relationship, there would be no reason not to trust. But, judging from their comments about, if you take the whole issue of 'I have a need', for example, 'I have an uncomfortable desk that I sit at, it's too small', a simple thing like that. And the employer says, 'no, we'll have it sorted out' and never does it. In that context, the client may not tell me 'I don't trust him' but obviously, I won't trust him now because he said he was going to do it and 'he lies to me', you know, that comes up. They lie or they evade, that kind of thing, so, although they don't directly tell you that, but, it appears as though there isn't that kind of implicit faith in the employer.

AMP: What forms or levels of respect or disrespect do employees and employers have for each other? I'm not sure if you have clients who are employers as well, so you can comment from that perspective as well.

SDE: Hmm, hmm. Please repeat the question.

AMP: What forms or levels of respect or disrespect do employers and employees have for each other?

SDE: It varies. In some cases, uh, remember that, if it's an employer, I'm not sure if it's a true situation, given his encounter with me, where I had an employer the other day who was, came in for some other issue but had referred an employee to me. So, I was seeing the employer for one thing, and the employee for something else. So, he projected a very, uh, respectful relationship when he spoke about this client of mine who I am seeing who is his employee, about how much, uh, I actually thought he did respect him because he is paying for his psychological treatment, and I actually complimented him. So, there it appeared as though there was a very high level of respect, because, despite this guy's anger management problems, he was still respected for the fact that he was an excellent worker, and therefore they were paying. So that is one end of the spectrum. And then you get the other end of the spectrum where there's no respect whatsoever, they can easily swear at them, use foul language. Sometimes in their presence, sometimes under their breath, sometimes when they're having tea together amongst other staff. So I wouldn't say that from my limited experience that there's the same level in all corporate situations or business situations, but, you do get sort of a spectrum of a high level of respect to no respect at all.

AMP: So that varies.

SDE: It varies, ja.

AMP: What do you think are the main underlying issues which you think cause unhealthy forms of stress in the workplace?

SDE: Again it comes, you know a lot of it is around the way a person is treated in respect of his emotional and psychological aspects, umm. For example, uh, the whole issue of unconditional acceptance. I think that causes a lot of stress. Respect also, where people are handled in a way that demeans them, they, they feel that their ego is slighted. That's a problem that, that causes a lot of stress. Umm, even undermining a person's capabilities, perhaps not in a formal way, but in the way one comments on a person's work, in demeaning terms, you know. Where, if a mistake is made, it is probably generalised to you being a stupid person or a lazy person, something like that, where the problem is not attended to in respect of what the mistake was, and corrected, but the person is labelled based on the mistake he has made. So he then becomes either stupid or lazy or incompetent, rather than, focus on if you make a mistake in that area, then this is the mistake you made, not you are incompetent. So the focus is not on the deed that was not correctly done or whatever but on the fact that you are this or that. So, people actually feel demeaned in that way. Also, unrealistic expectations. Sometimes in respect of workload, where far too much is expected of a person.

AMP: In that particular case, where workload is too high, do employees feel that they can approach their employer to reduce the workload, or at least discuss and prioritise it?

SDE: Some are terrified to do that. Others have done it, and nothing has been done about it, and their actual words to me were, 'That's it, at 4:30, I just pick up my bag and I leave'.

AMP: So, they are demotivated.

SDE: (nods) They're demotivated, ja, and that causes a lot of stress. I think also, where, um, the employees don't feel trusted. For example, if they are genuinely ill, they have a huge problem trying to convince the employer that they are ill, and it becomes a big stressful situation. The other problem is that, when they have psychological problems, they don't want to disclose that. It causes huge stress. It's seen as a weakness. So, if I've got a depressed client, they'll try to persuade you to say that they're suffering with something else, so that the employer doesn't see them as a weak link. So, that's very stressful for them, umm other stresses are related to remuneration, where they feel that they are not being paid fairly for work they do.

AMP: Is that also, maybe linked to, promotion?

SDE: Very much so. Upward mobility is limited. Another big stress that seems to be happening with some of the non-Black clients is the whole issue of them being replaced. Sometimes, people that are totally dissatisfied with their job for all these reasons, in some cases there's a host of reasons why they can't stand being in the job, but they're, they're so afraid to leave it because of the affirmative action policy, that they would rather put up with the stresses and stay with the company, because they might not get – that's one person that I am actually seeing for that stress. Other stresses, umm. I think the other one is, uh, so-called favouritism, where if you tow the line, and if you play your cards right, you somehow get by easier, nepotism or favouritism, whatever, where you can actually get by quite happily in your job. Whereas, if you voice your disagreement or dissatisfaction, you actually make your position worse.

AMP: Anything else related to stress?

SDE: I think attitude, the attitude of the employer and his representatives, if you're looking at lower down the ranks. You know that top-down sort of approach, where 'what I say kind of goes, don't question it'. That's very stressful, because it creates, uh, a barrier to communication.

AMP: That's an autocratic style?

SDE: Ja, autocratic style. I think another stress, but the question was about the employer, huh?

AMP: Well, both sides, just generally, because it is about relationship, so both sides are important.

SDE: For the employees, it's also across on a horizontal level, were you have tensions between employees.

AMP: In their own peer group?

SDE: In their peer group, that's right, ja.

AMP: And, what is that due to? Is it competition or some other factor?

SDE: I think sometimes it's due to the way in which one is kind of treated, in inverted commas, and therefore it creates a feeling that someone is being favoured and then it's almost like, now I compete for that position. So that, it's both things, it's kind of linked with the employer in a sense and then you get the horizontal competition to try to, almost vying for his, uh, approval in a way. Those are the stresses that I've come across. You know the other big stress is that people have to work away from home. That's very, very stressful. Umm, and it's, they have to make huge sacrifices, but it's not commensurate with the remuneration. It's a huge dissatisfaction, and quite often

they are left with no option but to keep their jobs. But, leaving the family and going away, causes a lot of stress, not only at work, but also the stresses are carried to the family and that becomes another big problem.

AMP: Do you have people who work away from home for long periods of time or in different cities, or what specifically?

SDE: Not many of them, but the one I'm thinking of, works away from home five days a week, and comes back on a Friday night and leaves again on a Sunday afternoon. So that's quite disruptive. Then, I've got others, who go away maybe three days a week. And then there are those who go overnight, maybe stay in Johannesburg and then come back. So, you get a variety of arrangements, but it impacts them. The physical stresses is one of the impacting problems, where they have to cope with the travelling and getting the work done, and travelling back. And that, not only frustrates them, but they carry the frustrations home.

AMP: Anything else causing stress?

SDE: Job satisfaction. They really have no option but to stay in a job because they never improved themselves in any way, so they actually have no opportunities that they can take advantage of. There's a lot of stress around that because they stagnate at a certain level, because they are not equipped to change their jobs.

AMP: In those cases do the employees, themselves, want to make any changes or want to undergo further training?

SDE: I think they want to, but financially they can't. Again, it's a vicious cycle, because of the low level of expertise, they earn a low salary. To upgrade themselves means they've got to finance themselves, so they can't afford that, so they remain where they are.

AMP: And employers are not willing to foot the bill?

SDE: Not always. Even the courses that some of them attend, may not be paid for by the company. Some companies do though, whereas others don't.

AMP: Do you think that, a lot of these employees that are struggling with job satisfaction, do they think that the employer actually tries to fit them into the correct position, based on their own character and abilities.

SDE: Not at all. Personality is never an issue. It's purely what's required by the company. It's a needs base. What does the company need, in terms of profitability; and you've got to now fit into that need.

AMP: So, the underlying driving force is profitability and not personality.

SDE: Hmm. Personality and, from the ones I've seen, it's limited to the ones I've seen, personality doesn't feature. At all.

AMP: Ok. Let's move on. Have you noticed any trends in how employees feel about or respond to the strategy their companies attempt to adopt?

SDE: They struggle with it, because it is too much of a change sometimes. The strategy can be very dynamic in the sense that, uh, or it could be well thought out etc, but the fact that they have got to change from what they were doing to something different is not an easy one. They are resistant, generally. They feel that too many demands are being made. They don't always see the goal of the company as their own goal. In fact, I have still to see someone who sees the company's goal as their own goal. Umm, in fact, even managers fail to commit to a strategy, because sometimes the strategy might impact the employees in a negative way. For example, downsizing, we can't commit to a strategy where a friend is going to lose a job. Or, the employees under them in that division, if it's a manager, he might find it very difficult to be committed when it is going to negatively impact the people under him, to the extent that they might lose their jobs. So, it's not an easy one, to commit to a strategy, unless they have a personal gain. Then, I find that they are more eager to commit to strategy, if there is something they can gain from it.

AMP: Do many people feel they are discriminated against due to their gender?

SDE: No, not many, huh.

AMP: Do any people feel that they are discriminated against due to their age, or rather, relative age in the company, either too young or too old?

SDE: I think the older ones feel more, uh, at risk in a sense, because of younger people coming in with new and innovative ideas. And the younger ones sometimes feel that they lack experience, and there they feel inadequate. I think with the older ones it is more of a problem because, if they ever get dislodged or displaced, it's not easy for them to fit into another job because age is against them, whereas the younger people don't seem to be too concerned. Some young people feel that older people don't want to take their advice or their input because they're inexperienced so they feel frustrated with the old guard.

AMP: What if there is a very young individual, and their supervisor or boss is much older, are there any issues in the relationship between that supervisor and employee?

SDE: Not really, huh. I haven't had that particular dynamic. Not that particular one. But I've had it in respect of colour, that sort of thing.

AMP: And, uh, nothing in the reverse, where the boss is actually younger than the employee?

SDE: None of the cases I've seen.

AMP: The next on is, uh, is there any feeling about racial discrimination?

SDE: Ja, it's interesting that the so-called White employee, employed by a White employer, feels insecure because of the move towards employing more Blacks. With huge job satisfaction, he still will not change his job, because his age is against him, but his colour is even more against him, because the perception is that White males over the age of say thirty-five don't stand a chance of getting employed. Amongst the white females as well, there's a sense that, 'I have to hang on to what I've got because I don't think that, if I lose this, I'll get something, any kind of job.' So they do feel, maybe not in the jobs, in the one instance, it's the job he's holding where he feels that, because the Blacks actually have a far happier day than him. They are treated better than he is, because he's White.

AMP: Is that just his perception, or –

SDE: I think it goes beyond his perception, hey, because he actually can outline things that are implemented at work and almost in a sense where he can be exploited as well, because he has no option but to stay, so the situation is being exploited. And, the female that I'm thinking of, uh, is not discriminated against in the present job, but with the fear of being discriminated against if they have to leave that job for any reason and then attempt to get another job. So the whole issue is, 'I stick with what I've got' because I have this perception that I might not get another job. It came through more with the White clients.

AMP: How do you think the relationships between employers and their employees affect their work performance?

SDE: I think it's in their attitudes. A poor attitude can cause a huge loss, and work hours are lost, and people don't perform well. Some employees respond to a negative attitude from the employer by becoming defensive, and the result is actually that their work output is high. Then the other extreme is that 'I'll do the least' or the bare minimum because there is a sense of no appreciation.

AMP: How do you think the relationships between employers and their employees affect the employees' commitment to strategy?

SDE: Again, if the relationship is negative, employees don't identify with the strategy. They don't internalise company strategy.

AMP: What about the effect of the relationship on loyalty to the company?

SDE: I think that the more positive the relationship, the greater the loyalty.

AMP: Do you have any additional comments on the topic of psychological contracts?

SDE: Umm, I think that if employers can connect with the emotional, uh, or psychological needs of employees, it can double productivity. It can also develop better loyalty. I think it is a basic requirement of all people, in general.

AMP: Ok, that's about it. Thank you very much for your time and your insight.

SDE: No problem, it's a pleasure.

A1.2 Transcript of Interview with Marie-Elise Retief

Marie-Elise Retief is a psychometrist, employed by Psymetric, a company that conducts psychometric testing, evaluation and profiling for Engen Refinery. She has had several years of experience in working with Engen employees in her field. After the psychometric evaluations are done, a feedback session is usually held with the employee, where their strengths, weaknesses and any other issues related to their jobs and personality are discussed. Employees are also sometimes advised on how they can improve themselves by managing their weaknesses and any negative tendencies, such as being prone to anger outbursts or poor stress management, as well as enhancing their inherent strengths.

Date of interview: 15 February 2005

AMP: Thank you for accepting this interview. The background of the study is that I am looking at the psychological contracts of employees and how that affects their commitment to strategy as well as their overall work performance. Psychological contracts with the company can be viewed as being reflected by the relationship that people have with their immediate supervisors. I would like you to answer the questions in the context of what you have seen during your psychometric testing and interviews with employees at Engen Refinery.

MER: Ok.

AMP: Any questions before we start?

MER: No.

AMP: Can you please state your name for the record?

MER: Umm, Marie-Elise Retief.

AMP: Ok, I've explained briefly to you the background of the dissertation. The first question is, what factors do you believe affect an employee's willingness to go the extra mile at work?

MER: Umm, I would say, it's probably the motivational factors from the company's side. Umm, from my perspective, you know, umm, compensation, umm, plays a big role. And also, umm, the values that a person places on certain things in life. Some people may value flexibility a bit more than other people and if the company is willing to give that employee a bit more flexible type of schedule, then, umm, it plays a big role in motivation. Also, a factor is, umm, such as, umm, the work role, if it has a big

impact on the employee also fulfilling other responsibilities, such as family, and being a mother or a father, that may affect how they perform those roles.

AMP: Ok. What do you think are the reasons that people are generally not happy or dissatisfied, when you come across people who are not happy at work, what are usually the reasons?

MER: Umm, nowadays mostly, umm, they feel overworked. Long hours, you know. Umm, there has been a general trend, in the last maybe ten, twenty years, where, technology was introduced at a fast changing pace, and everybody thought that technology will improve our work lives. You know, the computer will do more, so I will have more time to myself, to spend with my family or you know, any other activity, but, what has happened is because of technology advancing at such a quick pace, companies actually reduce the number of employees that they employ, and also expect the remaining employees to do the same or a bigger amount of work. So, in the end, what has resulted is that people have actually now been working longer hours, and there's more overtime than there has ever been. There's also in the work, umm, if you look at cell phones, people feel that they can't switch off from work, they can't go home and just completely switch off because they get business calls at home, or they have to make business calls from home. Umm, there are also, umm there are a lot of people working in open plan offices, umm, which is also, you know, not as satisfying for some people, in terms of, if you look at your work environment, it is a little bit more noisier, umm, and stuff like that.

AMP: Ok, so you've actually had people complain that the open plan is not suitable for them?

MER: Ja, I've heard that. Umm, where people of different departments are moved into the same office space, so for instance a person from the IT department who, you know, is quiet and wants to do his work, is moved into a room where people get lots of calls for technical help, and also further maybe administration departments where they get a lot of phone calls and things like that. There have been complaints about that.

AMP: Do you think that that aspect actually reduces productivity?

MER: Yes, I think so, ja. And it definitely reduces your, your work satisfaction.

AMP: Do you get the feeling that employees generally, there may be specific examples, but just generally, whether they do trust the employer?

MER: Umm, my feeling is, is, not really. Umm, I feel that if the, the Human Resource department and the general people running the company, like the managing director and

the people that work under for him, are a bit separate from the rest of the workforce. I feel that there is not enough communication between the two. Actually the Human Resource department is, umm, supposed to function as the bridge between the two, but, umm, there is still a lot of miscommunication. I think the reason is because they don't, people don't always get enough information, and information, you know, if you don't have information, then it creates mistrust, basically. If you just take a simple example, that people are being called, informed that they are going to go through an assessment situation. Then you find that people are not always informed what it's about or what is going to happen or why they need to go to it, umm, do they have a choice in the matter, that, umm, creates a lot of frustration.

AMP: So, they are probably wondering why are they doing this, because they don't know.

MER: Ja, they don't know.

AMP: And is that specific to Engen, or do you find that in other companies as well?

MER: I find it generally in other companies as well.

AMP: Now, on the opposite side, do you feel that employers trust their employees?

MER: Umm, I think that employers feel that they have to have strict rules and regulations so that their employees will perform the way they want them to perform. I think that employers are afraid if they introduce a bit more flexibility or responsibility in some areas, that they will be let down, and that will have a big impact on production and cost, and it will come down on their head.

AMP: Ok. So they prefer the rules and regulations compared to just purely trusting the employee to be responsible and accountable?

MER: Ja. They feel afraid to take that chance.

AMP: Do you think that, umm, that also, is it specific to Engen or generally in South Africa.

MER: I would say generally, ja.

AMP: Ok, the next question is; what forms or levels of respect or disrespect do employees and employers have for each other?

MER: Hmm, ja, I think that's a big one! (laughs) Umm, I think, uh, I think there are some forms of disrespect in the way people might be handling problems or conflict situations. There are sometimes situations where, where maybe a manager will deal with a problem in front of other employees rather than calling that one person out and sitting down. And, also, um, not listening to that person's side of the story. Ja, that's

basically, in my experience, a lot of it is about conflict situations. Where people may feel that they don't get enough time to, umm, put their side of the story, or have an ear to listen to it.

AMP: So it boils down to communication, actively listening and understanding what the situation is before trying to resolve the conflict?

MER: Ja, ja. I think, umm, you know, umm, managers have a conflict between being task-focused and people-focused. And sometimes it is, it's difficult to manage a good balance between the two. Knowing you have to meet that deadline, and you have to, maybe produce that result, and then, it will impact on the way that you deal with the people, and they will react to it, and, ja. In the same way if you focus too much on the people than you don't get the product done.

AMP: So, it's really a matter of getting that balance right?

MER: Ja.

AMP: And very few people are able to, in your experience?

MER: Ja, it's hard to get the balance.

AMP: Have you ever seen, either in other companies, or this one, where an individual has managed to get that balance right?

MER: Well, umm, my sessions with people are very short, and is always standardized, so it's hard to say. Basically I just meet people in a group session and I talk to them throughout the interview and so on, so I don't get the opportunity to actually observe them in their work environment. So all my observations are based on what I've been doing.

AMP: Have you ever had one-on-one cases that you have had to deal with people having problems at work?

MER: Umm, a lot of the time you find that people, umm, ja, I do have some of the times. Most of the times people don't have problems, or if they do have they don't discuss it with you, because now you are contracted from the outside and now you are working for the company. Umm, but when people do discuss problems, it's mostly fear about their jobs, about retrenchments, you know, uncertainty about what is going on and company policy.

AMP: Ok. Just in terms of uncertainty, that has brought to mind the joint venture that Engen is going through with Sasol. Has anyone brought that up as a concern?

MER: No.

AMP: Ok. What do you think are the main underlying issues that cause unhealthy forms of stress in the workplace?

MER: Umm, I would say, that, umm, unhealthy forms of stress are caused by the work environment as well as by the individuals in that environment. I find that people have to work long hours, they have to meet strict deadlines, and I think from their side they don't manage their time assertively enough. Umm, so, for instance if they do have an opportunity to take a break, and they won't use that opportunity, in order to prevent themselves from burning out. Also, saying no, it is difficult to say no for unreasonable demands, maybe delegating something to someone else to reduce your stress.

AMP: Do you have an understanding or a feel for why people don't like to delegate?

MER: I think that people are afraid that the company will see them as somebody who can't cope with the workload and also because everybody is working, if a team is working on a deadline, and everybody in that team is working hard, you know, all the time, so you feel that you can't actually give it to somebody else because they are already struggling with their own workload. You may feel that there is not enough human resources to help.

AMP: Ok. Have you noticed any trends in how employees tend to respond to the strategy that the company tries to implement?

MER: Umm, normally I find that people express a need to know a bit more about the broader strategies of the company. A lot of the time, people work in their departments, and that's what they know, and they find, ja, well, they express a need to know a bit more of what is going on, in their field. And also, about advancement in the company to know more about general managerial positions or maybe move to another department for their advantage, and they need to know more from that perspective.

AMP: Uh-huh. Ok, now I am going to ask you a few questions about potential areas of discrimination. The first being, whether many people feel that they are being discriminated against because of their gender? What do you think about that?

MER: I think that women still feel that that is still a factor. Umm, they feel that they are maybe seen by some male figures as more emotional type of person, and they feel they are still stereotyped in some way. In terms of advancement in the company, umm, I haven't really experienced people express concern that they feel that they won't get a job because of the fact that they are female. It's just mostly, they just express concern about the way that their managers see them, if it's a male manager, they just say that they just see them differently, as a more emotional type of person.

AMP: Do you find that females are therefore more guarded in terms of how they approach their work or, approach their manager?

MER: Umm, I think they're a bit reluctant to discuss problems with them.

AMP: And, do you think that men ever think that they are discriminated against?

MER: I think that, umm, men don't worry about females in the company that much. I think their main concern is a bit more about, you know, the company needs to meet employment equity requirements, and their concerns are more about, umm, now they will be replaced by somebody else.

AMP: Ok, but females are a part of employment equity, so, do they not see the female as part, or, this is actually leading to the another question, but do they rather see the racial part of employment equity as being the more significant factor, than gender.

MER: Ja, they do. Ja.

AMP: Ok, interesting. Do people also feel that they experience discrimination or challenges due to relative age? What I mean by that is if, for example if the supervisor is much older than the employee, do they feel that there's a disconnect or some kind of communication barrier or any other issue?

MER: I find that older people still expect to be promoted because of their longer service in the company. They feel disappointed if they are competing for the same job with a younger employee and that employee will get the supervisory or managerial position, and not them. Umm, I feel that older people also feel that they are now, maybe their positions are a bit more easier target that, now they're taking the easier route to replace them with younger employees.

AMP: Do you find any younger employees complaining about any challenges that they face when interacting with older people?

MER: No, not really.

AMP: And then, is there any feeling about racial discrimination? You've mentioned employment equity – is that the main factor or is there anything else?

MER: Umm, I hear that people are concerned that if they are in a conflict situation between employees and they happen to be from a different race, umm, that it will be perceived as now a racial situation, rather than something about the job. They worry that it will be perceived in such a way.

AMP: So, in those cases, do they tend to not, uh, bring up the conflict, or –

MER: Ja

AMP: they would actually hide it?

MER: Ja, they would tend to hide it, or maybe, you know, soften it down a bit (laughs).
A bit strange examination, but.

AMP: I understand what you're trying to say. It's quite interesting to see how people respond based on their perceptions rather than what the facts may be.

MER: Ja.

AMP: That's the interesting part about this topic. Ok. How do you think that the relationship between an employer and employee, umm, actually impact on the work performance of the employee?

MER: I think, umm, I think it's important to have a good relationship with your manager because, it, if you look at an employee's job description; in order to, you know, stay in the job and get the advancement for the bonus or whatever you have to fulfil those roles. But then there's an extra part that companies are looking for, which they call organizational citizenship, that's where a person will do more than what his actual job description entails, but that will contribute to the well-being or better performance of the company as well, and I think that is where the relationship between an employer and employee plays a big role, where the employee will be motivated to actually put in that extra.

AMP: Ok. And then, in terms of that relationship and its impact on the employee's commitment to company's strategy? Is there a direct relationship there?

MER: Umm, I think if the employee can align his own goals with the company's strategy, then it plays a part in motivation. If, umm, if he can see what the company's vision is, and also see how his own contribution can play a part in the company achieving their goals, and also the employee himself achieving his own goals. Umm, I find that people are not always clear what the company vision is, they, uh, they feel, you know, more, they're a bit more focusing on their own departments and what is going on there, in getting the job done, and meeting the deadlines, so they don't always focus on the bigger picture. And it's up to management to know, the top management of the company to actually motivate people to also look at the bigger picture of the company.

AMP: Now, those kind of concepts and principles have been around for a while, I think for the last maybe ten years or so. You hear a lot of people talking about that kind of thing, like seeing the bigger picture and being able to align your goals, to the extent that, at Engen, umm what they call KRA's which is the key goals and objectives that they rate you on when they rate your performance, it usually comes down the ladder.

So, umm, the MD may have his goals and objectives and then that gets down to the functional manager level, then to the next supervisory level, so, basically it cascades down, so you'd expect there to be some alignment of those goals, and still it doesn't happen, well, from what you're saying, it doesn't seem to happen. Now, have you had any experience at any other company or organization that has achieved that level of alignment?

MER: Umm, well, if I look at what I've been observing here at Engen, I would say that it has actually been achieved to a great extent. Umm, because if you just look around in the building on the walls, you have the company's vision and goals and values, they are all around you basically. Umm, if you come here as an outsider, and you look at it, and you immediately know what the company is trying to tell, and, so, you think that if this is what you can observe as an outsider, then you think it must be to a bigger extent if you work in the company itself.

AMP: Ok, but from your interviews with individuals, have you had any sense of that alignment of goals?

MER: Umm, they normally don't really talk about that.

AMP: Ok, that's fine. It's interesting to see what people talk about freely and what you actually have to get out of them. Ok, and in terms the relationship impact on loyalty to the company, the relationship between the employer and employee, how does it impact on loyalty?

MER: Umm, I've had people who actually do not get along with their managers, but I have experienced that they still have loyalty towards the company. There are people who actually express in the interviews their passion for the job or what they are doing, and you can see it spills over into their jobs and loyalty to the company. So, if there are a lot of things that are good, then the manager-employee relationship will not play such a big role on their loyalty, but I think there are, in present situations where there can be a really bad relationship, when it will probably play a role.

AMP: Do you have any additional comments on the topic?

MER: No. I hope that it's helped you.

AMP: Ja. Thanks a lot for you time, I appreciate it.

A1.3 Transcript of Interview with Wim Myberg

AMP: The background of the study I'm doing is about employees' psychological contract and how that affects the implementation of management strategy as well as work performance.

WM: It probably has to start with, maybe a concept of trustworthiness, what is trustworthiness, because for you to trust me or to express me as trustworthy, I have to at least comply or meet two requirements broadly speaking. The one is I must be competent, so that I am credible. The other one is, umm, got to do with my character. And that means, am I an honourable person with integrity. So, what I say broadly, I won't take it to the organizational level, because one must start taking it at the individual level. So, if we say this experience of trustworthiness will have mostly a foundation based on competence and say character. And a lot of times one will find on the individual level, that although competence is in place, there's something about my character that actually affects my trustworthiness, or vice versa. I'm a guy with high integrity but you don't really know my competence. I think the same thing happens in all divisions. Why, what develops trustworthiness at the individual level and would to, uh, let's say secure a psychological contract, that should be based on trustworthiness. Now I'm just speculating, is, do I experience the collective competence of the people upstairs there, and I, ja, makes me feel like it's a credible place. Because competent guys make good decisions, uh, it's rational business decisions, they appoint the right people, they start with the right programmes, the rationales are in place, the mergers are, make sense. The more I experience the collective competence of the people up there, maybe that's one source for developing some trustworthiness. You sit down there and you think 'these guys, they know what they're doing'. The other one is character, I'm sitting down here and I'm saying, what's the character of this place. Now I'm probably talking culture or climate and is this a character or a culture, climate that is honourable and there's integrity, there's openness, all the characteristic things. The more I see things out there which are, say positive, then my level of trustworthiness in the place will increase. If you fail in either one, the level of trustworthiness is reduced and that means the guy, there's no psychological contract. And I think that organizations fail perhaps to manage those two areas well. Their, sort of, the actions and what we do are incompetent actions, that's what will be perceived, and secondly, how we actually relate to each other and how honourable we are and how honest we are

and how open we are, is a characteristic or a character-logical picture we create. And if we don't manage those two things well, we're not going to create trust at the bottom. And, uh, that would be, I would almost say that that would be my framework. There are reasons for it, there are things that people think, well, the organization has failed here, and there are things that organizations do, these character-logical things that don't build trustworthiness. And as soon as either one or both of those things are in force, and then they will see the first symptoms of alienation. It will lack a culture of commitment and lead to a culture of control, because people just disengage. 'I'm just here for Wim Myberg. I don't believe in the vision. I'm just here 8 to 5. And I have, I have all my discretionary effort I withhold, which is under my control, isn't it?'

AMP: So you basically end up just doing what is –

WM: Ah, yes. I don't look at Melanie and say, 'Can I help you there?' or 'Here's some information I thought you would need'. No, I just deal with my stuff, so all the discretionary efforts reduces and unfortunately you have no legal right to command any of that. So, as individuals we're quite powerful, that we can spend or display discretionary effort because it is under voluntary control. You can't legislate it. And it is organizations who get it right to get employees to spend more or stretch more, that become the super-organisations. They are run by commitment; commitments, identification and extra-role behaviour. People go outside the box. Whereas, maybe, some organizations become more just role behaviour, they're just boxed and people do the bare minimum. Is that sort of fall in with the topic?

AMP: Ja, it does, definitely. I think trust is probably the core, the core value, the core driving force.

WM: Absolutely. And, I've seen, uh, lots of writings over the last few years, uh, in our field, in scientific publications, about the eroding trust that has been noticeable in the, umm, employee world, if you want to call it that, in government and private companies, you know, among individuals and collectively. The levels of trust are actually reducing, if you do in-depth, longitudinal stuff, you'll see that it's dropping. Because people are, well, they see things like white collar fraud, corruption, and you sit here and now you think, 'oh, I can't trust these guys, they are only in it for themselves'. And that's why I think that trust would be your main construct, around, well, upon which the psychological contract is built.

AMP: Have you seen in your readings, any tools for measuring trust? In terms of, whether it is a questionnaire type or –

WM: Ja, there are some measures, I think and also, where are you doing the degree?

AMP: University of Natal

WM: There is a guy up in UNISA, who is big on this thing and they developed an organizational trust survey. I must just think, what is his name..

AMP: Ok, if you think of it later you can let me know.

WM: Ja, at UNISA, in the Industrial Psychology department, and his name may come back to me. They have presented many papers and their almost diagnostic tool at conferences. I know, Koeberg, which is a process controlled environment, like this, do an annual trust survey. They say, 'we're measuring the index of trust because it's a safety issue. If the trust drops, it is going to impact on our safety, so they're monitoring it; not safety but the precursor to it'.

AMP: It is almost like monitoring behaviour to control the safety.

WM: Yes, yes, exactly. So they take trust. And I think if you use trust, you're very close to the core. And that is an eroding issue and what's affected by those things.

AMP: Right, Ok. What I am going to run through now, is a few questions, because I have a few objectives of the dissertation, related to certain issues. So these questions will just focus on that. This is purely exploratory at the moment, to see what to target, ok? Firstly, what factors do you think affect an employee's willingness to go the extra mile? You've already mentioned it a bit, in terms of trust. Is there anything else?

WM: I think, uh, other than trust, will probably be something like an intrinsic interest in the work. You know, I mean, if you're doing work which you find intrinsically satisfying. You don't need nobody to control you. You know, you ask yourself, 'why do people go and run the Comrades at no pay?' It's an intrinsic thing which makes them committed to an act which is physically bloody demanding on them. But the intrinsic identification, they get rewards out of it. So, that would be one. Trust, obviously! Because you will, uh, once you have trust in me, you will probably commit to me, because of the trust. So trust is the other one, much more of a relationship.

AMP: Ok, from your interviews with other people in the work environment, what do you see coming up as why people are unhappy or dissatisfied at work? In terms of, well, I don't know if you have any other clients in terms of the clinical psychology field, but, just generally, what are the reasons that people are dissatisfied?

WM: Umm, I think what I see is an increase in factor out the horizons, so uncertainty.

AMP: Is that about job security or anything else?

WM: Umm, that maybe related, that maybe part of the uncertainty thing, and it may relate to trustworthiness, uh, 'what you say to me today in terms of, listen you're doing a good job and there's promotion opportunities, blah, blah, blah' can be wiped off by tomorrow. And nobody seems to be able to, uh, ja, uncertainty is becoming increasingly more. You know, uh, there are stakes out there which is outside of our control, and I think that's something a lot of people are battling with. Because who do I trust now. You know, if I say to you 'Listen, you know you have a bright future at Engen', and I leave tomorrow, will the rest of the world think that? So the uncertainties are always there.

AMP: That almost implies there's a lot more subjectivity in the work place.

WM: It is, it is. Extremely. If you look at maybe years ago, my parents worked at Yskor, and they said to me, 'You must come and work at Yskor because you know, this place will never, never go down, or teaching or the military. Look what happened. Everyone lost out – uncertainty. Nothing is certain. And because of that uncertainty, I think that creates a lot of anxiety. And anxiety contributes to people being under strain, and now because you're anxious, and you, ja, maybe you have to deal with so many different uncertain things, it contributes to burnout. It's probably why people want, you know in their homes, this whole thing about safety, we want predictability as times get more turbulent.

AMP: The next question I have, well, you have already kind of answered it, but a bit more direct, umm, do you feel that employees trust the employer? And what are the general trends?

WM: I don't think so. I think, less than what we'd want to admit. My honest opinion. In my work, you know we come here with all these assessment things, we're, uh, hopefully, honourable, and we want to really help people make career decisions. And the company says well it's all part of development. But do people really trust the, how this information is used? It's difficult for us. So I would say, less than what we think.

AMP: Ok. And the other way around? Do employers trust the employee?

WM: I think even less.

AMP: That's an interesting comment.

WM: Ja, even less. I mean you will hear, I just hear the people, the first thing they make a comment about performance will be that they attribute it to individuals and never the situation. And maybe there are situational facts that caused the employee a problem, but we don't seem to even think about the context, we first look at the

individuals and that they are poor or not competent. Instead of saying, 'that behaviour down there is part of the individual interaction within a context'. How clean is the water down there, before we condemn the fish? Ja, I think it's even less. Being cynical. AMP: But it's what you're seeing?

WM, Ja, it's what I'm seeing. But now let's also qualify what level. Now, obviously if you're close to the GM level managers and Wayne it's perhaps different, but if you take it from Willem's side all the way down –

AMP: Ja, we're looking right across down the hierarchy.

WM: Ja, yes, hurdles get worse.

AMP: So as you go lower down, the gap increases, the trust gets less?

WM: Ja. You know 'those bloody artisans, those fitters and those turners out there, they're absolutely – that's where our problem sits'. They won't even talk about that.

AMP: Do you think that that's just something to do with human nature, or is there more to it than that?

WM: Umm, I think it has to do with control and dependence. And the larger any managerial job, and the larger the organization gets, the less control they have, and the more they're dependent on others for their performance. If something goes wrong, you have to blame that other, and I've seen with managers, umm, they've been promoted and although they think they're in power, they're actually more dependent on others. They get more accountability, but very little control. And when something goes wrong, they've got to hit it down there because you are vulnerable and accountable, and they are dropping you. It's hard. It takes courage for a manager to say, 'it's not them, it may be xyz', you know it takes a lot of courage to say, 'I'm not going to fall into the simple paradigm and say it's the people'.

AMP: Would that be admitting that there's something wrong with the structure?

WM: Ja. So that's to do with this control and dependency.

AMP: Ok. Umm, what are the underlying issues for causing unhealthy levels of stress among employees?

WM: I would say, you probably have things like overload and the reason for overload is that it's become a luxury to have a little bit of buffer or fat into an organization. So, you're always slightly understaffed, I would say. And also, the world is moving faster, so, there are more things to be done. I'll just give an example. I grew up in a time where there were still telexes. Then you get a telex and you wait a day before you answer. And then, the next day you answer. And then faxes came, and people said

'oops, the world is getting faster', a fax came through, 'fax me today.' Now, it's like, e-mails, which is real-time, and I have been amazed when people say to me they get 60 e-mails a day. Now if that's not overload! So the first thing I would say is quantitative overload, too much in too little time. The other one is probably, uh, maybe role conflict. And, it's like, it's for me to meet my objectives in my department, there's almost a conflict with your's. So there's always, maybe because of these limited resources, some conflicts. If I achieve, it must be, at times be at your loss. And, just this sort of misunderstandings and unclear guidelines and goals creates a lot of conflict. I think it takes emotional volts out of people, it's then debilitating. And then the third one will be this constant uncertainty. You know, I report here today and I'm getting a nice rapport with this new boss here, he says to me 'No, you must write the reports this way, this is how we do it'. Two months time, 'sorry, we're restructured, you don't work in this department, you go there, and that guy says 'Listen, this is the way we do it here, not that report format'. So we shift lives and we're interfering with relationships every time when we shift lives. We think the boxes will make us more effective, you know put Optimization there, it's nice on paper. But, it disrupts relationships, which is like social capital. Now it takes another six months before you and me actually gel. But on paper it says that Optimisation is now well managed. It's not, it's destroyed. It's like saying I don't want you to be married to this guy today, I think you must get married to that guy, and go sit in that house with those kids. It's the same thing at work. You know, people develop, uh, relationships, and relationships keep things together and it gels and it helps performance. It's like saying to you every 3 months, leave your family, you're going to live with that family, that's your spouse and those are your kids. How long is it going to take to settle down there? If every year we move these families around? We're not built like that. But then we look at boxes, you know, 'ok move that here'. And it's not just about the line, it's destroying a lot of stuff down there. That creates a lot of uncertainty. People say 'ah well, I'm going to be moved here, you know, it's the third boss I have'. That creates strain I think. So, overload, conflict and uncertainty.

AMP: Do you find that, on the other extreme, if people are not moving around at all, maybe stuck in the same job for maybe 10 years, does that also have a negative effect?

WM: Yes. I think what happens is that what happens is, you have far, let's call it under-utilisation. If I look at yourself, I can't remember all your results of your assessment, but if you are not given the opportunity to at least deploy or use your talents in a stimulating and challenging way, you'll just die. A lot of boxes just die. You know,

they swing or they just remain so tight that the person who outgrew that box is gone. So, under-stimulation would be stressful.

AMP: That's why getting the balance right is important?

WM: Yes. Over is too much and there is this inverted "U" people talk about performance and stress. There's a relationship. There is an optimum. Old aged and young people sit here (draws on flipchart) – they're stressful because there's nothing to do. In the world of work where you and I sit, it doesn't change too much, but for different reasons, we're stressed and the under-utilised guy will sit also on the left hand side with too little challenge, too little challenge is also stressful.

AMP: Right. Umm, have you noticed any trends in how employees feel or respond to the strategy that the company attempts to deploy?

WM: Uh, what I've seen is maybe increased disinterest or even neutrality, you know what I mean, when you see stuff. Actually, probably more skepticism would be the accurate description. 'We've done it before'. Here comes the values and the strategy and this is what we're going to do, and people go 'Oh well, same old story, never works, just company words'. So skepticism I think is probably – can't generalize, but I think most people feel that way. And you can see where it is coming from, a very alienated group; they are, they don't trust what is happening, so it's a non-engaged stakeholder. And then you want to go and say 'Listen, here's our new strategy'. Well, they're already disengaged.

AMP: So you actually need to build a relationship, first.

WM: Ja, ja. You need to, almost, re-establish that trust. Then, people will say 'Ah, I'll take you seriously on that strategy'.

AMP: Do you think that people would become suspicious if the company suddenly started focusing on improving relationships like that?

WM: I think initially yes. They may think of it as manipulation. Immediately. 'Why, what is all this?' Unfortunately, trustworthiness and trust takes time. There's no, 'Let's run a few trust workshops here'. No. The guys will say 'We'll see how people behave'. I think consistency is the key. If the behaviour is consistent, as expected, or what you thought would happen, then there will be trust or trustworthiness there. So, it takes time. It's like if you have a boyfriend and I say to you xyz, you might say 'Ja, I'll trust him but let me see if he's a loyal partner. I'm not going to take round one just what he says, I will check and test it.' And the same thing maybe collectively so, we need time and consistency before we say, ja, that's trustworthy. Banks even. I don't trust half the

banks. If they run things through your account which you don't even know. I don't trust them either. You know, a debit here or a service charge there. You've got to constantly check that out. And these are your banks!

AMP: Ok. On to a different topic now. Do many people feel that they are discriminated against, with regard to gender?

WM: To gender (thinks). I get less of that now.

AMP: Really?

WM: Uh, it's still there but I see more tolerance, and more acceptance of competence, irrespective of gender. People say, 'That person is competent'. They don't say, 'Oh you know they entertain this woman in here'. No, they'd say 'That girl is really competent'. So, it's much more tolerance, and secondly, more recognition of real competence.

AMP: Ok. A similar question now, in terms of discrimination, but now related to relative age. Let's say considering a young person, maybe just out of varsity, compared to someone who has been around for 30 years. Do you think there is discrimination between the two, or anywhere in between, where the relative age is different?

WM: I can't think of many. I get perhaps, maybe, a little bit of prejudice against the older people. It's almost like they're more willing to entertain younger people and older people may be now seen as more resistant to change or so on. I don't know what it was, where younger people were seen as not competent or whatever, but now it is more the other way around, that people are more willing towards young people.

AMP: Hmm, ok. Do you still see any feelings about racial discrimination?

WM: Not from the white side, but from the other side, interestingly enough.

AMP: How?

WM: Uh, and now you must take this comment from where it comes, which is from a white guy. Umm, a neutral or a comment about competence or an appointment or an issue may, more frequently be seen now by black guys as still now racial, whereas maybe the intention was really neutral down the middle. You know, where a comment about competence is still labeled a racist comment, and I think that's way dated now; it shouldn't be. Now it should be, 'Listen, people, we're passed that now'. In the apartheid years I definitely saw much more the other way around, 'Keep them out, they're not competent', but the keeping out was prejudice against race. Now we're saying 'don't appoint because he's not competent' and now it is received still as racist.

AMP: Maybe that's going to take time to work it out.

WM: I see it less here at your place, at Engen, relatively speaking, because I think you have moved quite far. And the nice thing here is that you have a lot of senior managers who are black already, so any comment like that is no more, uh, white power, black employee type, but it is now one group here. So, I think that time will fix that.

AMP: How do you think the relationship between employees and employers affect work performance?

WM: The relationship between employer and employee. I think, yes, it affects big time, because if that relationship clogs, if employers can't deliver what they said they can, and employees can't find something here which is more than just money, it's now almost like both are losing. Engen gets less than what they given the talent and assets, and employees get less than what they're supposed to be or what they could get, meaning satisfaction, health, whatever, They both lose because that relationship is tarnished. And certainly no winner really.

AMP: Umm, and how does that relationship affect loyalty? It's part of the same thing.

WM: Same thing. As a result, both those groupings will not really be building any loyalty together.

AMP: Or any strategy?

WM: Or any strategy, either. Ja. It's a complex thing, but I think it is a valuable topic because I would say that strategies that people formulate, there's no shortage of the reasoning, the rationale, the analytical, the scanning, market information; but they fail because they're rejected like a heart transplant. Nothing is wrong with the heart, it's a good heart that comes into the system, but the body rejects it. So it reminds me of a heart transplant.

AMP: Good analogy.

WM: I just see if they fail at strategy, then the body just said 'Sorry, I don't want to work with that.' And it's not because on paper there was no talent, or it's wrong strategy or not enough cash or poor equipment, it's just them saying 'We're not buying it' and I'm telling you then the system stops. The interesting thing is, the money spent on getting more and more sophisticated strategy, you know the Mckinseys etcetera, they think a better heart; it's misdirected. Treat the patient to assimilate the heart, that's where we must spend the money. I mean this sort of new age technology with heart valves, the body is still going to reject it. There's too much of an inter-dependency there.

AMP: Do you have any thoughts on how we can practically implement strategy, that “treating the patient” part?

WM: I think people must just go back to maybe looking at how we actually manage. Unfortunately, e-mails and turbulence and change are actually eroding the time that you have for individuals. I think it’s actually destroying a lot of things. You know the Internet is actually destroying us. It’s becoming a non-social world, it’s just lots of individuals doing their own thing.

AMP: And human beings are social by nature.

WM: Yes, I’ve seen people having meetings and negotiating and resolving disciplinary things through e-mails and I said to myself, ‘Stop the e-mail’. E-mail is just for information; you can’t manage relationships by e-mail. Use it for what it is supposed to be for. This thing about, ‘I’ve got a problem with so-and-so, I’ll copy 23 other people’ or one of those ‘I asked you to do that and you did this’. I tell you what, it’s like a public sling match. No wonder people are now saying, ‘Well, there’s no nice things here’. Instead of saying well, ‘I’m going to see so-and-so, I won’t send an e-mail, I’m going to have a face to face here.’ But, somehow, we get very courageous behind the keyboard. We say things there and use words which we will never do in public. The most timid, humble guy becomes a tiger. Look at the chat rooms, who is in the chat rooms and the computer net dating service. It’s not the big guys, it’s the timid, little wishy-washy guys who suddenly become courageous.

AMP: That copying-in thing that you mentioned, I think that also stems from what you mentioned earlier about control and dependency, because it is almost like, I need to protect myself.

WM: Ja, ja. I need to protect myself so copy the world. And it does damage, hey.

Because you will reply, you will wait one day for me and you will copy 46 people.

AMP: Do you think that there is any way out of this, it is almost seems like a whirlpool that you get into.

WM: Well, uh, I think one of the mega trends, and I don’t know if this is too philosophical, but the time for the big organizations which are like dinosaurs, are dying. I’ve been very amazed by small companies, how well they run. And it is almost saying, we’re here in the dinosaur age and these big guys are not going to make it. Then you may say, who’s going to run the refinery, you know, a refinery can’t be small. There will always be some big ones, but I’m amazed at what happens in these small companies. It’s alive, hey, and they reckon that, probably I don’t know about what year,

but about 50% of all people will not work in big organizations, one out of two will work in a small place. And it's moving that way. If you look at America, it's really run by small businesses, small enterprises, not big ones. But they still have their government, and as to their refineries, I don't know. But let's say half the population will get out of this world and say, 'This is not for me' and go find a much more meaningful, trusting place, where they can engage in strategy and identification in the smaller companies. I see that a lot. I have a lot of clients who are really small, 25 people at the most, and it's vibey, very vibey.

AMP: So you can sense the relationship there?

WM: Ja, you can see it. People say 'Right, we're going to talk about positioning and marketing here', and people live, hey, their extra-role behaviour and discretionary energies is beyond. They actually do high-risk stuff, and they work, hey, but it's passion and you feel it. That's dying here in the big organizations. Not only here, but it's Old Mutual, Sanlam, the whole lot, they're battling with their big staff. So, maybe that's where it will go to. There may be some guys who will, 'Well, we'll live with this place', but 50% will say 'Not for me.'

AMP: Ok. Well, that's about it. Thanks for your time.

WM: Pleasure! And, it's a nice topic!

A2 Interviews with Employees

Interviews were conducted with a few employees. In the cases where employees were also Level 4 managers, the interview also included questions to be answered from the employer's perspective.

A2.1 Transcript of Interview with Employee EM1, a white female, who is also a level 4 manager:

AMP: What do you think are Engen's key tactics related to the company's strategic focus?

EM1: Are you talking about Engen, or the Refinery?

AMP: The Refinery

EM1: Umm, what's the question again?

AMP: What do you think are Engen's key tactics related to the company's strategic focus?

EM1: OK, well that would be our tactics we have every quarter. Do you want me to name them?

AMP: Yes

EM1: Ok, (thinking) shoo! I've been thinking too much about the turnaround lately (laughs).

AMP: Just give me about five that come to your mind?

EM1: Alright. Umm...(thinking) Let's see (pause). I'm just trying to think. OK, well the VCT is the one. We've got the basic equipment care, the war on rust story, cleaner fuels, umm, what else have we got going on at the moment? (thinks) I have to think. Oh, and we've had that MHI...

AMP: What's MHI?

EM1: Major Hazardous Installations audits that have happened. I know we've got that GRS coming, which is related to the basic equipment care. Umm... (pauses, thinks)

AMP: Just one more would be fine.

EM1: There's the customer one. Umm, the service level agreements, that kind of thing.

AMP: Ok, that's fine. Which of those tactics do you think Engen is actually implementing successfully?

EM1: Umm, I think they all enjoy some... well, ok, the GRS hasn't been started really, but I think they're all enjoying a measure of success. Uh, ok, I think probably the VCT

one is not enjoying too much success at all, and I actually think that that initiative of trying to, umm, trying to save the 17% or whatever they call it, actually isn't reaching the people it needs to reach.

AMP: Do you have any ideas as to why that would be?

EM1: Ja, because it's a very personal thing, you know, from the point of view of a... am I a manager or an employee now?

AMP: An employee.

EM1: Ok, because I just... as a manager I find that one extremely difficult to, umm, ja, I am kind of expected to make sure my people have been for testing, but I'm not allowed to tell them to go. (Laughs) So, and, and, also, I don't believe that the tactic really has any support. It's been left to line to try and roll out in some way. We've been accused of not having the right leadership because we can't make the people go there. Anyway, the management are not supporting us. We had this big bang thing to roll it out, but then, ongoing, there's been nothing. Caroline has made a couple of little on and off attempts, but really, not very successful. We're just not reaching the people with that.

AMP: Ok, anything else?

EM1: Uh, on that one or the other tactics?

AMP: The other tactics.

EM1: Just remind me which ones I said again...

AMP: You mentioned VCT, the WORS strategy, MHI, GRS, customer service and SLA's, and cleaner fuels.

EM1: Ok, the cleaner fuels are obviously, uh, I think that is, uh, going to be a big success. There has been a lot of focus on that.

AMP: Is that probably because it is legislation driven?

EM1: And, legislation driven, and it's got all the support it needs to make it happen. Umm, ja. What were the other ones? Ok, the MHI, that was also legislation or a requirement. They got the people they needed, and it happened – it was a study that needed to be done. Umm... I just, what was I going to say, the clean fuels, no not the clean fuels... what was the other ones I said?

AMP: WORS?

EM1: No, not the WORS.

AMP: Customer service and SLA's?

EM1: SLA's! The service level agreements. I think that one has actually had some very good impact around the refinery. And that's one where I have actually seen, although it was a huge task that the team undertook there, and they by no means have finished it, and probably will never finish it, but I've seen improved service between departments in the refinery.

AMP: So, that has been positive?

EM1: Ja, ja.

AMP: Ok, what factors do you think affect the implementation of these tactics?

EM1: Oh, I think it's basically what I've said really, with why the VCT one failed. Umm, 'cause we experienced something quite similar with the Oskas, which was the task team, which wasn't really a big strategy but...and why the clean fuels succeeded, because from the top there was good reason for doing it, everybody in top management supports it, the fact that there is legislation really helps, which is why we're also seeing much progress in BEE and things like that. And, it's sustained. It's not just management getting up and saying, 'Yes, we think this is wonderful, go and do it' and leave it to line, who is already busy, to roll out, along with all the other tactics. It's a matter of, 'Yes, we'll keep giving you support to do it'.

AMP: So, it's sustained management support that makes a difference

EM1: Sustained management support, definitely. And, and management support doesn't just mean 'We support you', management support is something tangible that they are actually doing things to create awareness or whatever it is that helps us.

AMP: Do you believe that management tactics are clearly linked to the performance expectations of all employees?

EM1: Yes, in the KRA's

AMP: How do you personally ensure that you are able to fit your own work goals into the company's strategy? On a more daily basis.

EM1: How am I able to do it? Umm, well, strategy is, well the tactics are, that's what I have to do, that's why I'm here. So, if I'm not doing that, then I'm not doing my job. So, yes, it's, there's the day to day stuff, but the tactics become part of the day to day stuff, so, it has to happen.

AMP: What are your opinions regarding the performance appraisal system at Engen?

EM1: Umm, ok, I believe different departments do it differently. I can comment on how Ops do it. But I know that other departments are not doing it the same way as Ops and every department must do it the way that works for them, so I don't have a problem

with that. Umm, since we're in the middle of it at the moment I suppose its... I think its fine. I think appraisal systems are always difficult, but I think that the one that we have is, uh, it works. I think it works. And I think it's fair. I think it's fair, depending on, ja, no it is. If I think about how we do it in Operations, it is.

AMP: Can you explain briefly how it's done?

EM1: Oh, ok. How we do it in Operations is, or how I do it in my area of Operations is, that I sit with my supervisors, in fact I've just done that. I have asked them to rate their people, and before the discussion is had, they must give me a number. And then, we sit together as a supervisory group, and we make sure that everybody agrees with those numbers, so there is like a consensus that we come out with. It's quite an emotional meeting (laughs) but we do come out with a consensus, umm, and then what happens is that all the area managers come together and we just look across the areas to make sure that there is no area that has been too hard or too lenient or whatever. Pat has also given us what each area has been rated at, so we can look at how we rated our people against the rating of the area. Umm, and then the numbers will go to Pat and he'll have a final look at it. Then we do the actual discussions. And, I think for us, that's the area managers and specialists, they do a similar thing at the next level, at the functional management level. They will then look at us and at all the level 4's, I assume that they probably do that, which I think also creates a fairness across departments. So, I do feel, yes, that the system is probably actually very good compared to what other companies might have.

AMP: How often do you have feedback sessions with your supervisor, just to track performance, or bring up issues about your job?

EM1: Twice a year, at appraisal time.

AMP: Do you think that's adequate?

EM1: Umm, personally I'd like more feedback from my supervisor than I get, but that's a matter that's beyond my control. But I have told him that as well, at the last appraisal.

AMP: And what did he say?

EM1: Well, I told him at the last appraisal that I think we should do a bit more of relationship building between the two of us and we should have more discussions, but, and he seemed to think it was a good idea, but things haven't changed too much.

AMP: Do you think that's just because the two of you are too busy, or are there any other reasons?

EM1: I don't know, because you know, time can always be made if you really want to do it. So, I find it difficult to see my supervisor, my boss, so he's obviously busy, yes.

AMP: Do you believe that the relationship you have with your supervisor is conducive to improving your commitment to tactics?

EM1: Improving my commitment. Ja, well, there's nothing wrong with the relationship that I have, it's just that we don't meet often enough for my personal requirement.

AMP: So the relationship is good. There is a difference between meeting often enough and whether the relationship is good? Just because you are not meeting often enough, does not mean you don't have a good relationship.

EM1: Yes, no, the relationship is good. There's nothing wrong with it, no tension between us or anything like that.

AMP: Ok, and what influence does your relationship with your supervisor have on your work performance?

EM1: What influence?

AMP: Does it make you want to be more motivated in working better relative to that relationship, or is it more intrinsic motivation that you feel? Or, if the relationship were bad, do you think that would demotivate you, looking at it from a different angle?

EM1: If the relationship was bad, uh, I think it would be demotivating, because I think the relationship between someone and his supervisor is important, ja. However, I don't think it would, unless the relationship was really, you know heavy, I don't think it would really change too much what I do.

AMP: So, you think it's more your personal motivation that drives you?

EM1: Yes, ja, as long as there is enough communication for me to know what's expected of me, you know, I'll do it.

AMP: Do you have any other general comments about how the work environment can be improved for better relationships, implementation of strategy and work performance?

EM1: No, not really. Umm, I think that we here at the Refinery have a wonderful environment on the basis of personal relationships with people in general. To me it's amazing, you know, that you have access to... I have access to whoever I want to talk to, be that above me or below me or beside me, you know, so umm, like I said, there is just this little issue that I would like to spend just a little more time with my boss, just to stay on track, but, apart from that, if I really have to see him, you know, I can track

him down. So, it's not like he's inaccessible. I actually think it's an excellent, on a relationship basis, it's an excellent environment.

AMP: Ok, now moving on to a few more questions, focusing on your role as a manager. How do you motivate your subordinates?

EM1: How do I motivate my subordinates – very good question (laughs). Ok, I suppose my, my style is, goes about relationship. So, obviously we have performance contracts and you set expectations but, in terms of getting people to achieve, it's about spending time with them, and understanding them, who they are, and what motivates them.

AMP: So, do you find that people are different, and you've got to use different techniques to motivate different people?

EM1: Umm, yes, yes. Although, it's not always easy to get to what is everybody's hotspot, you know, but I suppose my going in point is usually relationship and then I, depending on where people are, that whole thing of, what's that curve, situational leadership curve, where, you know, some people need standing over and step by step, and, umm, but generally I just let people get on with it. I expect them to know what they're supposed to do. Especially here, you know, here, I mean I'm not here for my technical expertise. So, I assume that they all know what they're doing, so I give them the space to do it. Touch sides with them from time to time. Make sure that they are supported.

AMP: How would you assess your relationship with your subordinates?

EM1: Umm, it's ok. It could be better in some cases I think. No, the relationship is fine. I don't think there are any issues between myself and my supervisors. I think it's taken us all a bit of time to get to know each other, and to get used to each other, and it's taken me some time to get used to what the Ops environment is all about, and that's still a learning curve for me. So, still getting there. But generally, I think we get on alright.

AMP: How important is a good relationship with your subordinates to you?

EM1: Oh, no, it's high on my agenda.

AMP: Do you think that that relationship influences their work performance?

EM1: I would think so, yes. Ja.

AMP: Do you believe that you can influence the work environment positively even if negative vibes existed already?

EM1: Yes, I do. And that's really what I try to do, create a bit of light around here (laughs). When we're in troubled times, you know if there are difficulties on the plant,

umm, it's definitely up to me to make sure that people aren't feeling completely down about it. I think that a big role of a manager is encouragement, and, uh, yes, so that's why, I, uh, you can't really do encouraging unless you have a relationship, or at least it's harder. So, you have to keep touching base with people, just to see where they are, how they're feeling, what are the little, you know like some guys, I know, you know, like one of the guys, his mother is not well, she's in hospital, so you go and you ask them about that, and I think that when people think that their manager cares about their personal lives, without digging too deep, then they feel that they're cared for, and in that environment, I make the assumption, that they perform better.

AMP: I think that's a valid point.

EM1: Mmm, I think so.

AMP: How do you ensure that your subordinates have a clear view regarding how management tactics are linked to their current jobs?

EM1: How do I ensure that? Umm, what we do have is discussions around the tactics, so, for eg, whenever we have the quarterly meetings, the level 4 meetings, usually pretty soon after that I will have a meeting with my supervisors, and at that session, I'll share the tactics, what are the tactics for the quarter, etc, and then if there are specific things that need to be rolled out, then I try to do that myself, for all four shifts. So, I expect the supervisors to roll out the things I give them to roll out but if there are specific new initiatives or whatever, or briefing bulletins and things like that, then I do make sure that I sit with every shift and personally just give out that information and have discussion about how does it affect them, how can they relate it down to their job.

AMP: Do you have any other comments related to this topic from a supervisor's point of view?

EM1: Umm, just that I still think that we are trying to do too many tactics at once. And it may not seem that way to people in the service groups, but to the Operations group, it does, because just about all the tactics have to be implemented by us, and so everybody wants us to roll out their tactic, and I find that when you're trying to do more than one thing in a month, umm, I just think you don't get the same focus, you know, I mean, it could almost seem like, you know, oh WORS, well this is the flavour of the month and then next month its something else, there's always some information that we're trying to get across to them.

AMP: Do you think it affects the sustainability of those tactics?

EM1: I think it just, it's difficult, umm, you know like with the turnaround, for eg, it's really easy because for the month or two before the turnaround, you could actually say, ok, look, the other things are fine, they're going along, but this is THE one. But, a lot of the time you can't do that, because they're all important, so you'll have about five or six that are on the go at any one time, and each person that's driving each one of these things wants their initiative rolled out. So, I just think it dilutes the focus of all of them. I don't have an answer for how to do it. There's a lot of stuff we need to do, but it just seems there's something new coming along.

AMP: And everything is priority number one?

EM1: And everything is priority, and everybody wants Operations to do it.

AMP: Lastly, do you think that are any gender or racial related issues, that there is any feeling about discrimination in either of those areas?

EM1: In the refinery as a whole or in my area?

AMP: Whatever you are more comfortable commenting on.

EM1: Shoo! That's a broad question. (Laughs) I would say, yes and know depending on who you talk to.

AMP: That's actually an important answer.

EM1: Umm, you know from my own perspective, I think, my own personal view is that, from a racial and gender thing, I think the refinery does very well, actually, in giving everybody an opportunity. And, I just, ja, I'm actually very proud of what we do here at the refinery in terms of EE, because I often find myself in conversations were people talk about, ag, they just put people in positions, you know and they can't really do the job and people still talk about that a lot and I know that I can always stand up and say, no, actually at the refinery it's not like that. And, so, ja I feel very proud of what we do here. However, you won't get that out of everybody, but that's how I see it.

AMP: And, do you think you are being very objective about it?

EM1: Well, I can only see it from where I sit and where I sit is, I suppose a position of management, trying to make things work, and trying to, umm, get the right people to come up through the ranks, and knowing how much effort is put in to make that happen, so, umm, I think that if you ask the people who are at the bottom of the pile, so to speak, trying to get up, you might find a sense of frustration that they're not moving fast enough.

AMP: Do you feel that people being promoted because of Employment Equity are competent to do their jobs?

EM1: Yes, I do, ja. Certainly, ja. I don't think I can think of one person in the refinery, at the moment, that I can say 'that person has been promoted because of Equity and they haven't a clue what they're doing'. I think it's been like that in the past, like years ago, many years ago, but in the last five or six years I haven't seen that.

AMP: Is there anything else you would like to comment on about the work environment, strategy, work performance or relationships?

EM1: No, I don't think so. I think your questions have covered everything. Oh, there is one thing. I think the way we do the strategy and tactics with the level 4 people is amazing, and I think that's something you won't find in other companies either.

AMP: Explain.

EM1: The fact that all the level 4's are, umm, well, the way it happens is that functional managers sit, and they decide what are going to be the key tactics for the coming quarter. They have a whole day, where they sit and strategise, whatever. And then out of that, they decide what they are going to discuss, well, it will be the next quarter, with the level 4's. Then they take all the level 4's away for a day, and, they have now done it so that there are facilitators and groups, and there's actual meaningful discussions within those groups on the different tactics. We may have an hour or three-quarters of hour to discuss a particular tactic, and then we give feedback to the whole group. And, umm, the discussion points from that session are all noted and taken into account. If there are action items or whatever given to various people to action. So the whole thing... the fact A, that they're involved in that process, because it's a time when all the level 4's have an opportunity to say, actually, 'I don't think this will work' although that seldom happens, but people do certainly say what they think, and, umm, not only that... So that involvement, I truly don't believe that you will see that in too many companies; that level of involvement in the tactic roll out. Umm, and also, what that is, is an opportunity for level 4's to do team building, in other words, to be together as a group, because mostly, us level 4's don't spend an awful lot of time with our counterparts across departments. Most of the action is happening at the next level. So, it's a really great opportunity just to do that, that little bit of networking between us. It builds a strong team, at that level were it could be very difficult to have a team and it could actually be a thing of silos.

AMP: So, there's better cohesion?

EM1: Ja, Ja. So, that's a very positive thing.

AMP: Has there ever been a time when level 4's come up with tactics or ideas that functional managers have never thought of? As much as strategy is usually top-down, has there ever been that opportunity?

EM1: Usually it doesn't work that way. The tactics, the strategy is set by them, and the tactics (pauses) are set by them. I think, I don't know, I think sometimes the tactics can come out of what level 4's are doing, but they, but strategy is not, because it will always be a level 4 person that is a tactic owner, that is driving it, and I suppose it could happen, and it may have happened in the past, that a level 4 person has gone to their manager or whatever and said, 'I really think you need to do this', and then that could become a tactic. I can't think of a specific example, but it's quite possible.

AMP: So, the opportunity is there?

EM1: The opportunity is open, ja, but at those level 4 sessions, no. The level 4 sessions are quite structured in that, umm, these are the tactics, let's discuss these tactics, if you think they are complete waste of time, fine we won't do them, but it isn't a session where, where people are being asked, 'what tactic do you think should be done to achieve this strategy'. It's not like that.

AMP: Ok, thanks. Thank you very much for your time. I appreciate it.

EM1: Pleasure. It's a nice diversion from the turnaround, to be honest (laughs)!

A2.2 Transcript of Interview with Employee EM2, a Black male, who is also a level 4 manager:

AMP: What do you think are Engen's key tactics related to the company's strategic focus?

EM2: Focus on training. Grow leaders. BEE and EE. Serve your customer. Staff retention. Wellness program. Save life

AMP: Which of these tactics do you believe Engen is implementing successfully?

EM2: I acknowledge that most of the ground work had been done to kick off the above tactics from the ground. I think the company needs to inject more fuel and lubrication to move the tactics to the next level. These are key tactic for the organization and existence of Engen brand. I'm dying to see a day where Engen employees will be breathing air within the refinery boundaries and thinking nothing else but what is the next great focus for the above tactics to be lived everyday while at work. Let me itemised the necessary focus areas for each tactic.

- Focus training: Remove all known road block for people to enjoy training e.g. material.
- Grow leaders: We have capacity as an organization, senior leadership should drive the question of succession planning.
- BEE and EE: BEE, contractor on site needs assistance to manage their work. EE: this should never be a flavour of the month. Commitment is required throughout all structures of the refinery. There should be less excuses and more action and drive for EE.
- Serve your customer: Inter-department role and responsibility should be clear. The production centred operation must be lived within Engen Refinery structures.
- Staff retention: The organization must not confuse staff retention and the EE mandate. The two are not interrelated and hence should be treated as two broad subjects.
- Wellness program: Healthy worker and healthy mind equal to the motivated employee. The benefit is high production for the organization and longer and healthy life for an employee.
- Save lives : We cannot give up on the one. We need 150% effort, passion and dedication to move people to see the light. We got an obligation to ourselves as human being and also as Engen organization.

AMP: What factors do you think affect the implementation of these tactics?

EM2: Employees are not fully part of the process. Tactics are driven at very high levels of the organization. People feel threatened by change in the organization. Setting and timing of priorities of tactics was poor in some cases. Strategy to sell tactics not clear.

AMP: Do you believe that management tactics are clearly linked to the performance expectations of all employees?

EM2: Since I'm in the Operations department, we started with a very generic performance contract which did not cater too much for the strategy and tactics. I will therefore agree that there has been some great improvement, ensuring specific and explicit performance contract with specific deliverables on tactics.

AMP: How do you personally ensure that you are able to fit your own work goals into the context of management tactics?

EM2: I believe that people are the most valuable asset of any organisation. It is through people that organizations achieve their vision. Before everything I ensure people's well being is taken care off. I'm honest with my employees. I do not hide information that they need to do and excel in their job. Knowledge is power, we must not forget that. As a leader I support the strategies and tactics. I therefore ensure that I play my role by participating in the roll out by explain and resolving any ambiguity that the people on the floor may have. I may not have all the answer but there is no harm in telling people if you are leader that you do not know but you will find out. When you do find the correct answer, ensure you give them feedback. Feedback is an integral part of good working environment.

AMP: What are your opinions regarding the performance appraisal system at Engen?

EM2: We are not ensuring that performance appraisal ties in with performance management. You ask yourself why people are always surprised come the end of the year about the appraisal rating. As the company leadership, we need to ensure that the appraisal process is consistent to the performance management tool.

AMP: When you refer to the performance management tool, what specifically are you talking about?

EM2: This is not a new tool. HR has a well define performance management policy. This refers to e.g. coaching, mentoring and counseling. All performance discussion documented and plan to close gaps agreed on and signed by both parties.

AMP: Can you explain how you think people should be managed to prevent their being surprised by their ratings at the end of the year.

EM2: Regular performance review to review progress and deliver to expectations.

AMP: How often do you have feedback sessions with your supervisor to track performance or discuss issues about your job?

EM2: The supervisor group at least 4 time a year. Every quarter

AMP: Do you think this is adequate or not?

EM2: Yes, I think sufficient timing is required between the group performance discussions. This helps with sustainable performance of the team.

AMP: Do you believe that the relationship you have with your immediate supervisor is conducive to improving your commitment to tactics?

EM2: Yes, I use the level of professionalism approach as a barometer. I m happy with my supervisors.

AMP: What influence does your relationship with your supervisor have on your work performance?

EM2: It makes me feel very much comfortable because they have ownership. I think the achievement had helped them grow in their leadership character.

AMP: Do you have adequate performance feedback sessions during the year with your own manage (Pat)? And is your relationship with him conducive to you performing at your best?

EM2: Yes I do have regular performance discussions with my boss. I think he does a great job.

AMP: Do you have general comments about how the work environment can be improved for better relationships, implementation of strategy and work performance?

EM2: I think if we can improve on the parameters that affect the implementation of the tactics, we will be far better with all our strategies and tactics.

AMP: How do you motivate your subordinates?

EM2: Demonstrating my 100% support of their performance. Demand not just a manager but a leader out of them. Inspire them through my job passion. Be visible in every level of the hierarchy.

AMP: How would you assess your relationship with your subordinates?

EM2: Subordinate willingness to discuss or share their thought (good or bad) with me. Subordinate not hiding anything from me.

AMP: How important is a good relationship with your subordinates to you?

EM2: Honesty is the answer.

AMP: Do you think that your relationship with subordinates can influence their work performance?

EM2: Yes, that is why I acknowledge the importance of employees and value them accordingly.

AMP: Do you believe that you can influence the work environment positively even though negative vibes may already exist?

EM2: Yes, if your subordinates always hear the truth from you they will listen to you. It is therefore important to be honest with your people upfront.

AMP: How do you ensure that your subordinates have a clear view regarding how management tactics are linked to their current jobs?

EM2: I like to quote a relevant strategy or tactic on everything that we need to do or doing.

AMP: Do you think that there is any form of discrimination related to gender and/or race?

EM2: At Engen, no. I think we are amongst the best companies that really value the issue of gender. There had been plenty of scenarios where as Engen we had taken strong stance of gender related incident.

AMP: Do you have any other comments related to the topic from a supervisor's point of view?

EM2: Remuneration of supervisor not attractive.

A3 Employee Focus Group Discussion

Participants for a focus group discussion were randomly selected. The aim was to get a group that reflected the population demographics of Durban, which is 68.3% Black, 19.9% Indian, 8.9% White and 2.8% Coloured. Ideally, the group should have also been made up of an approximately 50/50 split of males and females. Invitations were sent out to sixteen employees, but due to the turnaround, the initial response rate was very poor, since only three people accepted the invitation. The date for the discussion was then changed to accommodate those employees involved in the turnaround. The aim was to get seven to ten people, reflecting the abovementioned demographics and gender split. Eight people accepted the invitation, and based on this group which appeared to be sufficiently representative, the meeting was confirmed. However, only five participants attended the group discussion. The attendees included a Black female, a White male, a Black male and two Indian males. In the transcript below, they will be represented respectively as BF, WM1, BM, IM1 and IM2. The facilitator will be represented by AMP.

The group was initially briefed about the background to the research project. The concept of the psychological contract was explained as being an unwritten contract between the employer and employee, reflecting the expectations that each had of the employment relationship. It was also explained that an employee's relationship with their immediate supervisor was taken as being indicative of the employee's relationship with the company. It was also explained that the research involved looking at the possibility of links between that relationship and tactics implementation as well as work performance.

AMP: What do you think are Engen's key tactics related to the company's strategic focus? (silence, pause) Anybody can just throw out one or two that you think are management tactics.

IM1: Umm, sustainability, that is for the refinery to be a sustainable refinery.

AMP: Ok, what else?

WM1: Try to make money. That's the overall thing.

IM1: Well, I think environmental focus is another. I think they are also doing well with an employee focus, like when we talk about having fun, and, uh, also development of

our people that they, uh, are interested in developing people and having succession routes and, uh, it seems like there is an employee focus, the well being of employees.

AMP: Any other ideas?

BM: Uh, being part of the community, you know, the refinery is built where there is a whole community around here, and so there has to be transparency with them so Engen is a good neighbour.

AMP: Ok. Anything else? (silence) Ok, which of those tactics do you think Engen is really implementing successfully?

BF: For me, it's mainly the environmental aspects. We have made a lot of strides there, to make changes. For example, we are more aware of, like, our, when there is an exceedance, generally, everybody gets to hear about it.

IM1: Ja, and I think that is linked to some of the strategies that we have. Like the Great Day strategy, well, environment is one of the focuses there, so I mean, everybody, it affects everybody, and it's part of our performance contract. So if with Great Days, we don't achieve it for some reason, then there's a focus on it. There is focus.

BM: Safety is also given focus. Like with STOP, that's successful.

WM1: Back to the Great Days again. I always felt that Engen doesn't communicate enough. We seem to hear things by default. And I sit here, and I think about what the man has just said about Great Days, and I think that Great Days is a fantastic way of getting information across, and as I said to someone the other day, there is one thing I can never do, when it says 'not a Great Day' is to just click it off and let it go into my Deleted Items without opening it. I always open it to see what it is, even though I know it is going to be an injury or something like that, so I can say to people that I think if we didn't have four injuries in a row over four days then we would have had four great days. So, that's something to keep in mind. So, either way, it's, uh, it's quiet communication to everybody. It's not someone coming to you and verbally saying 'we didn't have a great day because of this and that'. And yet in itself it's not enough. We, for the turnaround they chose champions for safety and they fed us a little bit of information. Not everyone can get incidents on their computer, and you don't all want to be in it as you might have ten or fifteen things a day that are coming through that are just, I think they call it it "bum for" or whatever, but there are some incidents that come that are serious. Now, if there was selected information like that, that went out to everybody in the incident form, people pick it up and can say, you know, that silly accident, 'hey guys watch out you're going to be doing exactly the same thing'. Now

I'm talking safety, now. Because if you feel safe in your environment here, then it brings a feeling inside that when you walk on the plant, and you do things, in whatever you're doing in your life here, you have a better, a warm feeling. At the same time, if you go out on the plant now, and you walk around holding your hard hat on tight, it is a scary thing going out there when you see what's happening with unskilled people and I, maybe there is no time, maybe people are busy and Engen doesn't really need to share information with the contractors. Who is a contractor, nobody, really. They expect STOP's and they expect TSTI's, but who actually goes out there physically and says to the chap, 'here's your TSTI, come let us go through this whole job before it gets to the plant and do the safety aspect with it. I mean, I picked up a TSTI from a person who has been in the refinery for years, 'why must you do this?', 'cause it's nice to have'. The guy didn't understand. He knows he's got to put something in there, so he puts anything. Communication. We do STOP for the staff, and then we take forever to get the contractors onto the STOP system. We understand it's money, we understand it's time, we understand it costs to do all these things, but if you're going to do it, you don't want to be like South Africa who bans asbestos in this country but allow people to import and export right out of our harbours all day long. It's like banning smoking and having a café that sells cigarettes, what are you trying to do? It's no good putting a group of people in a room and just bombing them out all the time with 'oh, your TSTI is no good'. They're the experts so maybe after this turnaround, each company still needs to have a champion that meets about once a month around the table, and discuss, let's talk about these things, how we can stop these stupid little things that you do wrong in the plant.

IM1: You see, uh, I agree with what you're saying and with this aspect of this turnaround you see a lot of unskilled labour. I've seen that personally myself, like guys put on lubricant on these bolts, like it copper or nickel copper, they don't understand what it's all for. But how would we resolve an issue if it's unskilled... if a guy never held a hammer in his hand, you can tell the guy this is how you hold a hammer, but you can't actually train him to handle it safely. You can tell him all these things, and that's theoretical, but the practical aspect is that he does not understand what you're saying. As long as you have a lot of inexperienced people on site, you have a high risk of incidents.

WM1: Ok, yes. Let me say this again. I have a gardener, a Black man, just out of matric who doesn't understand English well. My Zulu is atrocious. Everytime I tell him to do

something he does it the wrong way around. That's where your unskilled problem comes in. It's not for an Engen employee to go tell a worker how to flog a nut, that belongs to his boss. But, the fact of the matter is that, if it's discussed with the people, it starts to ring a little bell. If I go back in time to my training here, way back in 1967 or 1968, I used to look at these guys and wonder how these bosses knew these things. Simple things, like the oxygen content is 2%, how do you get it down, double the pressure on the tower, only an engineer knows that, but I heard it, and suddenly one day it all fell into place, and I became a much better operator. So, we go back.

IM1: So, training and communication is vital.

WM1: You see even if you're not telling people, you can put signs on walls like that, it's excellent. Have you read that sign that says something about antiviral treatment for people with Aids? You haven't got Aids, so you don't bother to read it, but shouldn't we stop? Engen puts it up for our benefit because you might know somebody here that has got the problem, and there's a way to go help yourself. It's there for our benefit. I just think if you keep harping, listen, red robot, stop, red robot, stop. What's a red robot? I don't know what the colour red is, I'm colour blind, but eventually the penny drops, and I think that's when people get into it. If I think, and I'm sorry if I'm harping on it, but if you go around here and walk the same place, and everyday for eleven days, I told one company, 'all of you are not wearing your safety glasses', and they said 'oh but we're only doing this', and I said 'come, let me explain to you what it's all about', and slowly, eventually on the eleventh day I came past, and the guys were wearing it. The penny dropped eventually, because you see, the attitude out there is an attitude that's picked up out there.

IM1: Yes.

WM1: Do you wear earplugs when you drill at home, or switch on your circular saw, if you own one, or the lawnmower, or something like that? My son won't let me do any work without putting on PPE. He's picked that up at Engen. He's also a government man, so everything is done by the book. I think if you harp on it long enough, it becomes a part of you.

BF: I think, the same thing within the refinery. I know like in certain places, like in our department, where there are a lot of juniors compared to the number of seniors, I think we have to keep going back to the same people, even if it takes eleven days. So, if you got a lack of skills, then supervision is very important, you can't just tell them once and then leave it and expect it to be done; it's important to keep following it up. Fine it does

take a bit of time, but that's the way things work in the system. Make sure that you consistently keep checking to make sure that it's done right, and the good thing is that, if it's not done right, you catch it earlier, before it becomes a disaster. So, supervision is very important, if you know you've got unskilled labour.

WM1: So we get to how does management help? Management helps by communicating more. If management communicates more, then you hear more, and you start to pick up these little bits and pieces, that's what becomes interesting to me. You know we have this thing on the wall that says "mentor unselfishly". Every piece of communication is a piece of mentoring to somebody. Doesn't matter what the line may be.

AMP: Ok, let's put things a bit into perspective again. We're talking about management tactics and what has been implemented successfully. We have actually touched a bit on the next question which is what factors do you think affect the implementation of tactics. We've picked up the point about communication and proper supervision, especially of unskilled labour, umm, and basically, the floor is still open for you to talk about any other factors that affect the implementation of tactics.

IM2: I think when we talk about communication and effectiveness, that's a broad, a broad topic, and I think that a proper understanding of the communication process, along with specific orientation of the communication towards a specific audience is important. I mean a few things would be the maturity of the organisation, the specific audience you're targeting, it could also be socio-political factors, you could go with a whole range of these topics, that, you know... the readiness of the substrate to imbibe the seed and grow into, that type of thing, you know. Umm, but I think if I had to pick out one, one aspect, it would be, management's thorough understanding of the people that they are actually working with. Because, if you can understand your people and what drives them, I mean, you can just about do anything, and communication orientation becomes something in the context of the relationship.

WM1: That reminds me, when I was a young operator again, one of the days, I just walking around the plant and this big gentleman joined me with his hard hat and everything on. I could see he was someone important and then I recognised it was Bill England, and he walked with me for a while, while I was doing my unit checks, and he said 'carry on' and I carried on doing my unit check, tapping gauge glasses and level control, looking around the place, and he asked 'so by the way, how is that canoe going that you're building', and I thought, 'what, how did he know that I'm building a canoe?'. You know what I mean, this type of thing. This man had gone out of his way

to speak to somebody that I particularly knew or spoke to on night shift to find out what my family was, what, and, I looked up to that man for the rest of my life. If he said that he wanted something specifically done, it was done. He took a personal interest. After that I realised it is so simple to just go to my stillman and say, 'that guy working out there on the Solvents unit what is he doing, what are his interests and hobbies', 'oh no, he is a bird watcher or he collects stamps' you know that kind of thing. And he just took it out of his way to go to do that. And there was Mobil days, that family feeling, you felt part of the team, and you felt that you were letting the team down. Now, I don't know, I still get that feeling from some departments, like Operations people, in the warmth in how they talk, but you know when you go to some people, you know, they're totally distant. Look, there's more people now than there ever was before, the refinery was only small, but people looked after one another, they knew a little bit more about... they were concerned about one another. They weren't so worried about hearing in those days, which is why so many got deaf, but safety has improved over the years. I think that it's important that there is an understanding. You might come from a jondolo, where you use a candle to save electricity, you still got a quality of life that you need to live. And you have different outlooks, I mean if, when I never had a car, I wanted a bicycle. These guys who come and join us here and do all the dirty work, also need recognition. Even the guy or the lady who sweeps the floor, just saying 'good morning and how are you today' and everything, I think that is so important. And everyone is recognised, right from the sweeper, right to the very top, and I think it has to come from management. Because if management do it and they're not so slop, then other people will do exactly the same.

IM1: So, lead by example?

WM1: Sorry, I could have said that. I made it too long and drawn out.

AMP: Do you think that that's still happening now or have we lost some of that?

WM1: Yes. Once this became like an open plan office, it's done a lot to stop that individual little, pokey, chicken hole thing. You still walked past offices in those days and you looked down, and you greeted the guy if he looked up from his desk, but I think the open plan has done something to bring people a little bit closer together. I talk from our department, because what happens there is that I'll be talking on the phone, and I talk loud as I always do, and I'll say 'Ja, I'll find out about that' and someone else will say 'oh no get a hold of so-and-so, he knows all about it' or something, so you're getting that interchange of information, and yet when we initially started, open plan was

'Aww, no, you know' It wasn't a nice feeling. Yet, you'd still expect a manager to have an office of his own because it's private and confidential, but at the same time, I do see a little bit of a pick up, but not as much as you would expect from a company who tries to put all these wonderful values on the wall. It needs to be a lot more friendly. Just take for example, contractors and Engen staff, there's a hell of a rift.

IM1: You think so? I find that hard to believe. We worked very closely with the Design guys on the other side, the Fluor guys, and I guess there has been, if you're sitting in Process, there's always been issues with the Design guys, like Process would say they don't know what they're doing and Design says 'well they don't come speak to us' and so on. But, once I started working with conceptual design work and working closely with those guys, I found that a lot things get resolved very quickly. What I noticed, is that there is just this perception that you create that, you know what, these people are different because of what, I don't know why, maybe something historical that has happened. When we talk about things with the Design guys for long periods of time and discuss how we plan a certain strategy and go through the concepts, it works quite well. I don't know what it's like in the other areas, but I think it has improved and we're getting to that idea of 'one site, one team'.

BM: Maybe the problem with that is that contractors are sitting in another location and Engen employees are sitting this side, so they don't have much of the integration that you're talking about, as brought about by the open plan.

AMP: (turning to BF) Is there anything you have to say?

BF: Well, something different that I think management need to sort of iron out. You know there's a feeling in the plant that, whenever there's a problem, instead of solving the problem, they first identify who caused the problem, who did it, who did what. So, the first thing you're going to hear is so-and-so did this. Instead of just saying that we've got a problem, let's work it, and after we've solved the problem, let's then find out who did it, so that, that makes people like 'oh, no, no, no'. There's a lot of it now and I think that it's certainly getting worse instead of better.

IM2: But that's the culture of management. We're talking about the factors that influence communication between management and employees.

BF: I think it is a factor, in that you won't get honest feedback.

IM2: So what that is, is the baggage that management carries and that people carry.

AMP: But remember, we're specifically talking about the implementation of tactics and strategy.

IM2: Ok.

AMP: Communication is a key.

IM2: Is one aspect of it.

AMP: Let's take it to another level now. Do you believe that management tactics, as in strategy, are clearly linked to the performance expectations of all employees?

IM2: Yes, by the structure of the performance contract, they are.

AMP: Everybody agree with that?

WM1: I would say, having been well trained by the refinery, that the performance ratings and KRA's and KPI's and all that goes with it, are not being done properly at all, because, come December, or the end of the year, that should be a non-event. They should say, 'listen everybody, you got a number one, the whole lot of you are number one because you are clearly exceeding what we have trained you for during the year because the first month when you didn't reach your proper standard, we pulled you in the office and we helped you, made you right'.

IM2: So we found out what the problem was before we realised that you were the problem, we didn't say let's find who is the problem first... (laughs)

WM1: There you go.

(outbursts, laughter from a few)

BF: Are you speaking for management? You need to know there are two sides. There's a management side and another side.

IM1: I think that with performance contracts, there should be like continuous checks on that throughout the year. Because, if the guy is performing poorly, you would know that before the end of the year, you would get feedback from people.

IM2: But is it a fault with the system which calls for interim appraisals, or is it a fault with the managers that are ineffectively implementing the system as it is intended?

IM1: Ok, let's look at the bottom line right. The bottom line is this, you sign a KRA with a guy right, end of the day, ok yearly there is a STIP and all that involved, right. You come end of the year and the guy gets a four rating. He doesn't get STIP. He's going to be demotivated for the next whole year. You've already messed him up. You've messed him up and he hates the organisation, because he thinks this organisation doesn't care about him. However, if you say, you don't wait for the whole year, but if you know in the first three months that he's not performing very well and you call him in and say so, ok, fine. I hear the point were you say don't wait the whole year. Try to rectify the problem before it gets to that serious dissidence where he feels

messed up. Because, you don't want the guy to not get an increase, not to get STIP and all that.

IM2: Why?

IM1: Why would you want that? Because, you know why, the question was about strategy and it's implementation. If you get that guy to the level where he is dissident, you're not going to get anything from him for the next whole year. He'll be sitting back and saying that 'I don't care a damn', uh, 'the organisation can do what they want, while I'm here to do the least amount', so how would you implement the strategy when he is the man on the floor? It has to go via him. You can have all these brilliant ideas from the top, but if he doesn't turn that spanner down there, because he doesn't like you because you didn't give him an increase one year, because you didn't discuss it and were not honest with him and resolve something. Nobody comes to work to be lazy, unless something has happened to them historically.

IM2: And that's just what you call baggage.

BF: You do have to acknowledge that people come with baggage, you can't ignore it. You've got to, in a way, make things work for you, you can't say it's his baggage, so bugger him, because he's not going to perform at the end of the day, and that is going to reflect badly on you as well. So you need to, as WM1 said that guy went out of his way to find out about him building a canoe, that's baggage too, positive baggage in a way, but it is still something that has to do with him, which at the end of the day became effective, because whenever he wanted something done, then, A-Ok in the next five minutes you'll get it. While, if he had an attitude with you, you won't get it in the next year.

WM1: That's right.

IM2: Ok, so what you're saying is, the, you're saying the tactics, or the conscious tactic by management to ensure that, or to distance themselves from the people, to the extent that they don't have interpersonal relationships adversely impacts performance.

BF: Definitely.

IM2: That's what you're saying? (nods)

IM1: Look, people are people.

IM2: Oh, are they? And managers?

IM1: What we're saying is... All of them are people. So you've got to work with people when you're trying to implement certain things because that's their strategy, right. But if you treat the people that are supposed to do the work, not like people... I'm

not saying that – I’m giving you a very bad example, right, but you’re not going to get that. They want to be part of this winning team, they’re part of this team.

IM2: Do you think that there’s a constant strategy to beat up a certain sector, that is deemed to be a poor performing sector, right? And to unfairly advantage certain groups on the basis of preferential treatment or something?

IM1: No I don’t.

IM2: What are you saying about the management strategy?

WM1: Can I, can I say something? Like we’ve said, there’s different people. There are some people who are quite happy with their salary, they’re quite happy to do the same job for the rest of their lives because they don’t want to take on more responsibility.

Engen does not recognise that. Engen says you WILL go in that direction, even if you sit on a plateau for a while, but we want you to go this way. That person might say ‘hey, I don’t want to. I’m quite happy in my job, I’m performing well, I’m getting good numbers, I’m getting my pay and that’s all I am getting’. There are people like that. They limit themselves and they’re very happy, they don’t want the responsibility.

IM2: Ok, what you’re saying, or you’re making a statement that says that the organogram is fixed and not dynamic.

IM1: I think he’s working with a system where he creates two types of people, I mean the one who naturally has a tendency to want to move up into management and the other tendency is getting to be like the specialist of your job.

WM1: Yes.

IM1: We are creating that kind of system where, for example on the plant, now the guys become a PCC operator, he can become a specialist PCC operator, but not necessarily become a supervisor. And also like in the Engineering department they have...

WM1: I didn’t know it was like that. You’re 100% right.

IM1: So they are doing that, and yes, sometimes there are going to be those odd ones where people are forced to take on certain posts, but I’m sure they’re more, uh

WM1: No, you’re right.

IM2: Ok, but now what’s the answer? Do we see a link or do we not see a link?

IM1: But there is a link.

IM2: Are there strategies just out there hanging in the air and the performance management system, total disconnect, with the idea of doing something else?

IM1: The one thing that I see is, I don't know, because it didn't happen to me personally, because I don't really have any issues, but with the performance contracts, I thought that the guys should regularly make sure that they check that they affect the strategy, isn't it. Let's say the Alky has been unreliable, and you, for some reason, continuously give South Complex a hard time all the time. At the end of the day, your strategy is to get the Alky reliable, because it affects your Great Day strategy.

IM2: What do you mean, give them a hard time?

IM1: I don't know, I'm just using examples. Let's say..

IM2: Are you treating them unfairly?

IM1: I don't think so, that anybody deliberately treats anyone unfairly, but somehow or the other if you speak to certain people, all of a sudden, some people will be dissident, because they feel they've been overworked or they had to do some things that are not really required or whatever, and people don't understand their case.

IM2: So, laziness on the part of the workers contracts a defect on the part of management.

IM1: See, you misconstrue what I'm trying to say. What I'm trying to say is, uh, if something that they're unhappy about and it's not resolved in their team, right, for some reason.

IM2: Ok, baggage.

IM1: I don't know what it is, but whatever you say it is, if you speak to a guy, it must be something that's unresolved. And that may be preventing certain performance and he might not care. For example if he's doing a unit check and you say you needed 5%wt caustic and he's got 10%wt, 'why do I need to dilute it, nobody cares'. So, at the end of the day, he doesn't care to dilute it, it affects the reliability of the plant, the Great Day is shot, your STIP is shot. For some reason, I'm not saying it's because he's a lazy guy or whatever, but something must have happened. Maybe he was overlooked for promotion, I don't know.

AMP: Yes, so he feels demotivated or something.

IM2: You know I have this image in my head when it comes to the manager/worker relationship, that of a donkey. The worker is the donkey and the manager is riding the donkey, and the load is the tactic that stands between the manager and the donkey. And as they go through this journey they've got choices, both of them. It's very much at the discretion of the manager, but both have this decision to carry the load or not, ok. And

the relationship between them is the physical distance separating them by the baggage. To me it sums up so much of what happens here.

IM1: That's fair, it's fair.

IM2: But, but both parties accumulate baggage along the way, huh?

BM: It becomes worse when you don't have direction. Some people may need to have daily interaction with their line manager, in terms of, umm your line manager gives you direction as to what he wants. For instance if my line manager wants something, not to bring it up in a meeting, but maybe on a personal basis, to kind of track your pathway. I may be probably saying I'm doing my best, but then I'm going off course.

IM2: The steering part?

BF: It is the same thing we were saying about the supervision part. You don't just tell a person, well, this is what you've got to do and then just leave them, when you know very well the level they are at. Like the gardener example, just out of matric, if you tell him what to do and leave him, he gets it wrong, but if you come back an hour later to see if he's doing what he's been asked, you're going to pick up there and then that, no, he's not doing what I asked. But if you just leave him there the whole day to mess up and you came back and scream, well, it doesn't work that way. You as a manager, you understand the levels your people are at and for different levels, you have to do different things. And as he said, people too are different, one may want continuous supervision, one may not. You pick it up as you work with them.

BM: You need to know your people.

BF: Ja, this one needs more attention, this one doesn't need it.

IM2: I'm so worried you know, you guys complaining so much.

BF: No, it's not a complaint, it's something. Like the KRA's, you can't just come and say, 'well KRA's are now due people' that's it. 'Next month is STIP month again people, KRA's come let's talk, you get a four'. In between what happens?

WM1: Then you're at fault. You should never get a one, you should get a four.

BF: But what happened in between?

IM1: I think also, what they call roles and responsibilities, are important, and its on both sides also. If you take into consideration where, they should have a feedback mechanism, like with KRA's, if you feel like you're battling, you should be able to go and talk to the manager and it's a two-way thing also, and it should be expressed when you agree on the KRA's.

IM2: Isn't this a structural defect if we have to come down to the root cause for the disconnect between people and the leadership. One, is the lack of comprehension of certain component of management as to the definition of leadership and the expectations thereof. And, two, is rooted in the structure of our rating system, where, there is no bottom up feedback with regard to the servant responsibility in the management role to the people.

BF: I think that lack in the bottom up feedback is a big concern, because they're not getting that.

IM2: Because we're looking at the structure, and the impediments to effective communication, effective execution and quality of relationships, right? And, you ask yourself now, with all these ground gripes, and no-one to actually say it, so the 360 degree evaluation, why are we resisting it?

(silence)

AMP: Does everybody feel here that a 360 degree evaluation would be a good thing to do?

BF: I think it has it's ups and downs. I'd think, people I know, because you choose the people you want in your 360's isn't it?

IM2: Well, that is a rule that you can decide.

BF: Ok, ja. You can sort out the rule. Otherwise, if that's sorted out, it works better.

IM2: What about the distinction between manager and leader?

IM1: There's a big break between what you're talking about there.

IM2: Fundamentally, it's a skills deficiency on the basis of an inability to execute a management function, and therefore be seen as leaders, especially in this, umm, in this society now that is, is very permissive.

IM1: You see, you see, the way I see it is that, as long as this organisation ticks, you are always going to have this disparity between managers and workers, you will always have that issue. The thing is closing it. I mean, ten years ago maybe there were similar types of issues, where people viewed management in a certain, certain way and today they view them in a certain way. I thought over the years it has got better, since I've been here. That's what I personally thought, from the previous to whatever we have currently, because I remember when I first came as a young engineer, and I remember they used to plan the number of incidents we should have in a year. I don't know if you ever heard that. It's likely saying, you know, we could have three incidents a year or something like that. And over the time we should make sure that the site never had any

incidents, you know, safety incidents. But there was, you know, a budget like, you know, five incidents a year or something like that, I once remember seeing it, I stand corrected, but over time what I'm saying is that it started changing such that the people, I personally feel, the management structure now is different from the old days. It is not as hierarchical as what it was. It's now more flat and people speak to you more openly. In those days, when I first came here, it's like what we said about the offices, where, you're scared to go to the office to speak to somebody, you know. I used to walk down these corridors, and I didn't, what I'm saying is it's much more open now, maybe it's different for others, but I saw –

WM1: It's Wayne's open door policy, I think it's unbelievable.

IM1: So, so what we're talking about, and whether we complain, the thing is, is it getting better?

WM1: Yes.

IM1: We're going to get to the future, where if you carry on in a certain way, where you sort of close that gap, where you have your leaders that you're talking about.

IM2: You don't have them now?

IM1: You have them, but I mean, weren't you talking about leadership and management, you know like where your people just want to follow you, even blindly, also.

AMP: Ok, what is the general feeling from everyone about whether it's getting better –

WM1: Let me give you an example here. I'm going to talk way back. My mother-in-law was German, and lived in Germany during the war, and, uh, she said she ran seventeen miles or kilometres just to go see Hitler driving past in his, you know. The streets were lined in this part of the forest just to see him driving past. This man was a leader –

IM2: He was a single nutcase.

WM1: He was a leader, ok. He was a leader. There was something about him that people wanted to do whatever he said.

IM1: Whether he's right or wrong -

WM1: Now, that's a, that's a leader. Whereas management is when something is done properly, isn't it? Management is when something is done and managed in the correct manner, what we want.

IM2: You see with managing, managing is the activity. Leadership is the being, the state of being or state of awareness.

WM1: The person. Yes.

IM2: It's not what you do that you're measured on.

WM1: No.

IM2: It's who you are.

IM1: To create a following.

WM1: So, what we're saying is that there are some people that have that about them.

IM2: And that's what counts.

WM1: That they want to do what you ask.

IM2: What you ask (nods).

WM1: And there are other people who just don't have that ability. That, no matter what they do, they are not going to get that right, until they come down to the level of the worker and start recognising what the worker does. I mean just 'good morning and how are you' and stop and mean it. Not just 'hello, how you' and they're gone down there before you can even answer. It should be something where people are recognised. And, I often walk out there, I see a guy doing, this STOP thing, this non-punitive, this recognising, 'hey well done', you know that makes his afternoon, why, someone has recognised him. You know, we all need that little bit of recognition, that's all we need. Nobody needs fanfares and trumpets and everything to go with it. But just a 'that was a damn good job you did the other day'. But how much stuff do you put out and you never get a thing back? No-one ever comes and says 'hey, well done'. But when the end of the year comes then its, 'you know this sample stick facility, you still haven't done it hey', 'ja, but I'm waiting for the machine you were going to buy', 'no but you should have checked on the machine', 'no but you were gonna buy...', you know?

IM2: That's why we have the grievance process.

WM1: No.

IM1: You don't want to use that.

WM1: The problem again, it comes back to that same thing. We all have got a private life, and some of our private lives might be horrendous, absolutely. And the trouble is, you bring that baggage to work with you, but I was always taught, never, ever, ever, as a manager, get involved with a person's private life.

IM2: Well, that's just bullshit.

WM1: Don't ever get involved.

IM2: That has changed now. I think there's a different school of holistic management, where people, people are allowed to bring their personal issues into the workplace, and,

in a spirit of confidentiality, and at the discretion of the lower ranking individual, disclosure made about such issues. So, that's a trust relationship. It's aimed at building the trust relationship.

WM1: Alright, ok. Well, that's news to me.

IM2: Things are happening.

BF: But is the question answered? How everyone feels - is it getting better or is it not?

AMP: Let's take a vote. Who thinks it's getting better?

IM1: I think it's getting better.

WM1: It seems like it's getting better.

IM2: Definitely better.

IM1: I think that relationships are better.

AMP: So we have got three people saying that it is getting better. What about the other two. What do you think? No peer pressure, now hey.

BM: I'm not sure whether it is getting better. I think there is more awareness. Not necessarily, that it's getting better.

BF: Ja, there is an awareness. Whether it's, whether we have gotten to that stage of being better, no, we're probably aware of where it should be, but we're nowhere there yet.

IM1: But the way I see it is, personally, I don't think you'll ever get to that place where everybody is happy all the time.

BF: No, we're not looking for everybody happy, but we're looking for –

IM1: But, you see, you may have a problem, but you have to look at the whole organisation.

BM: I think awareness is a good sign.

BF: Ja, there is an awareness, that's definitely (nods), ja. Whether there is an improvement as yet (shakes head), I'm still debating.

IM1: From my opinion, the last amount of years that I have been here, I've seen a definite improvement, in terms of safety, transparency, the way we, I mean, if you look at the bonuses that people have been collecting. There were times when the refinery didn't do so well, so, I don't know.

BF: Maybe you've been here too long. Well, I don't know.

IM2: Let me tell you guys something. You guys are going to see the transition through Uhambo. You are going to live through it. And you will see the stark reality of the difference between the management style of those Afrikaners who are sent down to

operate in this refinery, right. We've already had a couple come into the Fluor organisation and we've seen something happening there. What we have at Engen is a family environment that beats a lot of other organisations out there. The parochial, colonial mindset that operates within the likes of Tongaat-Hulett or any of the other major oil producers even, Rembrandt not so bad, Mondi, Anglo, oh God! What we have here, and people come back for it, people are coming back.

IM1: No, you're right, I've seen the other oil companies, it's not so easy to work in some of those organisations.

BF: Ja, from what I've heard, I can agree as well.

IM2: Oh, you agree?

BF: To some extent.

IM2: You know there is a lot of leniency in the organisation, to the point where, we are actually carrying some dead wood.

BF: Ja, but if you see dead wood, you don't just leave it there, you should add something, add some fuel to ignite them, create challenge, ensure their interest.

IM2: Ja, I personally like to add something, add a bit of fire to spur them on for better performance.

AMP: Ok, that's where we will have to stop as our time has run out for a while now.

IM2: You can go, we'll continue the discussion.

AMP: You're welcome to. Anyway, thank you all for your time and your contributions.

If you think of anything you would like to add, please feel free to e-mail your comments to me.