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**Privatisation Employee Job
Satisfaction and Organisational
Commitment**

by

Robert Akuamoah-Boateng

**A thesis submitted for the degree of
Doctor of Philosophy
at the
Institute of Social and Applied Psychology
University of Kent at Canterbury**

**** June 1989 ****

**This work is dedicated to the Glory of God
and to the memory of my dear father
who though not formally educated himself,
spent his lifetime providing the means that
enabled others to be educated.**

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Abstract

This study was aimed, primarily, at testing for changes in employee job satisfaction and organisational commitment since privatisation. It also aimed at testing for differences between: Public vs Private Sector employees; Share Owner and Non-share Owner employees; and Managers and Non-managers on Job Satisfaction, Organisational Commitment and Participation in Decision Making. 301 employees from Private (98), Public (101) and Privatised (102) organisations filled out questionnaires on Job Satisfaction, Organisational Commitment, Attitude to Privatisation and Participation in Decision Making. In a follow-up study, 31 employees from the three organisations filled-up questionnaires based upon the findings of the first study. In the first study, Employee Job Satisfaction was assessed in 1988 and at the same time, employees were required to recall how satisfied they were with their jobs in 1983. The results indicated fewer significant differences among the three groups in 1983, the differences being mainly between the private and public sector organisations. The 1988 measures indicated several significant differences in Job Satisfaction and Organisational Commitment, this time mainly between the private and privatised organisations. The second study revealed significant declines in employee satisfaction with several important job aspects as, Job Security, Pay, Industrial Relations, Management etc. Managers were observed to be significantly different from workers on Job Satisfaction, Organisational Commitment and Participation in Decision Making. Share owner employees did not differ significantly from non-share owners on Job Satisfaction, Organisational Commitment, Participation in Decision Making and attitude to Privatisation. Attitude to privatisation was found to moderate the effect of sector of ownership on the dependent variables. It was concluded that the perceived differences in job satisfaction and organisational commitment within the public and privatised organisations was due to certain restructuring processes going on in these organisations. Recommendations are made to future researchers interested in the relationship between privatisation and employee work attitudes.

List of Tables

		<i>Page</i>
6a	<i>Means, Standard Deviations and F values showing differences among the three organisational groups on some personal characteristics</i>	117
6b	<i>Chi-square table showing differences among the three organisational groups on dichotomous personal characteristics</i>	117
6c	<i>Means, Standard Deviations and reliability coefficients of the scores among the three groups and the total sample</i>	121
6d	<i>Intercorrelations between 1983 and 1988 measures for the total sample</i>	126
6e	<i>Correlations between 1983 and 1988 measures and the Demographic characteristics for the total sample.</i>	131
6f	<i>Intercorrelations among the demographic characteristics for the total sample</i>	132
7a	<i>Means and ANOVA effects of managerial position and type of organisation on 1983 Job Satisfaction.</i>	138
7b	<i>Means and ANOVA effects of managerial position and type of organisation on 1983 Intrinsic and Extrinsic Job Satisfaction.</i>	139
7c	<i>Means and ANOVA effects of managerial position and type of organisation on 1983 Organisational Commitment.</i>	141
7d	<i>Means and ANOVA effects of managerial position and type of organisation on 1983 measures of Identification, Loyalty and Involvement.</i>	143
7e	<i>Means and ANOVA effects of managerial position and type of organisation on 1988 Job Satisfaction.</i>	146
7f	<i>Means and ANOVA effects of managerial position and type of organisation on 1988 Extrinsic and Intrinsic Job Satisfaction.</i>	147

7g	<i>Means and ANOVA effects of managerial position and type of organisation on 1988 Organisational Commitment.</i>	<i>149</i>
7h	<i>Means and ANOVA effects of managerial position and type of organisation on 1988 measures of Identification, Loyalty and Involvement.</i>	<i>150</i>
7i	<i>Correlations between attitude to privatisation and the dependent measures within the organisational groups and the total sample.</i>	<i>155</i>
7j	<i>The relative strength of correlations between the dependent variables and type of organisation when no variables are controlled and when the effect of attitude to privatisation is controlled.</i>	<i>158</i>
7k	<i>Measures within the various groups for which attitude to privatisation was a significant predictor.</i>	<i>160</i>
7l	<i>Relative strength of the effect of type of organisation when attitude to privatisation, union membership, attitude to privatisation and union membership are controlled in an analysis of covariance.</i>	<i>162</i>
7m	<i>Job satisfaction items on which the groups differed significantly in 1983 and 1988.</i>	<i>165</i>
7n	<i>T-test results showing changes in job satisfaction and commitment between 1983 and 1988 within the three organisations.</i>	<i>168</i>
7o	<i>T-test results showing some job satisfaction items on which there were significant changes within the organisations between 1983 and 1988.</i>	<i>172</i>
7p	<i>A comparison of public and private sector groups on the 1983 and 1988 measures.</i>	<i>195</i>
7q	<i>Comparison of the privatised and public sectors combined with the private sector on the 1983 measures.</i>	<i>196</i>
7r	<i>Comparison of the private and privatised combined with public sector group on the 1988 measures.</i>	<i>198</i>

7s	<i>Correlations between share ownership, number of shares and the dependent measures within the privatised and private sector groups.</i>	200
7t	<i>Differences between share owners and non-share owners in the combined private and privatised group.</i>	202
8a	<i>Job losses in some privatised organisations in 1986.</i>	224

List of figures

	<i>Page</i>
<i>The Job Characteristics Model</i>	21

List of Appendices

	<i>Page</i>
6A	<i>Questionnaire used in first study.....</i> 252
6B	<i>Intercorrelations between 1983 and 1988 measures for the privatised group</i> 265
6C	<i>Intercorrelations among the 1983 and 1988 measures for the private sector group</i> 266
6D	<i>Intercorrelations between the 1983 and 1988 measures for the public sector group</i> 267
6E	<i>Correlations between the 1983 and 1988 measures and the demographic characteristics for the private sector group.</i> 268
6F	<i>Correlations between 1983 and 1988 measures and the demographic characteristics for the privatised group.</i> 269
6G	<i>Correlations between 1983 and 1988 measures and the demographic characteristics for the public sector group.</i> 270
6H	<i>Intercorrelations among the demographic characteristics within the private sector group</i> 271
6I	<i>Intercorrelations among the demographic characteristics within the privatised group</i> 272
6J	<i>Intercorrelation among the demographic characteristics within the public sector group</i> 273
7A	<i>Two-way ANOVA results of managerial positions by type of organisation on the 1983 measures</i> 274
7B	<i>Two-way ANOVA results of managerial positions by type of organisation on the 1988 measures.</i> 276
7C	<i>Regression analysis for the total sample with all the personal characteristics entered as independent variables and the 1983 and 1988 measures as dependent variables.</i> 278

7D	<i>Regression analysis for the private sector group with all the personal characteristics entered as independent variables and the 1983 and 1988 measures as dependent variables.</i>	281
7E	<i>Regression analysis for the privatised group with all personal characteristics entered as dependent variables on all the 1983 and 1988 measures.</i>	283
7F	<i>Regression analysis for the public sector group with all personal characteristics entered as dependent variables on all the 1983 and 1988 measures.</i>	285
7G	<i>Analysis of Covariance with Attitude to Privatisation as a covariate.</i>	287
7H	<i>Analysis of the Covariance with Union Membership as a covariate.</i>	290
7I	<i>Analysis of Covariance with Union Membership and Attitude to Privatisation as covariates.</i>	293
7K	<i>Analysis of variance table showing differences among the three groups on the 1988 Job Satisfaction items.</i>	296
7L	<i>Analysis of variance table showing differences among the three groups on the 1988 Job Satisfaction items.</i>	298
7M	<i>A summary of responses of Private Sector employees on the follow-up questionnaire.</i>	300
7N	<i>A summary of responses of Privatised employees on the follow-up questionnaire.</i>	309
7O	<i>A summary of Public Sector employees on the follow-up questionnaire.</i>	326

TABLE OF CONTENTS

	PAGE
ACKNOWLEDGEMENTS.....	(i)
ABSTRACT.....	(ii)
LIST OF TABLES.....	(iii)
LIST OF FIGURES.....	(vi)
LIST OF APPENDICES.....	(vii)
CHAPTER ONE	
<i>Introduction</i>	1
<i>Objectives of Privatisation</i>	3
<i>Privatisation and Employee Work Attitudes</i>	8
CHAPTER TWO	
<i>Job Satisfaction</i>	12
<i>Theories of Job Satisfaction</i>	17
<i>The Job Characteristics Model</i>	18
<i>Determinants of Job Satisfaction</i>	25
CHAPTER THREE	
<i>Organisational Commitment</i>	31
<i>Organisational Commitment and Job Satisfaction</i>	37
<i>Theories of Commitment</i>	39
<i>Antecedents of Organisational Commitment</i>	48
<i>Privatisation, Job Satisfaction and Organisational Commitment</i>	55
CHAPTER FOUR	
<i>Work Attitudes of Private and Public Sector Employees</i>	58

<i>Empirical Evidence on the Relative Efficiency and Productivity of Public and Private Sector Enterprises.....</i>	59
<i>Problems of Studies on the Relative Efficiency and Productivity of Public and Private Sector Enterprises</i>	59
<i>Studies of the Relative Efficiency of Public and Private Enterprises</i>	63
<i>Structural and Management Differences Between Private and Public Organisations</i>	70
<i>Empirical Studies on Work Attitudes of Public and Private Sector Employees</i>	75

CHAPTER FIVE

<i>Employee Ownership and Work Attitudes</i>	86
<i>The Purpose of Employee Ownership.....</i>	89
<i>Empirical Studies on Ownership and Employee Work Attitudes</i>	92
<i>Ownership as Satisfying in Itself</i>	93
<i>Studies on the Instrumental Hypothesis of Employee Ownership.....</i>	103
<i>Studies on the Extrinsic Satisfaction Model</i>	106

CHAPTER SIX

<i>The Present Study</i>	110
<i>Method</i>	111
<i>Study Design and Procedure.....</i>	111
<i>Sample</i>	114
<i>Measures</i>	116
<i>Job Satisfaction.....</i>	119
<i>Organisational Commitment.....</i>	123
<i>Attitude to Privatisation</i>	124
<i>Participation in Decision Making</i>	125
<i>Inter-correlations Among the Measures</i>	126
<i>Hypotheses</i>	133

<i>Operational Definitions</i>	134
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CHAPTER SEVEN

<i>Results</i>	136
<i>Differences observed among the groups on the 1983 Job Satisfaction Measures</i>	137
<i>Differences among the Organisational Groups and Managerial Position on the 1983 Organisational Commitment Measures</i>	140
<i>Summary of findings on 1983 Job Satisfaction and Organisational Commitment</i>	144
<i>Differences observed among the groups on the 1988 Job Satisfaction Measures</i>	145
<i>Differences among the groups on 1988 Organisational Commitment</i>	148
<i>Summary of findings on 1988 Job Satisfaction and Organisational Commitment Measures</i>	152
<i>Evidence of the Moderating effects of attitude to privatisation on the effect of sector of ownership on Job Satisfaction and Organisational Commitment</i>	153
<i>Employee reasons for changes in satisfaction with some job aspects between 1983 and 1988</i>	176
<i>Satisfaction with Pay</i>	176
<i>Chances of Promotion</i>	178
<i>The way your organisation is managed</i>	180
<i>Industrial Relations</i>	184
<i>Job Security</i>	186
<i>Items showing significant changes in only one of the organisational groups</i>	189
<i>Differences between Public and Private Organisations on Job Satisfaction and Organisational Commitment</i>	193
<i>Share ownership, Job Satisfaction and Organisational Commitment</i>	197
<i>The Relationship between perceived participation in Decision Making and Share Ownership</i>	203
<i>Managerial Position and the Dependent Measures</i>	204
<i>Tenure and the Dependent Variables</i>	206

<i>Gender and the Dependent Variables</i>	208
<i>Union Membership</i>	210
<i>Managerial Position</i>	211
<i>Education (Years in School)</i>	212

CHAPTER EIGHT

<i>Discussion</i>	215
<i>Possible explanations to the data obtained in relation to the hypotheses for the 1983 measures</i>	215
<i>Possible explanations to the data obtained in relation to the hypotheses for 1988</i>	218
<i>Possible reasons for the observed public/private sector differences</i>	225
<i>Share ownership, Job Satisfaction and Organisational Commitment</i>	227
<i>Attitude to Privatisation</i>	233
<i>Summary of study findings and Recommendations to future researchers</i>	235

REFERENCES	240
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APPENDICES	252
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Chapter 1

Introduction

Privatisation has become a household word of the eighties. Started in Britain, the policy has been exported to several countries including third world countries (where international lending agencies are making it a condition for granting loans) and even hardcore socialist countries - though in limited degrees. (Yarrow, 1986; Lawson, 1987; Cheung, 1986; reported in Veljanovski, 1987; Smith, 1986; Economist, 21st December 1985). The term privatisation implies several things. Simply it means to render private, to place an activity or industry in the private sector (Veljanovski, 1987). As a policy, the term privatisation means at least four things; a) Deregulation, b) Denationalisation, c) Contracting out and competitive tendering, d) Removal of subsidies. Generally, any activity which reduces the involvement of the state or the public sector in a nation's economic activity is privatisation (Pendse, 1985; Le Grand and Robinson, 1984).

Deregulation involves the removal of restrictions barring the private sector from competing with the public sector in the same economic activity (Donnison, 1984; Smith, 1986; Kay and Thompson, 1986). Denationalisation or divestiture implies the transfer of state owned and controlled enterprises to the private sector. This transfer may involve the sale of shares to private entrepreneurs but this is not always the case (Yarrow, 1986). In Britain, a denationalised enterprise must have at least 50% of its shares in private hands (Economist, 21st December, 1985). The third form of privatisation - Contracting out - involves the shedding of work from the

public sector to the private sector. The work transferred to the private sector, was until the contracting out, performed by the public sector. An alternative to contracting out, competitive tendering, can be regarded as a form of deregulation. In competitive tendering both the public and private sectors tender for contracts (e.g. Garbage collection, hospital catering, school catering and cleaning etc.) and the contract is usually awarded to the least costly contractor (public or private) (Donnison, 1984; Walker, 1984; Dunleary, 1986; Kay and Thompson, 1986). Removal of subsidies usually stems from the desire of the state to secure a larger share of the costs of public services from their users. Subsidies on goods and services which were introduced either to encourage the use of the goods and/or services or to create a demand for them are removed such that customers are required to pay for the full cost of the goods or services (Donnison, 1984). There are several ways by which governments can roll back the state's involvement in economic activity and for this matter there are bound to be several other forms of privatisation besides what has been described here.

These few definitions of privatisation show how careful one should be in using the term and the necessity to explain the kind of privatisation one is referring to. In this work, privatisation means the transfer of ownership and control of a previously public owned and controlled enterprise to the private sector. The means by which such a transfer is effected is not part of the definition but where the sale of shares is involved, at least 50% of the shares must be held by the private sector. A second qualification to this definition involves the use of the term control. Control in this definition does not mean that government cannot provide guidelines to regulate the operation of the organisations concerned. What it means is that the day to day running of the organisation is in private hands. For example, the fact that OFTEL and OFGAS have been set up to ensure that British Telecom and British Gas provide certain services which are necessary but not profitable, and to also

ensure that they do not use their monopoly power to exploit consumers, does not negate the fact that they are now private organisations. This definition of privatisation is an adaptation of Yarrow (1986) and Economist (21st December, 1985) definitions of privatisations.

Objectives of Privatisation

Privatisation did not start with a set of coherent objectives (Heald, 1982; Veljanovski, 1987) the objectives were put together over the years, increasing in number each year and with each Ministerial address on privatisation. This has led to speculations that the objectives are Post hoc and that it has been an effort, on the part of the Thatcher administration, putting the objectives together. Kay and Thompson (1986) have referred to privatisation as a policy in search of rationale, reflecting the view that privatisation had no clear objectives at its inception.

Apparently privatisation was 'discovered' as a cure for the inefficiency of the nationalised industries (Moore, 1983; 1985). Concern for the poor performance of the nationalised industries had been growing over the years culminating in the issue of three white papers (cmnd 1337, cmnd 3437, cmnd 7131) in 1961, 1967, and 1978 which aimed at setting specific goals and guidelines for the operation of the nationalised industries. Each paper emphasised commercial objectives in the form of investment, costs, prices and rate of return on capital invested. The 1961 white paper on the economic and financial obligations for the nationalised industries required them to be self sufficient in their financial requirements. They were to be able to at least break even, and to balance out gains and losses over every five year period. The nationalised industries were, however, to observe certain restrictions in their operations such as subjecting expenditure and investment levels to government approval, and keeping prices low but increasing profits by lowering costs. The

nationalised industries were to show private sector results without operating like private sector enterprises.

The 1967 White Paper (cmdnd 3437), which became necessary because the overall capacity of the nationalised industries had been growing fast to meet demand and a lot had changed since the 1961 White Paper, issued more specific and stringent guidelines on investment, prices, cost and financial objectives. Each industry was to have a different financial objective suitable for the special nature of the industry. The 1978 White Paper set further financial targets and other guidelines for the performance of the nationalised industries.

Despite these performance targets and objectives the performance of the nationalised industries seemingly did not meet the requirements of policy makers. Though some privatised organisations were in profit before privatisation, they apparently were not making big enough profits to meet financial targets.

Lack of performance on the part of the nationalised industries was attributed by academics (notably Mike Friedman and the Chicago School of Economics) to the fact that the nationalised industries are protected from market forces and that no matter what their performance, they cannot go bankrupt. The state was always available to bail them out of financial difficulties. So long as these industries continued to be sheltered (continued the academics) there will be no motivation to perform. The solution was simply that state organisations must be released to market places which would weed out inefficiency and force them to perform. This solution was not only simplistic but appealing too to the Conservative Government, which supports the concept of private property (though the Party had not pushed the idea as forcefully as the Labour Party had pushed the idea of collective ownership). Privatisation has been seen by some as the Conservative Party's way of evolving a theory. It has been remarked that:

Conservatives prior to 1980 had suffered from an intellectual failure. They lacked any coherent, distinctive economic theory (Lord Harris, 1980 p.6 cited in Veljanovski, 1987 p. 23).

In economic affairs they (the Conservatives) were happy to follow the orthodoxy of a collectivist creed and although they defended private property as the buttress of political independence they had no coherent theory of the role and function of private property in a modern economic system. This absence of theory may cast Conservatives as men of the world and pragmatic but it prevents them from understanding the basis of the policies which they are advocating (Hayek, 1960 reported in Veljanovski, 1987 p. 23).

Veljanovski (1987) has argued that although the idea of privatisation appeals to the Conservative Party it was occasioned more by its appropriateness to the economic situation rather than its consonance with Conservative thought. This is much in the same way that the great nationalisation of the 50's was occasioned by the post war situation rather than the theory of collective ownership.

Whatever the main aims of privatisation, it was not until 1983 that the most detailed list of the reasons for privatisation was presented to the public (Moore, 1983).

Further elaboration of the aims of privatisation as well as its benefits were provided in 1985 in a speech by John Moore, the then Financial Secretary, and in a Government White Paper on the Privatisation of Water Authorities in England and Wales (cmdnd 9734 p 1-2).

Currently one can at least identify ten reasons or objectives for privatisation. These are:-

- a) To improve the efficiency of public sector enterprises by subjecting them to market forces.
- b) To reduce the public sector borrowing requirement (PSBR).
- c) To ease the problem of public sector pay determination.
- d) To reduce government involvement in enterprise decision making.
- e) To promote wider share ownership.
- f) To raise revenue.
- g) To encourage employee share ownership.
- h) To discipline public sector trade unions.
- i) To redistribute income and wealth.
- j) To promote individual freedom.

These objectives have been highlighted in Kay and Thompson, 1986; Moore, 1983; 1985; Veljanovski, 1987; cmnd 9734.

The multiplicity of the objectives of privatisation has been seen by others as evidence that the policy is only rationalised and that it had no set of objectives at its conception (Kay and Thompson, 1986). It is also argued that most of the objectives set out for privatisation can be achieved without necessarily selling the enterprises involved.

Privatisation is envisaged to be beneficial to customers, employees, the environment and the nation as a whole (cmnd, 9734; Moore, 1983). Customers are supposed to benefit from the prospect of higher standards, greater efficiency in the provision of services, a charging policy designed to pass on efficiency savings and keep bills down. Customers, being the public at large, are to benefit also from the opportunity to own shares in the privatised enterprises. There will also (it is believed) be protection from monopoly over charges and levels of service will be defined (cmnd 9734 p.2).

The benefits of privatisation to employees and their management have been listed as:-

- a) Managers will be free from Government intervention in day to day management and protected from fluctuating political pressure. In effect, managers will be free to manage.
- b) Both managers and employees will benefit from employee share ownership and better rewards (pay) which will be more linked to the success of the respective organisations.
- c) Employees and managers will experience pride in work, increased job satisfaction, closer identification with their businesses and better motivation (cmnd 9734, Moore, 1983; 1985; Lawson, 1987; Veljanovski, 1987).

The initial stages of privatisation and the few years before it was implemented saw a number of articles, comments, speeches both for and against the policy. These were meant to inform the public and policy makers in particular of the probable consequences of privatisation. Whatever the utility of these papers, articles, comments and speeches, it has now become more obvious that privatisation will continue into the future given the fact that the policy has become more daring, targeting on major utilities and monopolies which were earlier on felt to be in the best interest of all to be left in the public sector.

It is now time to direct energies towards evaluating privatisation in terms of its objectives and the benefits it is supposed to bring about. In 1985, John Moore the then Secretary for Transport remarked that:-

"Sufficient privatised companies have now been long enough in the private sector for the proof of the policies to be put to the test" (p.7).

It is four years since this statement was made which means that some of the privatised organisations have added some more years to their maturity and hence are more than ready to be evaluated.

The multiplicity of the objectives of privatisation makes it possible to evaluate it from several disciplines including Economics, Politics, Sociology, Industrial Relations and Psychology. The present study aims mainly at finding out whether privatisation has led to any changes in employee work attitudes, specifically, job satisfaction and organisational commitment. Improvement in employee work attitudes is purported to be one of the benefits that will accrue as a result of privatisation. This can be seen if one looks at some of the reasons that have been advanced for the introduction of privatisation.

Privatisation and Employee work attitudes

The poor performance of the nationalised industries has not been attributed to the workers and/or their managers. The problem is put explicitly by John Moore as:-

Why has these industries' performance been so disappointing? I do not believe that the industries' management and workers are at fault. They do their best but are faced with an impossible task. The odds are stacked against them. Not only are the industries constantly at risk from political and bureaucratic interference, the managers must at times wonder what it is they are supposed to be managing. Are the industries businesses or social services? Social and commercial objectives intertwine to the detriment of both. Tell any able manager to create and build up a prosperous efficient company and he will

know what to do. Tell him at the same time to carry out a host of non-commercial functions and he will get hopelessly muddled (Moore, 1983 p.6-7).

From the above, it appears that the manager faces three main problems; a) lack of autonomy to do his/her work, b) lack of goal 'crispness' (specific goals) which can lead to inability to assess performance and for that matter to obtain some clear feedback on performance, c) inability to use one's abilities as a result of dictation or interference from government officials.

In 1983, Moore put the problems resulting from these as:-

"It is no wonder that employees' morale is low and yet many able people work for and run the nationalised industries. It is institutional constraints and lack of motivation that conspire to blunt the overall performance" (Moore, 1983 p 11-12).

Privatisation is to release managers from the institutional constraints that have plagued public sector enterprises. It is also supposed to make it possible to link pay to success and to provide appropriate rewards to managers (Moore, 1983 p.11). Employee organisational commitment is thought to improve because with privatisation employees will have the chance to own shares in their organisations. Job satisfaction will, it is believed, improve with privatisation as it will lead to the removal of the institutional constraints that stifle employee morale in the nationalised industries.

The Government White Paper on the Privatisation of Water Authorities in England and Wales states that privatisation will benefit employees in the form of closer identification with their business, greater job satisfaction, better motivation and employee shareholding. The reasons why privatisation is believed to lead to improved employee job satisfaction and commitment have some theoretical as well as

empirical support. There is also some empirical evidence in support of the view that public employees have lower work attitudes than private sector employees. These will be reviewed in subsequent chapters. Autonomy, feedback, goal setting, ability to use ones skills and the investment one has in ones organisation all contribute to the individual's attitude and attachment to the organisation. It is in the light of this that the author has undertaken to investigate this issue of privatisation, employee job satisfaction and organisational commitment.

The author will however like to caution that this work is not on the process of privatisation per se and so has not included an elaborate discussion of the process of privatisation and the various technicalities involved. The author has also tried to steer clear of the two political positions on privatisation and has avoided any temptation to take sides on the issue. The interest the author has in this topic is purely as a result of its importance to the world at large, especially the author's country (Ghana) which, under pressure from international financial institutions is forced to privatise some of its State Owned Enterprises (SOEs). The topic will be of great interest to organisational psychologists since, over the years, attempts have been made towards finding the best way of motivating and involving employees in their organisations. There have been different emphases as to what is motivating to employees and how to go about improving employee satisfaction, motivation and commitment. The idea that privatisation will improve work attitudes of employees in public organisations adds to the techniques for improving employee attitudes that have been emphasised in the past. If the idea is supported, it will throw more light on what the antecedents of employee work attitudes are. It will only involve studying the differences in work and operating practices between private and public sector organisations to find what leads to better employee work attitudes.

Perhaps the appropriate starting point of a study such as this should be a brief discussion of both job satisfaction and organisational commitment to find out the theoretical basis for the argument that privatisation will lead to the improvement of these work attitudes.

Chapter 2

Job Satisfaction

Several research efforts have been directed towards the two concepts of job satisfaction and organisational commitment in recent years. Job satisfaction research has been growing steadily since the publication of Roethlisberger and Dicksons' (1939) *Management and the Worker* and the subsequent 'formation' of the Human Relations School. Literally, thousands of books, theses and articles have been written on job satisfaction (Vroom, 1964 p.99; Locke, 1976 p.1297; 1984 p.93). Several reviews incorporating several studies have also been published (Brayfield and Crockett, 1955; Herzberg et.al., 1957; Vroom, 1964; Locke, 1976; 1984; Griffin and Bateman, 1986). Interest in organisational commitment started just about a decade ago and for that matter has not seen as much research as job satisfaction. However, interest in organisational commitment is growing rapidly and research in the topic is increasing yearly with significant portions of empirical studies published in the field of Industrial and Organisational Psychology including organisational commitment as an independent, dependent or moderating variable (Griffin and Bateman, 1986 p. 157). The sheer volume of work on the two concepts of job satisfaction and organisational commitment, makes it impossible to review every study that has been conducted on the two concepts. In this chapter and the next, I intent to review the research evidence to date on the two concepts, depending largely on major reviews on the two concepts. Measurement of the two concepts will, however, be discussed under methodology which follows in a subsequent chapter. This chapter will look at the determinants and at least one theory of job

satisfaction in the hope of identifying some theoretical support for the view that privatisation will lead to higher job satisfaction.

Job Satisfaction

Job satisfaction is often referred to by several terms some of which are similar to but not the same as job satisfaction. Some of the terms encompass other terms while others are concepts in themselves. Job satisfaction is sometimes used interchangeably with job attitudes, positive job attitude meaning job satisfaction and negative job attitude meaning job dissatisfaction (Vroom, 1964 p.99). Whilst job satisfaction is an employee's attitude or feeling towards his or her present job, it is not the only attitude or feeling that an employee can have towards his/her job. Organisational commitment, identification, organisation involvement, alienation, central life interest, job perceptions are all forms of attitudes or feelings an employee can have towards his/her job (Mowday et.al., 1982; Buchanan, 1974; Dublin, 1956), so job satisfaction does not cover the whole gamut of job attitudes. Morale is another term that is often used synonymously with job satisfaction (Locke, 1976 p 1300; Vroom, 1964 p.99). Morale, though similar to job satisfaction, is also different from job satisfaction in some respects. Job satisfaction and morale both refer to positive affect of an employee to his/her job, but job satisfaction refers to an employee's feelings towards his/her present and/or past job while morale is future-oriented. Secondly, Locke delineates another difference between morale and job satisfaction. He argues that morale has a group referent, i.e. morale is based on a sense of common purpose and the belief that group goals can be attained and that these group goals are compatible with individual goals. Job satisfaction on the other hand is seen more as an appraisal made by a single individual of his/her job situation. These differences are derived from Viteles' (1953) definition of morale. Other definitions of morale have however equated job satisfaction and morale. Likert and Willits (1940) (cited in Vroom, 1964) have defined job morale as "an individual's mental attitude towards

all features of his job and towards all the people with whom he works". Guion (1958 p. 62) (also cited in Vroom, 1964) defines morale as the extent to which an individual's needs are satisfied and the extent to which the individual perceives that satisfaction as stemming from his total job situation. These definitions do not make reference to the future and the group components of morale. It seems that whatever differences exist between job satisfaction and morale depend on the definition of morale one uses.

Landy and Trumbo (1980 p. 387-388) equate job satisfaction with morale and quality of work life. To them quality of work life is only a new term for job satisfaction and morale. Quality of work life is used by them to connote an employee's feelings to his/her work just as the term quality of life refers to one's feelings to life generally. Hackman and Suttle (1977) distinguish between job satisfaction and quality of work life. They define quality of work life as "The degree to which members of a work organisation are able to satisfy important personal needs through their personal experiences in their organisations". They argue that quality of work life is different from job satisfaction in at least two respects. Firstly, quality of work life is an antecedent of job satisfaction, it is the forerunner of job satisfaction in the sense that job satisfaction is the result of the perception that one's job fulfills or allows the fulfillment of one's important job values (Locke, 1976 p.1307).

Secondly, a worker can be highly satisfied with his/her job without the job providing a high quality of work life. This means that job satisfaction is possible without quality of work life but quality of work life is likely to be always associated with job satisfaction. The differences between job satisfaction and quality of work life are very subtle. One obvious difference is that job satisfaction is very subjective, it is an emotion while quality of work life is more objective and

easier to quantify. Quality of work life is based more on the employee's perceptions than on his/her feelings. Two situations under which an employee can experience job satisfaction in a situation of low quality of work life are; when the employee has other means of satisfying his/her needs and secondly when the employee is simply interested in holding a job either for its own sake or when there is no other alternative. An employee who holds a job that does not satisfy his/her needs will eventually die unless he/she has other means of satisfying these needs since needs are necessities for survival.

Job satisfaction is generally conceptualised as a positive feeling towards one's job based on the evaluation of different aspects of the job (Wexley and Yukl, 1984 p.45). Locke (1976 p.1300) defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. It is usually conceptualised as the composite of several job dimensions of the individual's job though some measures of job satisfaction have been single questions asking for the respondent's overall feeling towards his/her job.

The job dimensions often used in assessing job satisfaction depend to a large extent on the purpose of the research. The researcher may be interested in only some aspects of the employee's job and not the job as a whole. In such a case it will be (and it is always the case) reasonable for the researcher to concentrate only on those job components of interest. In assessing facet satisfaction, most researchers have concentrated on the following job components; the work itself, Pay, Promotion, Recognition, Co-workers, Subordinates, Working conditions, Management and Supervision (Locke, 1976 p.1302; Locke, 1984 p.103-111; Vroom, 1964 p.105-174). Each of these facets have several dimensions which enable one to assess a global feeling of an employee to each of these job components. Satisfaction with pay may include satisfaction with weekly/monthly pay, benefits,

equity of pay, pay increases etc. The distinction made between satisfaction with the job as a whole and specific satisfaction (i.e. satisfaction with specific job dimensions) is based on the view that all attitudes can be viewed on several levels of abstraction ranging from an overall evaluation of the attitude object to very specific reactions to limited features of the object (Cook et.al., 1981 p.12-13). In assessing job satisfaction using the facet approach, each job dimension contributes an equal weight to the global satisfaction score which is simply arrived at by summing up the scores on the individual job dimensions. Job dimensions included in job satisfaction studies are often extracted by factor analysis.

Locke, (1976 p.1301) points out that these factor analytic studies have not been of much help in identifying appropriate job dimensions for assessing overall job satisfaction and in fact, he argues, these studies may even lead to the lumping together of dimensions that are conceptually different. This problem occurs because factor analysis depends on intercorrelations between items. Items that correlate highly are lumped together under one factor. The correlation between two items may stem from the fact that the two items are measuring the same thing in which case putting them together under the same factor will be justified. Locke (1976) argues that the fact that two items correlate statistically does not mean or prove that they are the same or are measuring the same thing. It only proves that the individuals in the sample are evaluating the two elements similarly. This may be because the individuals discriminate between the two items but appraise them the same way or that they do not discriminate between them and are answering as if the two were the same. In the latter case, classifying the items together will be wrong. Another problem with factor analysis is that whatever factors are arrived at depend upon the items that the researcher includes in his/her study. This situation has led to as many job dimensions or factor structures as there are studies.

Another problem with job dimensions studied under job satisfaction has to do with weighting the various job dimensions since each of these have different degrees of importance to each employee responding to the items. It has been argued that weighting the job facets will be redundant since every emotional response is believed to have two components; the discrepancy between what the individual wants and what he/she perceives himself/herself as getting and the importance of the value-object. This implies that the importance of the job dimensions are embedded in the evaluations made of them by the employee. Weighting these dimensions by their value importance will therefore be redundant (Locke, 1969; 1970; 1976; 1984). Attempts to weight specific job characteristics have been of little practical benefit; they have added little to the reliability or validity of job satisfaction measures (Locke, 1976 p.1305; Cook et.al., 1981). Weighting job dimensions will required finding the value hierarchy of each employee studied to be able to find the importance of each job dimension to the employee in order to be able to attach the appropriate weight to each job dimension. This procedure will complicate measures of job satisfaction unnecessarily since it will not improve measurement reliability and validity (Cook et.al., 1981 p.14).

Theories of Job Satisfaction

Job satisfaction research has generally been atheoretical (Griffin and Bateman, 1986 p. 159; Lawler, 1971; Schneider, 1985 p. 579). Data collection has outrun theory building in job satisfaction leading to a situation where mainly correlational studies concerned with the relationship between job satisfaction and several variables has become the main approach of job satisfaction studies. This approach has led to only a little understanding of the causes of job satisfaction in spite of the numerous studies that have been conducted on the concept. The sudden interest in job attitude following the Hawthorne studies led to the situation where interest in finding the determinants of job satisfaction was rushed without a similar interest in theory building.

There are three main theories of job satisfaction that concern themselves solely with the concept (Griffin and Bateman, 1986 p.159). These theories are Herzberg's (1959) two-factor theory of job satisfaction; Landy's (1978) opponent process theory and Salancik and Pfeffer's (1978) social information process theory of job satisfaction.

Apart from these three theories, there are others that seek to explain job satisfaction together with other concepts especially work motivation. Almost every theory of work motivation has an element of job satisfaction. Job dissatisfaction is considered in most work motivation theories as creating a state of uneasiness which the employee acts to reduce. Job satisfaction and motivation have been referred to by Schneider (1985 p. 578) as two concepts that confound each other. Among the theories that explain satisfaction and other variables are; the Job Characteristics theory (Hackman and Oldham, 1980); Equity theory (Adams, 1963); Discrepancy theory (Locke, 1969) and generally all need Satisfaction theories.

Of all the theories of job satisfaction, those that pertain solely to the concept and those that explain satisfaction and other concepts, the job characteristics model is more relevant to the present study than any of the others. The job characteristics model will be discussed briefly and empirical studies on the theory will also be reviewed. The relation of the job characteristics' model to the present study will be discussed later on.

The Job Characteristics Model

The job characteristics model derives from a study by Hackman and Oldham (1975) to find out what job characteristics influence employee satisfaction and motivation. Using their instrument for assessing job characteristics, the Job Diagnostic Survey, five job characteristics (referred to as core dimensions) were identified as the job characteristics that are most important in accounting for the motivation potential of a job. The main idea behind the model or theory is that

the five core dimensions (Task significance, Task identity, Skill variety, Autonomy and Feedback) lead to three psychological states which in turn lead to beneficial personal and work outcomes. Task identity, Skill variety and Task significance combine to give rise to the psychological state of experienced meaningfulness of work, while Autonomy and Feedback lead to experienced responsibility for outcome of work and knowledge of the actual results of the work activities (Hackman and Oldham, 1976 p.257). The psychological states in turn lead to High internal work motivation, High quality work performance, High satisfaction with the work and Low absenteeism and Turnover. Experienced meaningfulness of work is defined as the degree to which the individual experiences the job as one which is generally meaningful, valuable and worthwhile. Experienced Responsibility for work outcomes is also defined as the degree to which the individual feels personally accountable and responsible for the results of the work he or she does, while knowledge of results is defined as the degree to which the individual knows and understands, on a continuous basis, how effectively he or she is performing the job (Hackman and Oldham, 1976; 1980).

The five core dimensions are defined as follows: Skill variety refers to the degree to which a job requires a variety of different activities in carrying it out. Variety also involves the use of a number of different skills and talents of the person. Task identity is the degree to which the job requires the completion of a 'whole' and identifiable piece of work or doing a job from beginning to end with a visible outcome. Task significance is the degree to which the job has a substantial impact on the lives or work of other people, whether in the immediate organisation or in the external environment. Feedback and Autonomy are defined as the degree to which carrying out the work activities required by the job results in the individual obtaining direct and clear information about the effectiveness of his or her performance; and the degree to which the job provides substantial freedom, independence and discretion to the individual in scheduling the work and in

determining the procedures to be used in carrying it out respectively (Hackman and Oldham, 1976 p. 257-258).

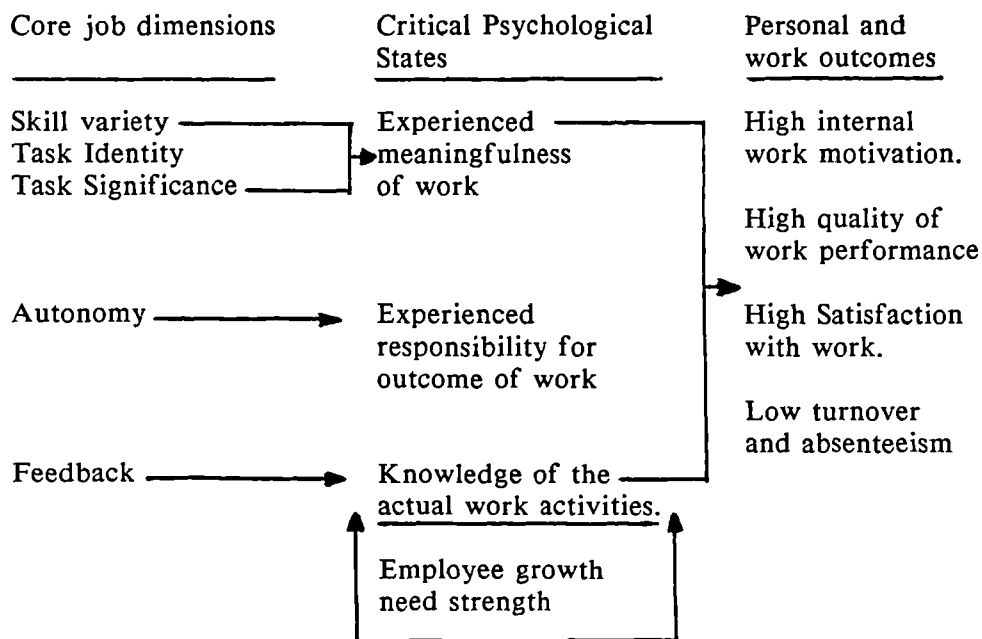
The theorists proposed that individual growth need strength mediates between job characteristics and personal and work outcomes at two points. First, growth need strength moderates the relationship between job characteristics and the psychological states and secondly, the relationship between the psychological states and outcome variables.

The overall potential for a job to prompt internal work motivation on the part of the employee is highest (according to Hackman and Oldham, 1976; 1980) when (a) the job is high on, at least, one of the three job dimensions that lead to experienced meaningfulness of work, (b) the job is high on autonomy, and (c) when the job is high on feedback.

Hackman and Oldham have devised a formula for calculating the motivating potential score of a job as:

$$\text{Motivating Potential (MPS)} = \left[\frac{\text{Task variety} + \text{Task identity} + \text{Task significance}}{3} \right] \times \text{Autonomy} \times \text{Feedback}$$

The formula demonstrates that Autonomy and Feedback are more important determinants of the motivating potential of a job than the three job characteristics that make for meaningfulness of the job. It follows that the two psychological states of responsibility and knowledge of results are very powerful determinants of job satisfaction and the other work outcomes that accrue from a job with a very high motivating potential score. The job characteristics model as portrayed by Hackman and Oldham is illustrated below.



The theory of job characteristics has given rise to a lot of research most of which have been supportive of the propositions of the theory.

The theory has been supported consistently with respect to job satisfaction (Locke and Henne, 1986 p.7). The five core dimensions and the three psychological states have been found to correlate significantly with job satisfaction. In a study by Hackman and Oldham (1976) the five core dimensions and the three psychological states correlated significantly ($P < .01$), with correlations ranging from .21 to .64. In a meta-analytic study by Loher et.al. (1985), 28 studies were analysed for the relationship between job characteristics and job satisfaction. The correlation between job satisfaction and the five core job dimensions was estimated to be .39 with a range of .32 (task identity) to .46 (autonomy) (p. 286-287). It was also found that none of the five core dimensions had a significantly higher correlation with job satisfaction than the others though out of the 28 studies autonomy was highly correlated with job satisfaction in 12 while feedback, skill

variety, task identity and task significance had higher correlations with job satisfaction in 4, 5, and 1 of the studies respectively.

The study also found that growth need strength (GNS) as postulated by Hackman and Oldham moderated the relationship between job satisfaction and job characteristics. The relationship between job characteristics and job satisfaction for employees with high GNS was .68 while that for employees with low GNS was .38 but the variance in the correlation for the high GNS group was almost eliminated after controlling for sampling error and measurement unreliability while the variance in the correlation between job satisfaction and job characteristics in the low GNS group remained unchanged. The researchers explained this difference between low GNS and high GNS employees by proposing that maybe certain variables that are less influential for persons high on GNS in terms of the relationship between job satisfaction and job characteristics come into play for persons who are low on growth need strength (Loher et. al., 1985 p.287). The presence of certain external situational characteristics may be necessary if the core job dimensions are to increase employee satisfaction (they argue).

The job characteristics model has however not found favour in the eyes of all researchers. Many researchers have been very critical of the model and the empirical evidence in its support. O'Brien, (1982) reviewing some correlational, longitudinal and (at least one) experimental studies on the Job Characteristics Model concluded that; (a) only two of the studies reviewed examined the relationship between perceived job characteristics and psychological states (The correlations reported, though positive and significant, were relatively small). (b) The moderating effects of the psychological states postulated in the model have not been properly tested. (c) The predicted relationship between psychological states and outcome measures is only weakly supported. (d) Direct manipulations of perceived job characteristics are associated with moderate changes in job satisfaction and internal motivation (O'Brien, 1982 p. 392-393). O'Brien (1982) finds the job

characteristics model to be deficient in several respects. He argues that it has only a weak support for its propositions relating to job satisfaction and intrinsic motivation; it has consistently failed to predict individual productivity and that job characteristics are not well defined neither are they independent. The theory is also said to omit important predictors of job satisfaction (p. 395-399).

In an earlier work, Roberts and Glick (1981) observed that the job characteristics model suffers from several theoretical, analytical and operational problems which spill over into empirical work in support of the model. Among the theoretical, analytical and operational problems of the job characteristics model delineated by Roberts and Glick are: failure of the proponents of the theory to differentiate between perceived job characteristics and objective job characteristics, inability of proponents to delineate job characteristics necessary for the motivation of employees low on GNS, lack of theoretical sophistication underlying the calculation of MPS, the neglect of important aspects of jobs (e.g. pay, security, social status, safety etc) that contribute towards employee satisfaction, and the common method variance as a common methodological problem relating to the measurement of the various components of the model.

Research on the job characteristics model was criticised by Roberts and Glick (1981) on two main points. First most studies are said to have concentrated on the main effects between job characteristics and job responses to the neglect of the moderating effect of the job incumbent's growth need strength. Research of this nature have been found to be supportive of the relationship between job characteristics and job responses but they cannot be said to be supportive of the job characteristics model because they do not test the theory in its entirety. Also the results of these studies seem to be as a result of the common method variance problem since the most supportive of these studies assessed both task characteristics and job responses perceptually thus yielding support for a within-person or cognitive consistency model (Roberts and Glick, 1981 p. 204). There has also been

very little attention paid to the question of changing jobs though this is the main focus of the job characteristics model. Roberts and Glick have also criticised the instruments used in measuring the concepts in the job characteristics model researches on several grounds including the appropriateness and comprehensiveness of the five core dimensions and the discriminant and convergent validities of the task dimension measures. The second set of criticisms centre around the point that most researches fail to differentiate among various (mainly three) kinds of relationships and that these relations are inappropriately considered as isomorphic in most researches though the main relationship of interest in such studies should be the person-situation relationship.

In a more recent meta-analytic study of studies on the job characteristics model, Fried and Ferris (1987) addressed the issue, that has been used by most critics of the JCM, that most of the available data in the area of job design cannot serve as a valid basis for assessing the objective characteristics of a job as well as a valid basis for evaluating the relationship between job characteristics and individual responses. This, it is argued, is so because job characteristics have usually been measured through the perceptions of job incumbents, and not through the use of more objective measures. This has led to concern over the construct validity of the self-report measures and the interpretation of the relationships between job characteristics and other variables of the JCM (Fried and Ferris, 1987 p. 289). Fried and Ferris found sufficient evidence to support the fact that objective job characteristics are significantly related to perceived job characteristics. Specifically the authors found sufficient evidence that objective manipulation of job characteristics leads to increased perception of the presence of the manipulated job characteristics by job incumbents. Studies that correlated job ratings of job incumbents and that of supervisors and peers found significantly high correlation between these two perceptions. These studies indicate that perceived job

characteristics by job incumbents are not as different from objective measures of job characteristics as the critics of the job characteristics model argue.

The reason perceived job characteristics are viewed to be different from objective job characteristics by the critics of JCM is that the job incumbent's view of the characteristics of his/her job is clouded by social cues and some demographic characteristics such as age, income, tenure, education etc. (Fried and Ferris, 1987 p.287). Most of the studies reviewed by Fried and Ferris showed no significant effect of social and personal influence on the job perceptions of job incumbents. The authors also found that several studies revealed that the relationship between perceived job characteristics and work outcomes and the relationship between objective job characteristics and work outcomes are not significantly different.

On the whole, Fried and Ferris' study of 200 studies on the job characteristics model was very supportive of the model. The JCM is of course not perfect and the proponents admit this (Hackman and Oldham, 1980 p. 95); but studies (at least some of them) conducted on the model indicate that the theory is a very promising one at least in terms of its prediction of job satisfaction if not of the other job outcomes. Evaluating some theories of organisational behaviour, Miner (1984), evaluated the Job characteristics model as highly valid. Locke and Henne (1986) have cautioned that Miner's statement referred to only the Job Satisfaction aspect of the theory but not to the other aspects of it. In this study, however, the Job Satisfaction aspect of the theory is what is necessary.

Determinants of Job Satisfaction

In spite of the numerous studies that have been conducted on job satisfaction, very little has been gained by way of understanding what the causes of job satisfaction are. This state of affairs is due to the fact that most studies on job satisfaction have concentrated on finding the relationship between job satisfaction and other variables through correlational studies (Griffin and Bateman, 1986, p. 160;

Locke, 1969; 1976). It is therefore impossible to talk about determinants of job satisfaction or causes of job satisfaction, one can talk instead about variables that have been found to be associated with job satisfaction. These variables can be broadly categorised into characteristics of the job situation and characteristics of the job incumbent (Wexley and Yukl, 1984). Locke (1976 p. 1319) has classified the casual factors of job satisfaction into events, conditions and agents. Events and conditions are similar to job characteristics while agents refer to the people, including the employee himself, who make the events happen.

Most of the job characteristics that have been studied as causal factors on job satisfaction include: the work itself, goal setting, reward systems, organisational characteristics, supervision (leadership), promotional opportunities, verbal recognition, working conditions, participation in decision making, company policies, management, co-workers and subordinates. On employee characteristics individual differences and employee demographic characteristics have been studied. Locke (1976) mentions the self as an area that has been neglected in the study of the 'causes' of job satisfaction. The various characteristics (both of the job incumbent and the job situation) mentioned above will be reviewed briefly in terms of studies that have been conducted on their effect on job satisfaction.

Perhaps the best way to review studies on the effect of the work itself on job satisfaction is to review studies on the job characteristics model. Work is generally viewed as satisfying when it is interesting and challenging (Locke, 1976; 1984; Herzberg, 1966; Herzberg et.al., 1959). The job characteristics model, as was discussed earlier, views jobs that are high on the five core dimensions as more satisfying than those low on the five core dimensions (Task identity, skill variety, task significance, autonomy and feedback). Reviews of research on the job characteristics model indicate that almost without fail job perceptions are always positively associated with job satisfaction (Griffin and Bateman, 1986; Locke and Henne, 1986; Fried and Ferris, 1987; O'Brien, 1982). Herzberg's (1959) monograph

was the first to call attention to the importance of job characteristics to job satisfaction. Though his theory of job satisfaction and motivation has not been supported and is not regarded these days as a viable model of job satisfaction and motivation (Griffin and Bateman, 1986 p. 159), there is no denying the fact that the job characteristics delineated by Herzberg and his colleagues through their research contribute to both job satisfaction and motivation. Apart from the five core dimensions delineated by Hackman and Oldham (1975) and Herzberg's (1959) advancement, recognition, responsibility, Locke's (1976) review of the literature reveals that opportunity for new learning, creativity, difficulty, non arbitrary pressure for performance and complexity are all job characteristics which contribute to job satisfaction. In sum, challenge and interest make a job potentially satisfying. It may however, be that interest is a stronger factor than challenge in making a job satisfying in that when one has an interesting job, one will try and find challenge. Usually one finds or chooses a job that suits one's interests before realising the challenge in the job. Mental challenge as a satisfying factor has a limit. If a job has too much challenge, it can be dissatisfying whilst the more interesting a job is, the more satisfying it will be to the incumbent.

Promotion is another factor that has been studied as one of the contributors to job satisfaction. It has different meanings to different employees; to some, it may mean a reward while to others it may mean recognition. Promotion is associated, oftentimes, with other forms of rewards e.g. higher salaries and benefits, higher power in the organisational hierarchy, increased responsibility and social status. One may desire promotion for any of the above rewards. However like other job factors, there are individual differences in the desire for promotion. Since promotion includes added responsibility, individuals who do not desire the added responsibility may not desire promotion (Locke, 1976 p. 1323). Employees are satisfied with promotions that are fair though fairness is not the only criterion by which they judge their satisfaction with promotion (Locke, 1984 p.107).

Employees also assess their satisfaction with promotional opportunities in terms of the frequency of occurrence (Locke, 1976; 1984) and on the probability of occurrence (Vroom, 1964 p. 153).

Pay is perhaps the most important job dimension that affects satisfaction. The main reason this is so is the fact that money is a means toward certain ends which the organisation may not be able to provide directly but which the individual may desire or ends which the organisation provides but the individual is not obtaining on his/her job. The problem with pay is that no one ever seems to have enough since people are always adjusting their consumption patterns to match their incomes (Wexley and Yukl, 1984).

In a review of studies on pay satisfaction, Lawler (1971) found that fairness of pay i.e. equity, is the major cause of pay dissatisfaction. Factors such as personal characteristics (education, skill, job performance, sex), job factors (job level) non monetary outcomes, social comparisons, amount of pay, perception of how pay is determined all contribute to pay satisfaction. The individual's needs and values also contribute to his/her satisfaction since this satisfaction will also depend upon how much the pay he/she receives satisfies his/her needs (Locke, 1976; 1984).

Supervision and management behaviour have been found to influence employee job satisfaction (Locke, 1976; 1984; Griffin and Bateman, 1986; Wexley and Yukl, 1984; Vroom, 1964). Locke attributes the importance of supervisors and managers on employee satisfaction to the fact that they (supervisors and managers) are the agents who are responsible for most of the events and conditions on the job which affect job satisfaction. Perhaps the most potent supervisory behaviour that affects employee satisfaction is consideration. Wexley and Yukl (1984) argue that people are liked if they are considerate whether or not they are supervisors. Locke (1976), however, sees the worker-supervisor entity as falling into two main types; Functional and Entity relations. A functional relationship is where two or more

people form a relationship as a means to an end and each person is valued in terms of what he/she can do for the other rather than as an end in him/herself. In an entity relation, people engage in this type of relationship because they like each other as ends in themselves rather than as means to ends. According to Locke, both types of relationships play a role in determining the degree of attraction between the supervisor and the employee. In the functional relationship between worker and supervisor, the supervisor serves as a value facilitator in that he/she helps the worker to obtain both task related values and also rewards for task performance. Entity relationships between supervisor and employee can be facilitated by consideration. There is the tendency for entity relationship to produce a halo effect which makes the supervisor to be seen as functionally valuable. Studies on supervisor task oriented behaviour have not been as consistent as studies on consideration (Yukl, 1971; Kerr et.al., 1974). Griffin and Bateman (1986) however see consistency in the results of studies on both consideration and initiating structure. Most studies reported by the two authors find consistently positive relationship between consideration, initiating structure and job satisfaction. The apparent inconsistencies in the results of studies on satisfaction and initiating structure are attributed to employee differences in employee preferences for task-oriented behaviour.

Another supervisory behaviour that has been found to be significantly related to employee satisfaction is the degree to which the supervisor allows employees to participate in decision making. Research has yielded fairly consistent findings on the relationship of participation in decision making and job satisfaction (Griffin and Bateman, 1986 p. 163).

In a review on the individual and organisational variables related to job satisfaction, Locke and Henne (1986) identified: racial differences, sex differences, rural versus urban background, worker alienation and job quality, Union membership, Volunteer versus Non-volunteer work, Self-esteem and attributions

about the job, Autonomy, role ambiguity, role conflict, and organisational level, Job tensions, Self-rated performance, realistic expectations, value importance and (finally) flexible working hours. Griffin and Bateman (1986) also reviewing studies on individual differences in Job Satisfaction observed that; first demographic variables such as sex and race play little role in job satisfaction and that even when relationships are found, such differences are more likely to be attributed to differences in opportunities and experiences. Second, certain personality differences, such as self-esteem and need for achievement, appear to play a stronger role in job satisfaction. Lastly, that emerging research relating job satisfaction to such things as expectations and values seem to hold considerable promise for future research.

The factors identified above show the complexity of the determinants of job satisfaction. Researchers have correlated the concept with almost all the organisational and personal characteristics imaginable. Unless some means are used to find out the more important correlates of job satisfaction, the list of correlates will be as unwieldy as to be of any use in our understanding of the causes of job satisfaction. Perhaps more longitudinal and experimental studies may be of some help in this direction.

Having looked at (at least) one theory of job satisfaction and some of the 'determinants' of job satisfaction, the question now is, is there any theoretical evidence in support of the view that privatisation will lead to improved employee job satisfaction? This issue is deferred until the end of the next chapter which reviews the determinants and at least one theory or organisational commitment. Some effort will then be made to link the reasons advanced by popular opinions of policy makers that privatisation will lead to improved job satisfaction to the theoretical evidence available.

CHAPTER 3

Organisational Commitment

Organisational commitment is perhaps the most heavily researched topic in industrial and organisational psychology, second only to job satisfaction. Just a little over ten years old (as a distinct entity for empirical enquiry) the concept of organisational commitment is included in a significant proportion of empirical articles published in the field of industrial and organisational psychology each year as an independent, dependent or moderating variable (Griffin and Bateman, 1986 p.157). Interest in organisational commitment has also been expressed in both effort to explain the concept and also in empirical studies to determine the antecedents and consequences of the same (Mowday et.al., 1979 p. 224). The popularity of the concept among researchers stems from the fact that it has important consequences for employees, organisations and society at large (Mowday et.al., 1982 p. 3-7). The concept is also helpful in our understanding of other forms of organisational behaviour. Organisational commitment, unlike job satisfaction is theory based and this may account , in part, for its popularity (Griffin and Bateman, 1986). It has been suggested that the attention organisational commitment is receiving at the moment is also due to the fact that it is thought to be a more stable indicator of organisational behaviour and not subject to the same daily fluctuations as job satisfaction (Chelte and Tausky, 1986 p. 554).

In spite of its popularity, there seems to be very little agreement on what the concept really means. Morrow (1983, p. 487) has identified five

conceptualisations of work commitment (with a sixth which combines some of the five main forms of work commitment). Between them, the six concepts of work commitment have generated about thirty definitions of work commitment with organisational commitment (one of the six concepts of work commitment) having about four definitions.

Mowday et.al., (1982 p. 20-21) have also identified about ten somewhat overlapping definitions of organisational commitment thereby increasing the confusion surrounding the definition of the concept. Efforts towards clarifying the confusion surrounding the definition of organisational commitment have led to several typologies into which the various definitions may be classified. These typologies have been less helpful because the number of typologies differ with each proponent. Mowday et.al., (1982 p. 21-36) have discussed the typologies of Etzioni (1961), Kanter (1968), Staw (1977) and Salancik (1977). The typologies and definitions of organisational commitment seem to fall within three groups. There are those that consider organisational commitment as an attitude, those which consider it as a behaviour and those which consider it as a combination of the two. Examples of the behavioural definitions of organisational commitment are those of Becker (1960; 1964), Salancik (1977) and Hrebiniak and Alutto (1972).

Becker (1964 p.49) defines commitment as :-

"we say a person is committed when we observe him pursuing a consistent line of activity in a sequence of varied situations".

This consistent behaviour, according to Becker, results from the committed person acting in such a way as to involve other interests of his/her (side bets) originally extraneous to the action he/she is engaged in, directly in that action (Becker, 1960 p. 35).

Salancik (1977 p.64) defines commitment as:-

"Commitment comes about when an individual is bound to his acts
the individual has identified himself with a particular behaviour".

Four characteristics of behavioural acts (according to Salancik) make them committing or binding. These are : the explicitness of the behaviour, the revocability or reversibility of the behaviour, the degree of volition involved in engaging in the behaviour and the publicity of the behaviour.

The second group of definitions which represents the combination of behavioural and attitudinal dimensions is typified by Mowday et. al's (1979 p. 226; 1982 p. 27) definition of the concept as; "the relative strength of an individual's identification with and involvement in a particular organisation. Conceptually, it can be characterised by at least three factors : a) a strong belief in and acceptance of the organisation's goals and values; b) a willingness to exert considerable effort on behalf of the organisation; and c) a strong desire to maintain membership in the organisation". Porter et. al's (1974) definition of organisational commitment also conceptualised it in terms of the three characteristics listed above. Buchanan's (1974, p. 533; 1975, p. 68) definition which is considered as an attitudinal definition of commitment (Morrow, 1983 p. 487) also conceptualises organisational commitment in terms of identification with the organisation's goals and values; a feeling of immersion or involvement in organisational duties and a feeling of loyalty and affection for the organisation as a place to live and work (Buchanan, 1975 p. 68). DeCotiis and Summers (1987 p. 446) have argued that involvement (willingness to act on behalf of the organisation) and loyalty (desire to stay in the organisation) should be considered as behavioural consequences of commitment rather than as components of commitment. If definitions of commitment include behavioural components

then the definitions cannot be considered as only attitudinal but rather as a combination of both attitudes and behaviours.

Attitudinal definitions of organisational commitment limit themselves to the feeling of attachment and the internalisation of organisational goals and values. DeCotiis and Summers (1987 p. 447) define organisational commitment as "the extent to which an individual accepts and internalises the goals and values of an organisation and views his/her organisational role in terms of its contributions to those goals and values, apart from any personal instrumentalities that may attend his or her contribution". Weiner (1982 p. 421) defines organisational commitment as "the totality of internalised normative pressures to act in a way that meets organisational goals and interest". One distinctive feature of attitudinal commitment is that it is seen as different from any commitment (behavioural commitment) evolving from an exchange relationship. Scholl (1981) distinguishes commitment from the basic tenets of expectancy theory and motivation generally in which an individual behaves in a certain fashion because of its associated rewards. Though Weiner (1982) views calculative commitment and attitudinal commitment as distinct and additive contributors to intention and behaviours, he suggests that only normative or attitudinal commitment should be considered as commitment (Griffin and Bateman, 1986 p. 168).

Buchanan, though considered as in the attitudinal school, has cautioned that organisational commitment should not be misconceived as an Orwellian device for subverting individuality in the service of the corporate organisation but rather as an exchange relationship which advances the interests of the individual as he/she develops the patterns of his/her work life just as surely as it furthers the ends of the organisation. If organisational commitment is viewed as the strict 'attitudinal school' views it then it cannot be seen as anything else but the

Orwellian device that Buchanan says it is not. Workers then will question (and rightly of course) the utility of organisational commitment to them much as managers have questioned the utility of job satisfaction to them. Scholl (1981 p.593) sees the utility of commitment as "a stabilising force that acts to maintain behavioural direction when expectancy/equity conditions are not met and do not function". Thus commitment serves to minimise the dysfunctional effects of short-term idiosyncratic behaviour on the part of the organisation towards an individual employee (DeCotiis and Summers, 1987 p. 457). In this sense, organisational commitment can be seen to be as transient as job satisfaction in the sense that fewer employees, if any, will continue to be committed to an organisation that consistently fails to meet their needs or values. Commitment as seen by the attitudinal school can only develop among employees of voluntary organisations or in situations where the organisation has been able to provide the individual's needs and values in the past. Even in this case, such commitment is bound to be temporary. Calculative and moral (attitudinal) commitment can be seen as interrelated with attitudinal commitment being an outcome of calculative commitment.

Concerning the relationship between behavioural and attitudinal commitments, Mowday et.al. (1982 p. 46-48) have argued that instead of viewing the causal arrow between committing attitudes and behaviours as pointing in one direction or the other it is more useful to consider the two as reciprocally related over time. It is equally reasonable to assume, they argue, that a) committing attitudes lead to committing behaviours which subsequently reinforce and strengthen attitudes; and b) committing behaviours lead to committing attitudes and subsequent committing behaviours. The authors however note the difficulty of where to begin a discussion of the process of the development of commitment; whether to begin from behaviours or to begin from committing attitudes.

In the current study, organisational commitment will be conceptualised as an attitude for at least two main reasons. First, there is a difficulty in assessing committing behaviours. A behaviour may serve several motives or purposes one of which may or may not be commitment. It is difficult to tease out the effect of commitment on a behaviour apart from the other numerous factors that may affect the same behaviour. Secondly, privatisation has been viewed as leading more to attitudinal commitment (identification with the organisation's goals and values) rather than to behavioural commitment. Since this study is on the effect of privatisation on commitment and job satisfaction, it is only logical that commitment be conceptualised as an attitude. Commitment will also be viewed as developing from an exchange relationship in which the individual gives off valuable inputs into the organisational effort in the hope of obtaining something in return. Privatisation is believed to lead to organisational commitment because employees are allowed to own shares in their organisations. In order to earn higher dividends on their shares, employees will commit themselves to the goals and values of their organisations, expending considerable effort towards the organisation's goal (profits).

In the light of the above, Mowday et.al's (1979; 1982) definition is adopted in this study. They define organisational commitment as "the relative strength of an individual's identification with and involvement in a particular organisation (p. 226). It consists of; a) a strong belief in and acceptance of the organisation's goals and values; b) a willingness to exert considerable effort on behalf of the organisation and c) a strong desire to maintain membership in the organisation (these are referred to as the identification, involvement and loyalty components of commitment). This definition of attitudinal commitment show that commitment is a dynamic attitude rather than passive.

Organisational Commitment and Job Satisfaction

Several differences between job satisfaction and organisational commitment have been identified by Mowday et.al. (1979; 1982). First, when viewed as an attitude, commitment is said to differ from job satisfaction in the sense that job satisfaction is more restrictive, it refers or reflects one's affective response to one's job or certain aspects of one's job. Organisational commitment on the other hand is said to be more global, reflecting a general affective response to the organisation as a whole.

Secondly, organisational commitment is said to be a more stable indicator of organisational behaviour and not subject to the same daily fluctuations as job satisfaction (Chelte and Tausky, 1986 p. 555). DeCotiis and Summers (1987, p. 455) have conceptualised a casual relationship between job satisfaction and organisational commitment with job satisfaction being the cause rather than the effect of organisational commitment. They argue that while satisfaction and commitment are each a function of the correspondence between individual expectations and organisational reality, satisfaction is the more immediate consequence of one's perception of the correspondence.

In a study to test their model of the antecedents and consequences of organisational commitment, DeCotiis and Summers (1987) found (by Path analysis) satisfaction with co-workers, hours worked and the job in general to be determinants of commitment. They, however, found job satisfaction to be a better predictor of turnover than organisational commitment.

Mottaz (1987, p. 543) adds two more differences to the list of differences between job satisfaction and organisational commitment. He notes that while job satisfaction is concerned with the degree to which an individual likes or is

happy with his/her job, organisational commitment refers to the degree of attachment or loyalty to the organisation. Secondly, job satisfaction is noted to be present oriented while organisational commitment is future oriented (at least in part). Mottaz (1987, p. 551) found a reciprocal relationship between job satisfaction and organisational commitment though job satisfaction was found to be a stronger predictor of organisational commitment (explaining about 42% of the variance in commitment while commitment explained only 4% of the variance in job satisfaction). He also found job satisfaction to be greatly affected by work rewards with intrinsic rewards having the strongest effect, followed by extrinsic, social and organisational rewards. Organisational commitment was however found to be indirectly affected by organisational rewards through job satisfaction though it was found to be directly affected by intrinsic rewards and extrinsic social rewards (Mottaz, 1987 p. 551).

Rusbult and Farrell (1983 p. 437) found job satisfaction and organisational commitment to be affected largely by job rewards and job costs. Greater job rewards were found by Rusbult and Farrell (1983) and Farrell and Rusbult (1981) to enhance job satisfaction and organisation commitment while lower job costs did the same. Organisational commitment, however, was found to be affected by other factors as alternative value and investment size. The two variables (job satisfaction and organisational commitment) are both considered (at least by some) as attitudes and they both are empirically related with several conceptual overlaps between them.

The differences between job satisfaction and organisational commitment are only by degrees rather than in an absolute sense. The consequences of both variables and their antecedents are the same only that organisational commitment seems to be a more stable and stronger predictor of some of the outcomes than

job satisfaction (Farrell and Rusbult, 1981 p. 89; Chelte and Tausky, 1986 p. 555). Perhaps one major difference between the two concepts is that job satisfaction is more pro-employees while organisational commitment is pro-management (Buchanan, 1974 p. 71; Lawler, 1976) hence the call by some for quality of work life to be legislated (Lawler, 1976). In view of their differential effects on organisational behaviour and the immediacy of job satisfaction which seems to develop earlier than organisational commitment, it will be valuable to study the two concepts separately. Job satisfaction serves a diagnostic purpose which enables problems on the job to be identified and remedied. organisational commitment, given the current instruments for its measurement, is of less diagnostic value than job satisfaction. Organisational commitment measures fail to identify what specific aspects of organisations are less or more committing the way job satisfaction measures are able to identify the job aspects that are creating problems of satisfaction.

Theories of Commitment

The most well known and perhaps the only theory of commitment is Becker's (1960; 1964) side bet theory. Becker (1960) bemoans the fact that in spite of its wide usage, the concept of commitment has received little formal analysis and that little attempt has been made to explain or examine its character and credentials. Commitment, which he defines as consistent behaviour, has at least three main characteristics. First commitment persists over time, secondly, it is goal directed and thirdly the committed persons rejects other attractive alternatives.

According to Becker, several sociological explanations of consistent behaviour have been inadequate in explaining commitment fully and unequivocally. One such explanation discussed by Becker (1960) is social control and social sanctions.

The explanation of social sanctions and control assume that people engage in consistent behaviour because society has rules regarding right and proper behaviour and that certain behaviours which are regarded as proper are encouraged by social approval and reward while socially improper behaviours are accompanied by social sanctions. People behave consistently because, according to the social control explanations, it is morally wrong and practically inexpedient or both to do otherwise (Becker, 1960 p. 33). According to Becker (1960) the Social Control and Sanctions explanation fails to account for consistently deviant behaviour.

Other explanations of consistent behaviour discussed by Becker are the presumption that society has universally acceptable cultural values which inform and constrain behaviour and the psychoanalytic explanation that people engage in consistent behaviour because they have stable structure of personal needs. These two explanations have their drawbacks (according to Becker). For instance, Becker asks, what are the basic values of society? How do the values so conceived affect behaviour? The use of needs to explain consistent behaviour is unattractive because of the difficulty of observing needs and measuring them.

Becker (1960; 1964) has proposed a new theory (explanation of commitment) based on the idea of 'side bets'. Simply put, the theory explains that people engage in consistent behaviour because they involve or invest things of value to them (these things were originally extraneous to the behaviour they are engaged in) in being consistent in their present behaviour. Having invested things of value in the consistent behaviour, it becomes expensive for the actor or actors to behave otherwise since doing so will cost the actor his/her investments.

Becker (1960 p. 35-36) notes three main elements of commitment. First he notes that the individual (who is exhibiting the commitment behaviour) is in a

position in which his/her decision with regard to some particular line of action has consequences for other interests and activities not necessarily related to this particular line of action. Secondly, the individual places himself/herself in the first position by his/her own prior actions. Becker explains however that commitments are not always conscious and deliberate. Some are made consciously but others are not deliberate decisions. The individual finds out that he/she has committed him/herself only at some point of change and seems to have made the commitment without realising it. Thirdly, he notes that the individual must be aware that he/she has made a side bet and must be aware that these side bets will have consequences beyond the decision to make them. Whenever commitment is used as an explanation of consistent behaviour (Becker argues) one must be able to make independent observations of the three elements mentioned above, i.e. prior actions of the person staking some originally extraneous interest on his/her following a consistent line of activity; a recognition by the person of the involvement of this originally extraneous interest on his/her present activity, and finally the resulting consistent behaviour or line of activity.

Four main situations that can lead to commitment have been discussed by Becker. These are what he terms, a) generalised cultural expectations, b) impersonal bureaucratic arrangements, c) individual adjustment to social positions and d) face-to-face interactions. The two most relevant situations (of the four listed above) to organisational settings are perhaps, the impersonal bureaucratic arrangements and individual adjustments to social positions. Certain bureaucratic arrangements sometimes automatically make side bets for the employee without his/her knowing (or sometimes with his/her knowledge). The most common example, the one cited by Becker, is the linking of pension or retirement fund to tenure in a work organisation. Most pension plans are not

transferable in which case leaving an organisation can lead to the loss of one's whole retirement benefits. Employees make other side bets including seniority, promotional opportunities, friendships and, of late, financial investments in their work organisations. These side bets in turn commit the employee to a consistent line of activity beneficial to the organisation. The process of individual adjustment to social positions can lead to employee commitment to their organisations in that employees, in adjusting to their work environment may acquire specialised skills that will make it impossible for them to move to other organisations. As mentioned above, Becker (1960, p 38) notes that commitment is not always consciously made. What he terms commitment by default is said to result from a series of side bets which in themselves are not very important but taken together constitute such magnitude that the actor does not want to lose them. Secondly, he notes that decisions with side bets are more committing than those without side bets. Decisions without side bets (according to Becker) lack staying power, they crumble under the weight of opposition or they fade away to be replaced by other essentially meaningless decisions until a commitment based on side bets stabilises the behaviour (p. 38). Commitment may also be based on several side bets instead of a single side bet. Commitment is also noted to arise from side bets only if the side bets are valuable to the actor, nothing can be used as a side bet (some form of a reinforcer) unless it is valuable to the actor.

Though the side bet theory was proposed as a theory of consistent behaviour generally, it has received a lot of research attention in industrial and organisational psychology as an explanation to organisational commitment. The results of research on the side bet theory have been generally supportive though there have been some studies that have not been favourable to the theory (Griffin and Bateman, 1986 p. 168). Studies of organisational commitment and those testing the side bet theory have been mainly correlational in nature,

measures of commitment are correlated with a number of side bets and the results are taken as supportive or otherwise of the theory.

In a study by Alutto et.al. (1973) organisational commitment was found to be significantly associated with age (older people were found to be more committed than younger people), years of total experience in one's organisation was also found to be significantly related to organisational commitment, with number of total experience being positively related to organisational commitment. Marital status and sex were both found to be significantly related to organisational commitment; females and married employees being more committed than single and male employees. Age and years of experience (which are often related significantly) are often associated with other side bets as seniority, promotion, financial reward and friendships all of which are inducements to commitment. Marital status is said to affect commitment because singles or unattached individuals are thought to have fewer extra organisational responsibilities, resulting in a decrease in the salience of organisational side bets or investments (Alutto et. al., 1973 p. 452). The obverse however may also be true in the sense that if an individual has fewer extra organisational commitments he/she is likely to put more commitment into his/her organisation thus compensating for the lack of commitment outside the organisation. The above variables are said to be side bets or lead to valuable side bets being made by the employee in his/her organisation.

A proposition similar to Becker's side bet theory has been put forward by Farrell and Rusbult (1981) and Rusbult and Farrell (1983). The investment model of Rusbult and Farrell views job commitment as a function of rewards, costs, investments and alternatives. Job commitment is defined as the degree of intention to stay with a job. In an experimental study, Farrell and Rusbult

(1981) found organisational commitment to be significantly related to reward value, cost value, alternative value and investment size. A field study by the authors also confirmed the investment model. Job commitment was found to be significantly related to investment size. In a longitudinal study, Rusbult and Farrell found investments to be significantly related to organisational commitment with the size of the relationship increasing over time (Rusbult and Farrell, 1983 p. 433).

Several studies have found significant relationships between organisational commitment and tenure (see review below). If tenure is considered as a valuable side bet, then such studies that have found significant relationships between organisational commitment and tenure are all in support of the side bet or investment theory. Studies that have found significant relationship between tenure and commitment have however, failed to control for other factors associated with tenure, e.g. pensions and retirement funds, seniority, promotion, lack of alternatives, specialisation of skills etc. This makes it difficult to know whether tenure per se is the cause of the relationship or the other factors associated with tenure. One side bet or investment that has received considerable research attention is financial investment in the form of share ownership. The studies on share ownership and employee commitment and work attitudes generally will be reviewed in Chapter five.

The side bet theory has not always been supported by research data. Ritzer and Trice (1969) found no significant relationships between organisational commitment and age, education, marital status and number of children. There were significant relationships, however, between organisational commitment and one of what the authors referred to as mobility rates, i.e. rate of inter-company change (similar to alternatives). Ritzer and Trice (1969 p. 477-478) concluded

that "the side bet theory of commitment should be rejected since few of the variables which should correlate with commitment do in fact correlate significantly"! They propose that organisational commitment is basically "a residual category" which seems to arise only when the occupation has no really meaningful base to which one may commit oneself. The less subjectively meaningful the occupation, they argue, the more difficult it is for anyone to commit him/herself to it and the more likely one is to commit oneself to his/her organisation.

Alutto et.al. (1973 p. 448) have attributed the results of Ritzer and Trice's (1969) study to the insensitivity of their measurement tool. In a study with a modified version of Ritzer and Trice's questionnaire, Alutto et.al. (1973) found significant relationships between organisational commitment, age, years of total experience in the organisation (tenure), marital status, and intention to seek advanced degree (education). Alutto et.al. concluded that organisational commitment cannot be understood as a social-psychological phenomenon, contrary to the conclusion reached by Ritzer and Trice. Rather, commitment to organisations and occupations appear to have important structural concomitants which must be taken into account (Alutto et.al., 1973 p. 453). The reason most of the variables studied by Ritzer and Trice did not have any significant association with organisational commitment may be due to the fact that most of the variables are not side bets themselves but are assumed to be associated with valuable side bets. Ritzer and Trice (1969 p. 476), for example, argue that a married man has greater responsibilities and therefore will be less willing to leave or lose his investments in the employing organisation. While this may be true, the fact that the married man has other commitments (e.g. to family) can lead to less commitment to the organisation. The argument also that the less educated one is, the fewer the career opportunities open to him/her does not always hold

true. One can limit one's career opportunities by being too educated. Where employing organisations are not in a position to pay higher salaries (as in some third world countries) one becomes unemployable when one becomes too educated. On the other hand, where a lot of people are highly educated, the less educated person will have lots of jobs to choose from since there will be fewer competitors for lower level jobs. The ability to find significant relationships between organisational commitment and variables proposed by Ritzer and Trice will depend upon the validity of the assumption that the variables are significantly correlated with significant investments or side bets.

Meyer and Allen (1984 p. 374) have argued against the use of age and tenure as side bets. They argue that age and tenure are not particularly good indexes of accumulated investments. Even if investments do increase with age and tenure (they argue), they are confounded by other age and tenure related variables. It cannot be taken for granted therefore that correlations with age and tenure reflect a relationship with accumulated investments. The correlations observed between age, tenure and commitment (according to Meyer and Allen) are open to several alternative explanations one being lack of alternatives open to older and long tenured employees. With age, one's chances of getting other employment become limited thereby forcing one to stay with one's employing organisation. Meyer and Allen (1984) have also criticised the commitment instruments used in testing the side bet theory. They argue that the instruments used by Ritzer and Trice (1969) and Alutto et.al. (1973) actually measure affective or attitudinal commitment rather than calculative or continuance commitment. In two studies to test this proposition, Meyer and Allen found highly significant correlations between the commitment measure that has been used to test the side bet theory and their measure of attitudinal commitment. The instruments used in testing the side bet theory also correlated significantly

with Meyer and Allen's measure of continuance or calculative commitment though the correlations were not as high as those between Meyer and Allen's attitudinal commitment measure. In a second study, Meyer and Allen (1984) found significant correlations between age, tenure, and Ritzer and Trice's (1969) and Alutto et. al's (1973) measures of commitment. Age and tenure did not correlate significantly with Meyer and Allen's measure of continuance or calculative commitment (Meyer and Allen, 1984 p.337). This finding is taken as evidence that age and tenure are associated with attitudinal commitment but not with calculative or continuance commitment as proposed by Becker.

Meyer and Allen's findings do not rule out the possibility that the relationship they found between age, tenure and attitudinal commitment could be as a result of side bets since they did not control for side bets often associated with age and tenure. They caution however that these findings are not to suggest that Becker's theory is wrong but that in order to test the side bet theory, a commitment measure must be used which is in consonance with Becker's conceptualisation of organisational commitment (Meyer and Allen, 1984 p. 377). They also suggest that researchers testing the side bet theory should use measures that directly assess the individual's perceptions regarding the number and magnitude of the side bets they have made.

The side bet theory explains only calculative commitment, it does not explain attitudinal commitment. The theory is likely to be seen by proponents of commitment as an attitude as an inadequate explanation of organisational commitment or it may be seen as no explanation of commitment at all. As mentioned above, the side bet theory is most appropriate for this study since the main argument for privatisation is that if employees are allowed to own shares in their organisations, they will be more committed to their employing organisations.

Several studies have been conducted on this issue. The studies on share ownership and commitment can be regarded as tests of the side bet theory only that the studies have more objective measures of side bets than the others using age, tenure etc. Studies of the effects of share ownership on organisational commitment will be discussed in chapter five.

Antecedents of Organisational Commitment

Two recent reviews of the literature on the antecedents of organisational commitment have identified several variables as being associated significantly with the concept. Unfortunately, like job satisfaction, studies of the antecedents of commitment have been mainly correlational and have been of little help in our understanding of the causal relationship between these variables and organisational commitment.

This section will draw heavily from the two recent reviews of the antecedents of organisational commitment by Griffin and Bateman (1986) and Mowday et.al. (1982) though individual studies will be cited where necessary.

Steers (1977 p. 47) has suggested that antecedents of organisational commitment fall into three main categories, i.e., personal characteristics, job characteristics and work experience. In a later research, Morris and Steers (1980) suggested the addition of a fourth group of antecedents, structural characteristics. Steers (1977 p. 47) defines the personal characteristics as those variables which define the individual. Among such variables, age and tenure have been found to be consistently related to organisational commitment (see Mowday et.al., 1982 p. 29; Griffin and Bateman, 1986 p. 172-173). Age and tenure are positively related to organisational commitment for at least two possible reasons. Tenure and age (which are both related) may be associated with valuable investments in the employing organisation and these investments

may be the actual cause of the relationship between the two variables and organisational commitment (Hrebiniak and Alutto, 1972 p. 562; Becker, 1960). Secondly, time itself may be an investment and for that matter, the mere length of time spent in the organisation is significantly related to organisational commitment. A third possible explanation of the relationship between tenure, age and commitment is that as an individual grows older, his/her attractiveness to other organisations reduces thereby reducing the number of alternatives open to him/her. This situation leads to the enhancement of the attractiveness of the current employing organisation (Hrebiniak and Alutto, 1972 p. 451; Farrell and Rusbult, 1981 p. 91; Angle and Perry, 1981 p. 7; Mowday et. al., 1982 p. 30; Meyer and Allen, 1984 p. 377).

Sex has also been found to be significantly related to organisational commitment. In most cases, females have been found to be more committed than males (Angle and Perry, 1981 p. 7; Hrebiniak and Alutto, 1972 p. 563; Alutto et.al., 1973 p. 452; Mowday et.al., 1982 p. 31; Griffin and Bateman, 1986 p. 173). The difference between males and females in organisational commitment has been explained by the fact that women generally have to overcome more barriers to attain positions in their organisations thereby making organisational membership more important to them (Mowday et.al., 1982 p. 31). It is also possible that the difference between males and females is due to the fact that females enjoy less interorganisational mobility than males and therefore tend to become restricted to their present organisations (Steers, 1977 p. 7). Two recent studies (DeCotiis and Summers, 1987 p 459; Chelte and Tausky, 1986 p. 556-559) did not find support for the male/female differences in organisational commitment. Alvi and Ahmed (1987 p. 278) found support for the male/female differences while finding also a negative relationship between age and organisational commitment.

Education has been found in most studies to be negatively related to organisational commitment (Angle and Perry, 1981 p. 7; Alvi and Ahmed, 1987 p. 276; Mowday et.al., 1982 p. 30; Chelte and Tausky, 1986 p. 558; Steers, 1977 p. 53). The negative relationship has been attributed to the possible reason that more highly educated individuals have higher expectations which the organisations may not be able to fulfill (Mowday et.al., 1982 p. 30). More educated people, it has been suggested, may be more committed to a profession or trade, making it difficult for the organisation to compete for the psychological involvement of such members (Alutto et.al., 1973 p. 453). It has also been suggested that the lower one's education, the more limited are alternatives open to him/her and therefore restricts him/her to the employing organisation (Angle and Perry, 1981 p. 7). The direction (negative) of the relationship between commitment and education has not been entirely consistent (Mowday et.al., 1982 p. 30). DeCotiis and Summers (1987 p. 459) found a positive correlation between education and commitment, though this was not significant. Mottaz (1987 p. 550) did not find a significant relationship between commitment and education though the relationship was positive. Positive correlations are possible between commitment and education in some situations, for example, where higher education leads to specialisation of knowledge and skill, one may become attached to the organisation which has use for his/her specialised skill. In some situations (e.g. in third world countries) too much education can make one unemployable in the sense that organisations may not be in a position to provide the appropriate remuneration (financial) that his/her position deserves. In such a situation the individual cannot help but be committed to any organisation he/she may be lucky enough to be employed by.

Marital status has also been found to be significantly related to organisational commitment with married individuals being more committed than singles (Alutto

et.al., 1973 p. 452). It is argued that a married person has greater responsibilities and is therefore less willing to lose his/her investments in the employing organisation (Ritzer and Trice, 1969 p. 476). Several studies have however not found any significant relationship between organisational commitment and marital status (Mottaz, 1987 p. 550; Chelte and Tausky, 1986 p. 556-559; Hrebiniak and Alutto, 1972 p. 569). The responsibilities of married people because of which they are believed to be more committed can also absorb much of the married person's time and involvement such that he/she will have little commitment to give to the employing organisation. Hrebiniak and Alutto (1972) have also found significant relationships between certain socio-economic variables and organisational commitment. The authors found white-collar workers to be more committed than blue-collar workers and also father's occupation was found to be associated with commitment. Teachers and Nurses whose parents had white-collar jobs were found to be significantly more committed than Nurses and Teachers from blue-collar parents. The study also indicated protestants to be more organisationally committed than catholics (Hrebiniak and Alutto, 1972 p. 564).

Mowday et.al. (1982 p. 31) and Griffin and Bateman (1986 p. 173) in their reviews of the antecedents of organisational commitment have identified several personality characteristics also associated with commitment. They identified need for achievement, sense of competence, higher order needs, central life interest and personal work ethic to be all related to organisational commitment. Luthans et.al. (1987 p. 230) found locus of control to be also significantly related to organisational commitment. A significant positive relationship was found by the authors between internality and organisational commitment. The correlations between personal characteristics and organisational commitment have been generally low, though significant, with the correlation index being around .15.

DeCotiis and Summers (1987, p. 453) have suggested that probably one of the reasons for the low correlation between personal characteristics and organisational commitment is that personal characteristics such as age, sex, race and to some extent education and occupation are brought to an organisation by an individual, or at least are developed independent of his/her membership in any particular organisation; as such there is little reason to expect that personal characteristics would be predictive of commitment.

Structural characteristics of the organisation are the second set of antecedents of organisational commitment that have been studied. Mowday et.al. (1982, p. 32-33) and Griffin and Bateman (1986, p. 173) have identified (from their review of literature), formalisation, functional dependence on the work of others and decentralisation to be significantly related to organisational commitment. Mowday et.al. (1982, p. 33) also identified organisational type to be significantly related to organisational commitment. Some studies have found significant differences between public and private sector organisations on organisational commitment (for review of such studies see Chapter four). Rhodes and Steer's (1981) study has been cited by both Mowday et.al. and Griffin and Bateman as supporting the view that employees with some financial investments in their organisation are more committed than those with no investments. This observation is open to several alternative explanations. The study was conducted in an employee owned company, such companies are often bought by employees to save their jobs when the company is facing closure due to financial difficulties. The job security of employees of such an organisation may lead to higher commitment. A second explanation may be that having invested their monies in the organisation, employees tend to rationalise their actions by expressing greater commitment to their organisations. A third possible explanation may be that the mere sense of ownership causes the increase in

commitment since ownership itself is prestigious and ego boosting. Finally, it is possible that people who are already committed to an organisation will invest their money in that organisation when it is facing financial difficulties and possible closure. In such a case, commitment becomes a cause rather than an effect of investment. Studies of the Rhodes and Steer's (1981) type must be interpreted with caution. (For a review of such studies see Chapter five).

Other structural factors have been identified as significant antecedents of organisational commitment by more recent studies. DeCotiis and Summers (1987, p. 459) have identified centralisation of authority to be negatively related to organisational commitment, though Stevens et.al. (1978) did not find any significant relationship between centralisation and organisational commitment. DeCotiis and Summers (1987), however did not find formalisation to be significantly related to organisational commitment as did Morris and Steers (1980). The structure of the individual's job has also been identified to be significantly related to organisational commitment. Among the characteristics of the job that have been identified as significantly related to organisational commitment are; Task autonomy, task significance, task involvement (Mottaz, 1987 p. 550), feedback (DeCotiis and Summers, 1987 p. 459) interesting work, task identity and authority associated with the performance of the job (Alvi and Ahmed, 1987 p. 276).

Work experience is another set of factors that has been found to be significantly related to organisational commitment. Perhaps the most enlightening study on this group of correlates of organisational commitment has been Buchanan's (1974; 1975) study on the determinants of organisational commitment. Buchanan identified, personal importance, group attitude towards the organisation, challenge (i.e. first-year-job challenge) value conflict and

organisational dependability as important correlates of organisational commitment (Buchanan, 1975 p. 71; 1974 p. 541). DeCotiis and Summers (1987) have identified several organisational climate factors, which are similar to work experiences, to be significantly related to organisational commitment. These are; trust, cohesiveness, support, recognition, pressure, fairness and innovation (DeCotiis and Summers, 1987 p. 459). Supervisory behaviours have also been identified to be significantly related to organisational commitment. Such behaviours as; assistance or helpfulness, consideration, initiating structure, leader closeness, leader reward behaviour have all been found to be significantly related to organisational commitment (Mottaz, 1987 p. 550; DeCotiis and Summers, 1987 p. 459; Mowday et.al., 1982 p. 35; Griffin and Bateman, 1986 p. 173). Peer friendliness has also been identified as being significantly related to organisational commitment (Alvi and Ahmed, 1987 p. 276; Mottaz, 1987 p. 550).

The fourth set of correlates or antecedents of organisational commitment that have received some research attention is those that have been termed as role-related variables. Role-related variables that have been identified as related to organisational commitment include, role ambiguity, role conflict, role overload, job scope and challenge (Mowday et.al., 1982 p. 31-32; Griffin and Bateman, 1986 p. 173; DeCotiis and Summers, 1987 p. 459). Other variables that do not fall into any of the four categories discussed above have also been identified. Among these are; desire to leave, ease of leaving, job satisfaction, job stress, job involvement, characteristics of the employment decision, rewards, costs, investments and alternatives (Griffin and Bateman, 1986 p. 174; DeCotiis and Summers, 1987 p. 459; O'Reilly and Caldwell, 1980; 1981; Farrell and Rusbult, 1981; Rusbult and Farrell, 1983).

The antecedents of organisational commitment as can be seen from the above review are becoming as numerous as those of job satisfaction. There are so many that to make some meaning out of them, some way must be found to identify the more important antecedents. One way of doing this is to do more longitudinal studies that will help in identifying the casual relationship between these antecedent variables and organisational commitment. It has been suggested that rewards, work experiences and job characteristics are more salient features of the commitment process (Steers, 1977 p. 53; Mottaz, 1987 p. 543; DeCotiis and Summers, 1987 p. 450). Unless however more longitudinal studies and causally orientated studies have been conducted on the relationship between the antecedent variables and organisational commitment, such views based entirely on cross-sectional and correlational studies will be premature. Such longitudinal approach cannot, however, be adopted in the present study given the time constraint involved.

Privatisation, Job Satisfaction and Organisational Commitment

Having reviewed job satisfaction and organisational commitment, it is time to take a look at the reasons advanced by supporters of privatisation that it will lead to improved job satisfaction and organisational commitment to see if there are any theoretical basis for such claims. The primary reason why privatisation is believed to lead to improved employee job satisfaction, organisational commitment and work attitudes generally is that privatisation allows employees to own shares in their organisations. This in turn leads to a fusion of employee and organisational goals and values leading to improved employee work attitudes (cmnd. 9734 p. 2; Moore, 1983 p. 11; 1985 p. 7).

A second reason is based on the idea that privatisation will lead to the release of public sector managers from governmental interference in the

performance of their work. In the words of John Moore, "Privatisation liberates managers and employees and allows them to reach their full potential" (Moore, 1985 p. 6). Privatisation also makes it possible to link pay to success and sets managers free to manage (Moore, 1983 p. 11). Nigel Lawson (1987 p. 65) the Chancellor in the last two Thatcher administrations also agrees that privatisation will free managers from governmental control and unnecessary restrictions to enable them to manage. Another reason (following from the above) for envisaging that privatisation will lead to improved employee work attitudes is that privatisation will make it possible for organisations to provide appropriate rewards for efforts and performance of their employees. A government green paper on performance related pay argued strongly in favour of performance-related pay on the grounds that it will a) give employees a more direct personal interest in their company's success as existing employee share schemes do; b) bring benefits for employment (cmd. 9835 p. 1). Lawson (1987 p. 65) adds that the autonomy or freedom privatisation gives managers is also associated with responsibility for decisions taken. This responsibility will enable managers in particular to take pride in the performance of their units and also be able to attribute to themselves successes and failures of their work units thereby enabling them to obtain proper feedback on their performance.

A final reason for the view that privatisation will lead to improved employee job satisfaction and organisational commitment is that there is consistent, though scanty, evidence that private sector employees have more positive work attitudes than public sector employees (see review in Chapter four). It is therefore possible that when public sector organisations are privatised, they will adopt private sector practices that will lead to higher or more positive work attitudes in their employees. This reason has not been given much publicity by the popular press.

Looking at the reasons above and the reviews of job satisfaction and organisational commitment, there seems to be some theoretical support for the view that privatisation will lead to improved employee satisfaction and commitment if privatisation can lead to the conditions cited above. Privatisation is believed to lead to autonomy for work performance, responsibility, ability to use one's abilities, feedback, equitable rewards and opportunities for employees to invest in their organisations.

Theoretically, these conditions lead to job satisfaction and organisational commitment. While the job characteristics model indicates that the above job characteristics can and do lead to job satisfaction, the side bet theory and the Farrell and Rusbult's (1981) investment model show that investments one has in one's employing organisation do lead to improved job satisfaction and commitment. The reviews above have hinted on the importance of pay and investment size on job satisfaction and organisational commitment. Empirical evidence on the relationship between investment and job attitudes will be reviewed in Chapter five while empirical evidence in support of private sector superiority on job satisfaction and organisational commitment will be reviewed in chapter four.

Though there seem to be some theoretical support for the view that privatisation will lead to improved job satisfaction and organisational commitment, the improvement will depend on whether or not employees like privatisation. In any organisational change process, employees' attitude to the process itself and the organisational climate at the time of instituting the change are two very important conditions for the success of the change process.

The next chapter reviews the empirical evidence on the differences between public and private sector organisations on job attitudes.

Chapter 4

Work attitudes of Private and Public Sector Employees

The current interest in the relative efficiency and behaviour of public and private sector enterprises has resulted from two major concerns. The first of these derives from the desire to know whether there are any differences between public and private sector enterprises (Millward and Parker, 1982) and the second involves improving public sector productivity and work attitudes (Solomon, 1986; Buchanan, 1974). The second interest in the comparative study of the private and public sectors is based on the widely held belief that the private sector is more efficient and productive than the public sector and that comparative studies of public and private enterprises will lead to clues as to what the private sector has over the public sector that makes for the differences between them on efficiency and productivity. Having found the factors that account for the superiority of the private sector in efficiency and productivity over the public sector, improving public sector efficiency and productivity will only involve introjecting these private sector factors into the public sector enterprises. The belief in the private sector superiority in productivity and efficiency has been so strong, at least among conservative policy makers, that privatisation has been seen and propagated as the most effective, and apparently the only means, of improving public sector productivity and efficiency.

The issue of public and private sector efficiency and productivity is purely an economic issue. While I do not intend to dabble in economic theory, I would like to present a fleeting overview of the empirical evidence of the issue of the relative efficiency and productivity of public and private sector enterprises. In

doing this, I would like to spend a few pages first in discussing the problems that are often associated with studies of the relative efficiency and productivity of public and private enterprises. I will then discuss some of the available research on the issue, and finally conclude the section with a sentence or two on the conclusions that can be drawn from the studies.

EMPIRICAL EVIDENCE ON THE RELATIVE EFFICIENCY AND PRODUCTIVITY OF PUBLIC AND PRIVATE SECTOR ENTERPRISES

Problems of Studies on the Relative Efficiency and Productivity of Public and Private Sector Enterprises

Empirical studies of the relative efficiency of public and private sector enterprises are often riddled with methodological and conceptual problems which make their interpretation a bigger problem than the issue itself. One of the main problems of such studies is the inability to find suitable test-beds for both public and private sector enterprises (Kay and Thompson, 1986; Millward, 1982; Le Grand and Robinson, 1984). If differences between public and private enterprises are to be attributed to ownership type, then all the possible moderators of the relationship between ownership and efficiency and productivity must be controlled such that the only possible cause of the differences between the two ownership types on productivity and efficiency will be ownership. The two groups of enterprises studied must be engaged in the same trade, be managed the same way, have the same goals, have the same input source, be the same size and be subjected to the same environmental controls, to

mention a few of the possible moderators of the relationship between ownership, productivity and efficiency.

Finding enterprises engaged in the same trade has not been easy, especially in Britain where public corporations are usually monopolies with no private sector competitors. Where enterprises engaged in the same trade have been found, these enterprises have differed on other aspects, especially goals. Public sector enterprises are mainly concerned with customer satisfaction while the private sector enterprises are mainly concerned with profits. Murray (1975) has argued that:

"the notion that profits are the sole reason for the existence of private business is itself misleading. First of all, profits are an essential requirement for existence; but the focus on profits as the single objective distorts or minimizes other advantageous activities such as product, service, employment and all the "hidden hand" effects of community and social contribution" (p. 365).

Much as it is true that the private business has other aims such as consumer satisfaction, it can be argued that such goals are only means to an end (profits). Having customer satisfaction as an ultimate goal, an end in itself, is not the same as doing it in order to achieve a goal. A private sector business will seriously concern itself with customer satisfaction only if it has competitors and if its product has a high elasticity of demand. The private business concerns itself with customer satisfaction when it is operating in a competitive market so as to achieve allocative efficiency (Kay and Thompson, 1986). Where a private sector enterprise is a monopoly enterprise, customer satisfaction will not be a major concern, especially if the demand for its products is highly inelastic. This is not to suggest that the private business will deliberately produce shoddy goods and sloppy services, but rather to illustrate the point that private business concern for customer satisfaction is only instrumental toward making profits, and that in the

absence of competition and where the private business product or service has a highly inelastic demand, customer satisfaction will not be a major concern of the business.

The problem of dissimilarity of goals of public and private sector enterprises ushers in the problem of criterion of efficiency used in the comparative studies. Since public and private enterprises have different goals, even if they are engaged in the same trade, it is difficult to obtain a single criterion of efficiency suitable for both the private and public sector enterprises. The criterion of efficiency that has often been used in the comparative studies of public and private sector efficiency has been profitability (Kay and Thompson, 1986 p. 22). This criterion, according to Kay and Thompson (1986), is unacceptable for several reasons. First, though the profit motive may be the main goal of the private business, the public enterprise may have other non-profit goals such as looking after the public good. Some public organisations are set up mainly to take up ventures that are so unprofitable that private individuals will not enter into such ventures. Also profitability of an enterprise depends on several factors including input sources. As Kay and Thompson (1986) have argued, while the private sector is free to shop around for the cheapest source of inputs, public enterprises may be forced to purchase from more expensive home markets by the mere fact that they belong to the public sector and may have access to "cheap" capital as a result of explicit government guarantees. Millward and Parker (1982) add three other reasons why Economists do not find the use of profitability as an appropriate criterion for assessing the efficiency of public and private enterprises. First, in spite of the simplicity of the measure of profitability (often defined as the rate of profits on capital invested), there has been an interest in the behaviour of public and private enterprises independent of any question of efficiency. Secondly, where efficiency considerations have

been introduced, these have often embraced the objective of economic efficiency rather than enhancing profits. Lastly, they continue, little can be deduced from global measures such as profitability concerning the source of inefficiency.

A second criterion that has been used in the comparative studies on the public/private sector efficiency issue has been cost, which is often taken to mean the amount expended in providing a unit of a product or service (Cost/unit has often been used as the index of economic efficiency). While reducing cost may be a major concern of private enterprises, this may not be the case in the public sector. Some services provided by the public sector enterprises must be provided irrespective of cost because their worth can be counted only in terms of social benefits rather than in terms of economic benefits. The source of input also affect the output of the enterprises as has been pointed out above. Since public enterprises are limited in their search for cheaper sources of input, their costs of production are likely to be higher than in the private sector. The ability to spend may be a virtue rather than a vice in the public sector. Druker (1973) explains that where the public sector is financed through budget allocations, the ability to obtain a bigger allocation depends on proof of need for more finance. A public enterprise cannot justify its need for more finance if it could not spend all its previous allocation. Another problem with the use of cost as the main indicator of efficiency is the fact that cost includes both a measure of input price inefficiency and production inefficiency of the enterprise studied. It is difficult to separate the percentage of productive inefficiency from the global measure of cost. Productive efficiency, however, is what researchers are interested in when studying the relative efficiency of public and private sector enterprises (Millward and Parker, 1982).

The result of the problems above have been that empirical studies of the relative efficiency of public and private enterprises have been difficult to interpret since several moderating variables are not controlled, and that the comparative studies seem to be comparing incomparables.

Studies of the Relative Efficiency of Public and Private Enterprises

Evidence of the comparative efficiency of public and private enterprises is somewhat piecemeal and has been drawn from a variety of sources (Kay and Thompson, 1986 p. 22). Two reviews of the studies on the relative efficiency of private and public sector enterprises have been those by Borcharding et.al., (1982) and Millward, (1982). In the United Kingdom, relatively few studies have been conducted into the relative efficiency of public and private sector enterprises. The United States, compared to the United Kingdom, has relatively more studies on the issue, apparently because of the fact that several products and services are provided in both the public and private sectors.

One study conducted in the United Kingdom compared the public and private sectors in civil aviation (British Airways v British Caledonian), short sea ship and hovercraft services (Sealink v European Ferries) and the sale of gas and electric appliances and contracting (Comet and Curry's v British Gas and Electricity Board Showrooms). Pryke (1982) concluded from his study that:

"On the basis of the comparisons which I have made, public enterprise has performed relatively poorly in terms of its competitive position, has used labour and capital inefficiently and has been less profitable" p.80.

This is so, according to Pryke, notwithstanding the fact that the public enterprises studied had important advantages over their private sector counterparts. This makes the performance of the public enterprises even worse. The poor performance of the public enterprises is attributed by Pryke to public ownership which eliminates the threat of takeover and bankruptcy. In an earlier study, Pryke (1981) concluded that the public enterprises had performed poorly compared to the private sector, but he classified that as an informed opinion. His confidence in his 1982 study was so strong that he was able to conclude quite definitely that public ownership was the cause of the poor performance of the public enterprises.

Commenting on Pryke's (1982) study, Kay and Thompson (1986) argued that though the difference observed by Pryke (1982) on the performance of the public and private enterprises may be true, there is no evidence that public ownership is the cause of the observed differences. Kay and Thompson argue that what Pryke found was only evidence that competition is more effective at weeding out poorly performing enterprises in the private sector than in the public sector. They (Kay and Thompson) cite the case of Air Canada which Ashworth and Forsyth (1984) found to be the most efficient airline in their sample, though Air Canada happens to be a public enterprise. Air Canada, they argue, also operates in a competitive market and in fact it is the only airline to do so (at least at the time of the study). In Pryke's study, British Airways which he found to be less efficient than the private British Caledonian, operated on routes that were regulated by agreements on numbers of operators, fares and capacity. The fact that other private firms have been unsuccessful in the short sea and hovercraft services underscores Pryke's finding that Sealink (then a public enterprise) was less efficient than European Ferries, as Kay and Thompson pointed out. They cite the fact that some private firms (e.g. P and O Ferries) have unsuccessfully

entered the short sea and hovercraft business (an area where the private sector is said to be superior to the public sector in terms of performance) as evidence that private firms are not necessarily intrinsically more efficient. Public enterprises can be successful if they are subjected to market forces just as private sector enterprises. On the comparison of sales by Currys and British Gas Showrooms, Kay and Thompson argue that since showrooms serve other purposes beside the sale of appliances (showrooms also collect bills and provide a centre for advice) the comparison with shops that are solely engaged in the sale of appliances is not an appropriate comparison.

Polanyi and Polanyi (1972) commenting on Pryke's (1971) work argued that the increase in productivity of the nationalised industries observed by Pryke between 1958 and 1968 was nothing more than a catching up that the nationalised industries were doing compared to the private sector industries which had outperformed the nationalised industries prior to the 1958-68 decade. The finding of Pryke is therefore not evidence of public sector superiority over the private sector in terms of performance. The observed performance of the nationalised industries (according to Polanyi and Polanyi) was mainly due to the rapid growth of airways and electricity during the decade. They further argued that electricity and airways were in a stage of rapid long-term growth and therefore tended to have a high rate of productivity growth per employee. It was also argued that electricity and airways have fast growth rates and fast rates of increase in output per employee in all developed countries. The growth in electricity and airways was experienced in several countries (i.e. Western Countries) as well as the United Kingdom, during that period. This growth in airways and electricity, it was argued, had nothing to do with nationalisation, and that in the U.S.A. where electricity is about 80% privately owned it achieved a

similar rise in sale and nearly a similar increase in productivity to that of Britain's nationalised industries during 1958-1968 decade.

Comparing the performance of the nationalised industries in Britain to their counterparts in other countries (where most of these counterparts are privately owned) Polanyi and Polanyi (1972) found that the relative productivity of Britain's Nationalised Industries, compared to that of their foreign counterparts, was not markedly worse than the relative productivity as a whole, but it was also not decisively better. Several qualifications were made to the comparison of British Industries to their counterparts in other countries since comparisons of enterprises across countries can involve factors that are peculiar to the individual countries. Another problem with the comparison of nationalised industries in Britain and private sector industries in other countries is how the outcome of the comparison can be applied to the comparison between nationalised and private sector industries within Britain.

Polanyi and Polanyi (1972) attributed the observed differences in the productivity of the nationalised industries and the private manufacturing industries to two main events which happened in the life of the nationalised industries during the period 1958-1968. One of the events mentioned by Polanyi and Polanyi was increased competition the industries faced during the period as a result of the availability of alternative sources of energy (oil, gas and electricity competing with coal) and transport (road transport competing with railways). The competition is believed to have led to radical reorganisation in electricity and railways. The second event believed to have affected the performance of the nationalised industries was the publication of the 1961 and 1967 white papers which sought to set commercial and specific goals for the nationalised industries to strive to achieve. The 1961 White Paper made it clear

that though the industries have obligations of national and non-commercial kind, they were not, and ought not to be regarded as social services absolved from economic and commercial justifications (Cmnd.1337 p. 3). The White Paper stipulated that the nationalised industries should be able to break even within each five year period, if not earlier. The Nationalised Industries were to aim at making profits to cover depreciation and provide reserves for investment and capital development. These clear goals which the Nationalised Industries were given are believed to have led to the greater efficiency in that period.

If these two factors (competition and directives of the 1961 White Paper) contributed to the efficiency of the Nationalised Industries during the period studied by Pryke (1958-1968) then it stands to reason that there is nothing inherently good in the Nationalised Industries that makes them successful. The same argument can be put forward against privatisation and the belief that the private sector is inherently efficient compared to the public sector. Private enterprises operate (mainly) in competitive environments and usually have the ultimate goal of profit making (other goals are only means to the ultimate goal of profits). If a private enterprise is effective, it is possible that this is so because of the competition it faces. The fact also that private enterprises have a specific goal (profits) makes them focus efforts towards achieving this specific goal and this focus leads to success. This view of specific goals leading to performance improvement has been popularised by Drucker (1973).

Studies from other countries have not clarified the complexity of the relative efficiency of public and private sector enterprises. In an extensive review of studies from the U.S.A., Canada, Australia, Switzerland etc., Millward, (1982) concluded that:

"There seems no general ground for believing managerial efficiency is less in public firms" (p.83)

Millward's conclusion was mainly due to the methodological problems inherent in most of the studies he reviewed. Studies of U.S. electricity seemed to suggest that the public sector is more cost effective than the private sector. Caves and Christensen's (1978) study of Canadian railways found no significant differences in the productivity of public and private sector railways. Davie's (1971) study of Australia's public and private airlines indicated higher efficiency in the private sector.

Millward (1982) argues that the setting of goals by government which apparently neglect cost minimisation would mean that cost could be higher in the public sector. It would therefore be surprising if the private sector is not found to have lower cost than the public sector. Low productivity (Millward argues) is not inconsistent with efficient management. Using profitability as a measure of efficiency without regard to the fact that there are government controls on prices in the public sector will not only be unfair, but also it will distort the real differences between the public and private enterprises. In a recent study, Parry and Babitsky (1986) proposed to assess the cost and benefits of privatisation in urban bus transit. Five different types of ownership were compared on efficiency. It was found that among the five ownership types { (a) general government ownership and public management, (b) special ownership and public administration, (c) general government ownership and contract management, (d) special authority ownership and contract management, (e) private ownership and private management} privately owned and managed enterprises produced more output and generated greater revenues than any of the other ownership-management types. Parry and Babitsky (1986) cited 13 studies that have been

conducted on the performance of transit organisational forms. Out of the 13 studies six found private ownership to be more efficient than public ownership while four found the public sector to be more efficient than the private sector. The remaining three studies found no significant differences between the public and private sectors.

The difficulty of the public-private efficiency issue is further aggravated by the political nature of the issue. Researchers and others interested in the topic seem to be torn between two political ideological camps, those who believe in private ownership versus those who believe in public ownership. This problem is demonstrated by the fact that the same studies from which Millward (1982) arrived at his conclusions that there is no ground for believing that managerial efficiency is less in public firms were also reviewed by Borcharding et.al. (1982) (reported in Le Grand and Robinson, 1984) with the opposite conclusion to that of Millward. The basic problem with these studies on the comparative efficiency of public and private sector enterprises is that none of the studies have been able to compare like with like. The studies have not been able to compare public and private sector enterprises that are similar on all relevant factors that are likely to affect efficiency except ownership. The fact that two enterprises are engaged in the same trade does not mean they are the same. These two enterprises may have different goals or, while one of them may have a single clear goal, the other may have multiple goals. The sources of finance and other inputs may affect the productivity and profitability of an enterprise. Where an organisation has to prove that it needs, or is capable of using money allocated to it in the budget, cutting down cost may not be the best thing to do since that will mean lower budget allocation next time (Drucker, 1973). Legislation cannot suddenly turn Social Services into economic enterprises. If such enterprises are to be made economic enterprises, targets set for them must be accompanied by

structural as well as administrative changes. Some of the restrictions and interference that public organisations suffer by virtue of their status must be removed. Public enterprises cannot be business like because they are not businesses (Drucker, 1973).

The most that can be said of the comparative studies of the relative efficiency of public and private enterprises is that the criteria used to assess efficiency have been biased against the public sector. Results may be different, and in favour of the public sector if other criteria (e.g. quality of service or customer satisfaction) are used.

Structural and Management

Differences Between Private and Public Organisations

Another area of comparative study of public and private enterprise is that of employee work attitudes. In spite of the difficulty in interpreting studies of relative efficiency of public and private sector enterprises, studies on the comparability of public and private sector enterprises continue to be conducted with the view to improving the productivity of public sector enterprises. Studies have been conducted with the view that management is generic and that what is applicable to the private sector enterprise is equally applicable to the public enterprise. Murray (1975) has argued that the only reasons that public administration and business administration have not been merged are that; first there is a traditional mistrust or misunderstanding between the public and private practitioners. Secondly, the merger of public and business administration is seen as a threat to the "free-standing" Schools of Business and Public Administration. The third reason Murray assigns for the delay in the merger between public and business administration is that there is lack of development of the idea that

public and private management have points in common. Drucker (1973) argues that:

In most respects, the service institution is not very different from a business enterprise. It faces similar - if not precisely the same challenges in seeking to make work productive. It does not differ significantly from a business in its "social responsibility", nor does the service institution differ very much from the business enterprise in respect to the manager's work and job, in respect to organisational design and structure to top management. Internally, the differences tend to be differences in terminology rather than substance (p 45).

Drucker (1973) refutes that public sector personnel are different from private sector personnel and also that the objectives of public sector enterprises are different from private sector objectives. The only difference between the public and private sector enterprises (according to Drucker) is their source of finances. Businesses, Drucker argues, are paid for satisfying the customer; they are only paid if they produce what the customer wants and what he is prepared to purchase. Satisfaction of the customer is therefore the basis of performance and results in business. Service institutions are, however, typically paid out of budget allocations, the source of their revenue are not tied to what they are doing, but are obtained by tax. Results in the budget-based institution means a larger budget. Performance is the ability to maintain or increase one's budget allocations. Drucker argues that this difference in the source of finance between the public enterprise (which is financed from budget allocations) and the private enterprise (which obtains its finance from satisfying customers - performance) is the main cause of the difference in performance between the public and private sector enterprises.

Others, e.g. Backoff and Levine (1976), do not agree that public and private enterprises are complementary, and that management is generic such that what is applicable in private sector organisations is equally applicable in the public

sector. In reviewing studies on the differences between public and private sector organisations, Rainey, Backoff and Levine (1976) found that several authors agreed on the differences rather than similarities between public and private organisations. There was greater consensus on differences between public and private organisations on environmental factors, organisation-environment interaction, internal structures and processes.

On environmental factors there was consensus on the differences between public and private sector organisations on the degree of market exposure, legal, formal constraints and political influences. The public sector is seen to be less exposed to market forces. This is believed to lead to less incentive to reduce cost, operate efficiently and to perform effectively. Less exposure to market forces is also believed to lead to less allocative efficiency and lower availability of market indicators and information. The public sector is also seen to have more constraints on organisational procedures and spheres of operations, Managers have less autonomy in making choices on procedures and operational methods. The public organisation is also seen to have greater tendency to proliferation of formal specifications and controls. There are also more external sources of formal influence and greater fragmentation of these sources of influence. Politically the public organisation is seen as having greater diversity and intensity of external informal influences on decision making. The public enterprise also has a greater need for support of constituencies.

In relation to organisation-environment transactions, the studies reviewed by Rainey, Backoff and Levine conceded that the public sector is open to greater public scrutiny, has greater public expectations, and that public officials act with more fairness, responsiveness, accountability and honesty. It was also found that the public sector was more likely to experience coercive powers from

governments than the private sector. The public sector was also found to have broader impact than the private sector. Public and private organisations were found to be different in terms of their internal structures and processes. The public sector is seen to have greater vagueness and intangibility of objectives and criteria. The studies also found that there was a greater tendency for goals in the public sector to be conflicting. Public administrators are said to have less autonomy and flexibility on decision making, less and fragmented authority over subordinates and are more reluctant to delegate more levels of review and greater use of formal regulations. The public administrator has to be able to make politically sound as well as professionally sound decisions whilst the private enterprise Manager has only to concern himself or herself with the professional implications of decisions. This does not however mean that Managers in private enterprises do not concern themselves with the political implications of their decisions but, rather that the position of the public administrator makes it more imperative for him/her to combine "political adroitness" with professional expertise (Stockfsch, 1972 reported in Rainey et.al., 1975).

Most of the studies reviewed agreed that public organisations tend to be characterised by cautiousness, inflexibility and lack of innovativeness. Some of the studies found that apart from the fact that differences existed between public and private organisations in terms of the ability to manipulate incentives, public administrators differed from private managers in terms of valuation of different incentives. Public administrators were seen as placing more emphases on non-pecuniary incentives such as job security, involvement in important affairs and "power and glory". Besides differences between public and private organisations in terms of environmental factors impinging on them, organisation-environment transactions, and some internal structures and processes, there is some evidence

that employees of public and private enterprises differ in personality, needs and values.

Rawls et.al.(1965) in a study of graduate students in a School of Management found that those planning to enter the public and the private sectors differed in personality characteristics and needs. Students planning to enter the public sector (non-profit sector) were found to be significantly different from those planning to enter the private sector in that the public sector group were more dominant and flexible, had higher capacity for status and valued economic wealth to a lesser degree than did those planning to enter the profit sector. The students planning to enter the non-profit sector were seen to have played greater roles as agents in school, than the profit sector students. Though a follow up indicated that all the students entered the sectors which they planned to go into, it is not known how long they stayed in these sectors and whether their values and needs as well as their personalities remained the same after entering the two sectors. The idealism of the pre-employment stage can either be strengthened or completely changed by the reality of the work situation, depending on whether one's values and goals are realised or not on the job (the mere experience, especially of the early years of employment, can alter one's job values considerably). Values also change over time, it is therefore necessary to be able to know for how long one has maintained one's values. The fact that the students entered the sectors which they had indicated they wanted to go into, does not tell much about the personalities of the people or employees in the two sectors (public and private).

Guyout (1961) (reported in Parry and Porter, 1982) found that compared to Managers in business, Managers in public enterprises had higher needs for achievement and lower needs for affiliation than did their business counterparts.

Hiss (1975); Frankel and Manners (1980) (both reported in Cacioppe and Mock, 1984) suggested that there is a type of personality which is particularly suited to the public sector. Frankel and Manners (1980) found that public Managers are concerned about unemployment, social welfare, equity and are less committed to the capitalist economic system than private managers. The differences between public and private sector employees seem to centre mainly on differences between socialists and capitalists. The two political ideologies also characterise support for public and private ownership.

The above studies indicate that both the private and public sectors differ on certain structural, managerial, procedural (and even goals and values) factors. Since work attitudes are basically a function of individual and organisational characteristics, it stands to reason that employees of public and private sector organisations may be different in terms of their work attitudes. Perhaps the differences may be more qualitative than quantitative such that asking which type or organisation has better work attitudes may be asking the wrong question. The next section will review some of the studies that have been conducted on the work attitudes of public and private sector employees.

Empirical Studies on work attitudes of Public and Private Sector Employees

Studies of work attitudes of public and private sector employees suffer from the same problems of studies of the relative efficiency of public and private sector enterprises. Most, if not all, of these studies have been cross sectional and correlational in nature making it impossible to assign the observed differences to the effect of ownership type since there are several variables that can affect the outcomes of such studies. Unlike studies of the relative efficiency of public and private enterprises, however, studies of the work attitudes of public and private sector employees have been somewhat consistent

with their results. Most of the studies indicate that the private sector is associated with higher work attitudes than the public sector. There are very few studies on the topic of the relative work attitudes of public and private sector employees (Cacioppe and Mock, 1984; Solomon, 1986) and virtually none that has been done in Britain. This may be due to the same reason which has led to fewer studies of the relative efficiency of public and private organisation, i.e. there are fewer areas where there are businesses in both the public and private sectors. Most of the studies in the literature have come from North America where there are usually comparable organisations in the public and private sectors.

In a recent study comparing public and private sector Managers in Israel, Solomon (1986) found private sector Managers to be more satisfied than public sector Managers. This was the case on all six scales used in the study. (The scales were on task autonomy and task significance, improvement of methods and efficiency, participation and openness, reward orientation, task clarity and development). Four of the scales cited in the study (reward orientation, improvement of method and efficiency, task clarity and task variety and development) yielded significant interaction effects between sector ownership (private v public) and type of organisation (service v production). Reward systems accounted for the largest difference between public and private sector Managers; the dissatisfaction with reward systems being greatest among public service organisations. The study does not make it clear whether the reward structure included both intrinsic and extrinsic rewards. A distinction between intrinsic and extrinsic rewards will make clearer the kind of differences existing between the public and private sector Managers on reward structure. It would be surprising, if the rewards in the study were only extrinsic rewards, to find the rewards as the greatest cause of job dissatisfaction among public service

Managers since they are generally less motivated by monetary rewards (Frankel and Manners, 1980; Rawls et.al., 1975). Dissatisfaction with reward structure may involve two things; lack of opportunities to realise one's job values or inadequacy of available rewards. In the present study, it is not clear which one of these was the cause of the difference observed between the public and private sector Managers, though it could be both.

The study also revealed that there was less emphasis on performance contingent rewards in the public sector than in the private sector. This is not surprising given the difficulty in measuring the performance of public sector Managers. The lack of goal "crispness" has been cited by many as the major cause of the inability of the public sector to perform (Parry and Porter, 1982; Drucker, 1973; Buchanan, 1975). Given this difficulty of the multiplicity and intangibility of public sector goals, it is little wonder that less emphasis is placed on performance related rewards. Performance based rewards cannot be used in the public sector if public sector goals cannot be defined in specific and tangible terms. Until goals can be stated specifically and simplistically, performance based rewards cannot be contemplated in the public sector. The study also confirmed the hypothesis that policies promoting efficiency are significantly more prevalent in the private than in the public organisation. This result may have been so because efficiency is defined differently in the public and private sectors since performance means different things in the public and private sectors (Drucker, 1973). Objectives and performance criteria of the public sector are said to differ from private sector goals and objectives at least on three dimensions (Rawls et.al., 1975). These dimensions are multiplicity and diversity, vagueness and intangibility and goal conflict. With these differences it is possible that the criteria for efficiency in the public sector will be different from those of the private sector. The findings of the study seem to give less insight

into the causes of the differences. Differences in the two sectors were significant on all efficiency related measures (improvement of methods, task clarity, task autonomy and significance; reward orientation). These areas are very much related to organisational goals and objectives. Where goals are multiple and diverse, intangible and vague as well as conflicting, it is less likely that there will be task clarity, task autonomy and task significance.

Solomon (1986) suggests that as a means of improving satisfaction in the public sector there must be greater attention on restructuring reward systems, applying goal setting and job redesign in the public sector. These cannot be possible if the goals of public sector enterprises continue to be complex, diverse and intangible. A first step in improving the job satisfaction of public sector employees will be to clarify and make measurable public sector goals and objectives as subscribed to by Solomon (1986). The diffusion of goals and the requirement of the public sector to satisfy all constituents have been documented as the major cause of the inability of the public sector to perform (Drucker, 1973; Parry and Porter, 1982; Rainey et.al., 1976). Solomon's (1986) study concentrated on top level Managers thus making it impossible to say anything about differences between non-managerial employees in the two sectors. The factors that affect managerial personnel attitudes to work are more likely to be different from those that affect lower level workers' work attitudes (Weavers, 1980; Gould and Hawkings, 1978). Most of the documented differences between the public and private sector enterprises (except for rewards) seem to be more likely to affect managerial level personnel rather than lower level employees. Unlike Solomon's study, other studies that have found similar results have not limited themselves to managerial employees (Paine, 1966; Porter and Mitchell, 1967; Rhinehart et.al., 1969; Buchanan, 1974).

In an Australian study, Cacioppe and Mock (1984) found that public sector employees rated their quality of work experience much lower than their private sector counterparts. The private sector employees were found to place more emphasis on the nature of the work, social utility of work and meetings of the work group, while the public sector placed more emphasis on individual development and affiliation. A second aspect of the study which was concerned with employees' reasons for working, showed that a higher percentage of workers in the private sector selected money and advancement/recognition as their main reasons for working while the public sector employees selected helping others, self-fulfillment and creativity more frequently. It was also found that the private sector employees were more extrinsically motivated than the public sector employees who were more intrinsically motivated. Interestingly, public sector Managers (high status employees) were found to be more intrinsically motivated than their private sector counterparts. The lower quality of work experience observed among the public sector Managers was attributed, in part, to the fact that the intrinsic aspects of work were lacking in public sector work. This means that though public sector Managers value pecuniary rewards less and intrinsic rewards more, there is less opportunity for the realisation of such intrinsic rewards. It can be concluded from this study that public sector employees have noble objectives for working (helping others, self fulfillment and creativity) but the structure of public sector enterprises are such that public sector employees (Managers in particular) cannot realise their work values in their work. The lack of intrinsic rewards in public sector jobs is what leads to the low satisfaction. Cacioppe and Mock (1984) concluded from their study that the primary differentiating factor between the public and private sector employees is associated with organisation work climate, not just the physical environment, but also factors such as communications between management and

staff, quality of work, etc. (P 930). The differences observed between the public and private sectors were not limited only to managerial level employees. Private sector non-managerial employees were observed to have higher quality of work experience than their public sector counterparts.

Smith and Nock (1980) using two survey data of public and private sector employees in the United States found differences between public and private sector employee quality of work as did Cacioppe and Mock (1984). Smith and Nock (1980) found blue collar workers in the public sector to be more satisfied with their work than their counterparts in the private sector. Blue collar workers in the public sector were higher on job satisfaction than both public and private sector white collar workers, though private sector white collar workers were more satisfied than public sector white collar workers. Public sector white collar workers were more satisfied than private sector blue collar workers. These results are similar to those of Cacioppe and Mock in that differences between the public and private sectors showed in the two studies. The results are, however, different because the directions of the differences differ in the two studies. While in the Cacioppe and Mock study Managers seemed to be the better satisfied group, in the Smith and Nock study non-managerial employees (blue collar workers) seemed to be the better satisfied. Secondly, in the Cacioppe and Mock study, the private sector had the higher quality of work experience compared to the Smith and Nock study in which the public sector group had the higher satisfaction. Perhaps the differences are due to the fact that Smith and Nock's study depended solely on survey data which were collected for purposes different from the research questions that the researchers were interested in. This reason may have been compounded by the fact that the data so obtained was analysed by less sophisticated statistical methods (the study data was analysed by percentages and chi-square statistics). The study by Smith and Nock however,

found that the public sector white collar employees were less satisfied intrinsically, though they perceived the extrinsic aspects of their job more positively than the private sector group. The public sector group was less satisfied with opportunities for personal development through work; interesting work; and lack of freedom to do their work. This is similar to Cacioppe and Mock's finding that the lower rating of public sector employees is due to the lack of fulfilling intrinsic factors in their work situation.

Smith and Nock (1980) concluded their study by saying that public sector white collar employees are isolated from their peers and do not find their work interesting, although they find their jobs extrinsically satisfying. There are no opportunities for intrinsic satisfaction on public sector jobs even though public sector employees are intrinsically motivated. The dissatisfaction on the part of public sector employees is as a result of frustration. The problem with Smith and Nock's study (as mentioned above) is that they used survey data which were collected for a purpose different from their own. There were no controls on variables that could affect the results and therefore like the other studies it is difficult to attribute the observed differences to sector of ownership.

Buchanan (1974) studied 179 Managers in 3 industries and 5 government agencies in the United States on measures of job satisfaction and organisational commitment. The results of the study indicated that the industrial or private sector Managers differed significantly from the public sector managers with the public sector Managers showing lower commitment and satisfaction. On seven variables (personal significance, reinforcement, perceived commitment, expectation, first year job challenge, current reference group organisation and current referent group cohesion) thought to be closely associated with organisational commitment, the public sector Managers scored significantly lower

on all seven variables. In an earlier study comparing 145 middle level Managers from four government and four business organisations, Buchanan (1970) found that the business Managers were more work involved than the government (public sector) Managers. Buchanan (1975) also found similar differences between private sector and public sector Managers with the private sector Managers having higher organisational commitment compared to their public sector peers. Paine (1966) compared 173 public sector Managers with 659 private sector Managers studied by Porter (1962) on need satisfaction. The private sector Managers showed higher means need satisfaction on all five needs (Security, Social, Esteem, Autonomy and Self-actualisation needs) measured. Porter and Mitchell (1976) in a study of Military Officers and Civilian Managers (private sector managers) found that the military perceived lower need fulfillment than their equivalent level civilian counterparts. There was also a higher dissatisfaction among the military than the civilian Managers. This lends further support to Paine's (1966) finding that his private sector Managers experienced higher need satisfaction than the public sector Managers.

Bhushan and Kaur (1983) studying coal miners in public and private collieries in India found public sector employees to be more satisfied with their work than their private sector counterparts. This is contrary to the findings of most of the studies cited earlier. The results are perhaps due to the fact that in most third world countries, the public sector organisations are always well or better managed and provide better opportunities for individual employees to satisfy their work values. In other words, the public sector organisations are usually more dependable and pay higher salaries than the private sector organisations. In most third world countries, the public sector is either the sole or major employer of paid labour. In the study above, the public sector collieries were taken over by the Indian Government due to (in the words of Bhushan and Kaur,

1983) poor mechanisation, insufficient safety and welfare measures. It was the most important aim of nationalising the collieries to provide security and introduce welfare measures and grant legitimate benefits to the mine workers to meet the ends of social justice (Bhushan and Kaur, 1983 p. 31). It is therefore no wonder that the public sector employees showed higher satisfaction than the private sector employees. In most third world countries, extrinsic job factors, especially pay, are very important sources of job satisfaction, especially where the employees concerned are manual and non-managerial employees as those used in the above study. There is nothing inherently satisfying in the private sector organisations neither is there anything inherently dissatisfying in the public sector organisations. Any organisation with the right climate and the ability to satisfy employee work values will lead to satisfied employees. In the case of the above study, the public sector coal mines were better than the private sector coal mines in satisfying employee work values. In two other studies in India, Pratap et.al. (1985) found public sector employees to be significantly lower than private sector employees on job satisfaction and achievement motivation. The public sector group also perceived their organisational climate less positively than the private sector group.

Baldwin (1987) found significant differences between the public and private sector employees on their perception of job security, goal clarity, and leadership turnover. Public sector employees perceived higher job security and higher leadership turnover, while the private sector employees scored higher on goal clarity. Though the differences were significant between the two groups, Sector (public/private) contributed very little (though significant) to the variances in goal clarity, leadership turnover and job security. Baldwin also found that these differences in job security, goal clarity and leadership turnover did not have any significant effects on employee motivation. He, however, did not study or

investigate the effect of these differences on employee satisfaction and organisational commitment.

Farrugia (1986) studying the job satisfaction of public and private sector rehabilitation employees found no significant differences between the two groups on overall satisfaction. The two groups, however, differed on satisfaction with job information, training and status with the public sector group being higher than the private sector group. Commenting on the results, Florence (1986) attributed the lack of significant differences to an increase in the number of providers in the private sector and that a study of the personality of providers may make it possible to select suitable people for the job of rehabilitation employees. Florence (1986) also suggests that the previous work history of the employees used in the study will throw more light on the results. If, she suggests, the private sector providers moved from the public sector to become private providers that could explain the similarities between the two groups. Potyka (1986) also commenting on the study indicated that the sample size was too small, and also the few differences observed between the public and private sectors were due to the business itself rather than the staff.

Whatever the reasons are for the non-significant differences between the public and private sector employees on job satisfaction, the finding is another indication that there is nothing inherently satisfying in the private sector and there is nothing inherently dissatisfying in the public sector. Whichever sector is able to provide opportunities for the satisfaction of employees job values, that sector will produce satisfied workers.

From the studies reviewed so far, there seems to be some evidence that the private sector has higher job satisfaction and organisational commitment i.e. the private sector seems to have more opportunities for satisfying employee work

values than the public sector. When a public sector organisation is observed to have a higher job satisfaction or commitment, the result has been treated with surprise. It is also the case when no differences are observed between the two sectors. It must, however, be noted that the differences are due to differences in opportunities in private and public sector organisations.

In the light of the review above, and given the fact that the private sector seems to have better opportunities and working conditions for satisfying employee work values, it is envisaged in this study that employees of the private sector will have higher job satisfaction and commitment than public sector employees. It is also envisaged that when a public sector organisation is privatised, employees in the privatised organisation will tend to have higher job satisfaction and organisational commitment than public sector employees (given time).

The next chapter will review the evidence on the effect of employee share ownership on employee work attitudes. This view that when employees are given shares in their organisation they will be more involved in and satisfied with their jobs and organisation has been one of the major arguments for privatisation.

CHAPTER 5

Employee Ownership and Work Attitudes

The industrial society and the attendant evolution of big businesses and capital created two classes of capital owners and workers whose means of livelihood was to sell their labour to capital owners. Beside creating basically two classes, it also led to a reduction in the meaningfulness of work. The sheer size of organisations has led to a loss of belongingness on the part of employees. The result of this loss of meaningfulness of work and belongingness has led to worker alienation and low morale at the workplace (Argyris, 1964; McGregor, 1960; Likert, 1967). Attempts have been made over the years to involve workers in their organisations and to make work meaningful and satisfying. Approaches to increasing employee morale and identification with their organisations have differed in terms of what has been considered as motivating and satisfying to employees. Emphasis has ranged from purely economic considerations (Taylor, 1911), social needs (generally subsumed under Human relations) (McGregor, 1960; Maslow, 1953; Argyris, 1964) and interesting and challenging work (self-actualisation) (Herzberg, 1959; Hackman and Oldham, 1976; 1980; Patchen, 1970). These approaches to improving employee morale and identification (except the first) have emphasised non-pecuniary (intrinsic) rewards as the important factor in improving morale.

Employee ownership has surfaced as a result of the realisation of the importance of financial rewards in employee work attitudes. It (employee ownership) has become very common in most countries, notably the United States and to a lesser extent the United Kingdom in recent years. As at 1987 there were about 8,000 employee owned companies in the United States (Klein, 1987 p. 319) and about 2,779 in Britain in 1986 (Smith, 1986 p. 380). The first case of employees' involvement in the financial success of their company in Britain was

reported in 1829 (Creigh et.al., 1981) and was instituted on Lord Wallscott's farms in Galway. This is said to have involved produce sharing of agricultural products. By 1929 about a quarter of a million employees were eligible to participate in a profit-sharing scheme (Estrin et.al., 1987). In the United States, about 389 companies with employee ownership plans were established between 1791 and 1940, though about 500 records of industrial co-operatives were found between 1790 and 1970 (Conte and Tannenbaum, 1978).

The present interests in employee ownership schemes have been largely as a result of Parliamentary Acts which have given approval to the scheme and encouraged it through the granting of tax concessions to companies engaged in the practice. Two main periods in the post war years have seen sharp increases in the growth of employee ownership schemes in Britain (Richardson and Nejad, 1986). The first period was marked by the Finance Act of 1972 which gave some tax advantages to certain executive share option schemes and share based profit sharing schemes. The tax concessions were extended with the 1973 Financial Act which established a new type of save-as-you-earn option which extended the new scheme to non-executive employees. The second period, which is still continuing started with the 1978 Finance Act which established the all-employee-approved share option. Under the scheme, an employer can put in a trust shares in their company for their employees. Each employee is entitled to shares worth £1,250 or 10% of his/her salary, whichever is greater (Estrin et.al., 1987). The annual profit paid by the company into the trust should however not exceed 5% of the total annual profits (Richardson and Nejad, 1986). To qualify to participate in the scheme an employee must be a full-time worker and should have worked for at least five years and must be a resident of the U.K. The employee should retain his/her shares for a period of five years but can sell the shares after two years. However, an employee who sells his/her shares before four years pays full income tax on the value of the shares. If an employee sells after four years but before five years

he/she pays 75% income tax on the value of the shares. Anyone selling his/her shares after five years pays no income tax (Estrin at.al., 1987). The money contributed toward share purchase by the company is tax deductible from any corporate tax liability.

The Financial Acts of 1980 and 1984 introduced two other share ownership options, the all employee saving related scheme and the discretionary share option scheme. Under the Saving related Scheme (SAYE), employees enter into a contract to save between £10 and £100 a month up to a period of five years. At the end of the five year period, the employee has two options to choose from. He/she can either buy shares in the company at a price which was determined when the contract was taken or he/she can allow the contract to run for another two years making a total of seven years at the end of which he/she collects a bonus equal to fourteen monthly payments. If the contract runs for the extra two years, the employee under SAYE does not make any payments during the two year period (Packer, 1987). A third option is however open to the employee under SAYE. At the end of the fifth year, he/she can simply collect the accumulated money and keep it without buying any shares. The Save as you Earn option is open to all full-time employees and directors. As under the approved all employee share ownership scheme, proceeds from the shares are liable to capital gains tax. No income tax is payable on this option. The discretionary share option, introduced under the 1984 Financial Act does not benefit all employees of a company. Under the Act, the company can select individual employees to participate in the scheme. Employees under the scheme can be granted an option to purchase shares to the tune of £100,000 or a sum equal to the employee's annual salary. The option is exercisable between three to ten years after it has been granted. No income tax is paid on gains on the shares but Capital Gains Tax is paid on the disposal of the shares.

The purpose of Employee Ownership

Employee participation in ownership of enterprises has been advocated as a way of counteracting some of the problems of industrial society (Long, 1980). The main idea is that large corporations and businesses have resulted in worker alienation and a creation of a 'we' and 'them' attitude with employees seeing themselves and their goals as different from those of the organisations they work for. Involving employees in the ownership of their organisations is supposed to create a common purpose for both employees and management (Long, 1980). Integrating the goals of the organisation and those of employees has been advocated by behavioural scientists as an effective way of improving employee involvement and commitment in their organisations (Argyris, 1964; McGregor, 1960). It has been argued also that when employees have a stake in their organisations, organisational performance is likely to improve and employment will be raised by lowering the cost of taking on additional workers (Weitzman, 1984; 1985; 1986 reported in Estrin, 1987). The relationship between ownership, organisational performance and employee job attitudes is a deceptively simple one which has been very appealing to policy makers and the popular press (Klein, 1987).

The Government Green Paper on profit related pay put the advantages of such a scheme and share ownership schemes as: a closer identification of employees and their organisations, the creation of a common goal or community interest between employees on one hand and managers and shareholders on the other hand, readiness of employees to co-operate in changing work practices or in the introduction of new technology and improved efficiency of the organisation (Cmnd, 9835 p. 3-4). Interest in employee stock ownership has also been attributed to the hope that it will lead to higher morale and productivity.

The theory is that when a worker is given a "piece of the action", he/she will be motivated to work harder, gripe less, turnover and absenteeism and grievances all

will diminish (Stock for workers, 1976 p. 6 reported in Rhodes and Steers, 1981). Statements such as the above characterise the belief in the positive effects of ownership on employee attitudes and organisational performance. The sale of shares (sometimes giving shares free) to workers during privatisation of public organisations has been based on the assumed simplistic relationship between ownership and work attitudes.

The ability of employee ownership to have the effects presumed will depend on several factors the most important, probably, being the contingency between the individual's efforts and outcome. How obvious is the relationship between the employee's effort and the outcome of dividends accruing from shareholdings? Share ownership seems to relate the employee's long term income to the prospects of the organisation. If the employee sees the performance of the organisation as dependent on factors and behaviours beyond his/her control (e.g. the behaviour of others) then he/she is less likely to exert extra effort in his/her work. Another factor likely to affect the relationship between share ownership and effort is the size of the profit centre (Richardson and Nejad, 1986). The greater the contact workers have with each other, the more unlikely it is that everyone will leave the behavioural change of the organisation to others.

The meaningfulness of the ownership can also affect the effect it will have on employees' attitudes'. Ownership may be arranged from self employment, co-operatives, employee buy-outs to employee share ownership. As one moves down the list, the idea or feeling of ownership diminishes. The contingency between individual effort and outcome also becomes less obvious as one moves down the list. The benefits of ownership that have been much orchestrated by policy makers and the popular press have been based upon ownership types which are very different from share ownership, though share ownership is what policy makers and the popular press have been advocating. Management's reasons for instituting the ownership scheme is another factor that is likely to affect the relationship between

share ownership and employee work attitudes. Among the numerous reasons for instituting employee share ownership schemes are the following: (a) to save jobs, (b) to obtain tax relief, (c) as a business strategy, (d) to finance capital acquisition, (e) to block corporate raisers, (f) to purchase the shares of a retiring owner, (g) to provide an incentive for employee effort and (h) to provide an employee benefit (Whyte and Rosen, 1984; Klein, 1987). Privatisation has added another reason for share ownership i.e. to transfer from public to private enterprise.

Smith (1986) found that companies differ both in terms of the ownership schemes they operate and their reasons for instituting the ownership schemes. Share ownership under privatisation does not differ from share ownership schemes already in existence in the private sector. Employees are given shares in their privatised companies at discount prices and sometimes even free (Moore, 1983; 1985; Veljanovski, 1987). This is not different from the all employee approved share option established by the 1978 Financial Act which enables an employers to put by part of the company's profits into a trust for his/her employees. Under this scheme, employees do not contribute anything to the trust except their service. In the privatised organisations, except for the National Freight Consortium, workers do not own majority shares (Veljanovski, 1987; TUC Publication, 1985) so the sense of ownership is likely to be weaker than envisaged by policy makers. The benefit of shares to the employee is a long term one and it may not be any different from long term employee benefit schemes like pension plans etc. The only difference with share ownership is that the benefits will depend (in part) on the performance of the organisation. Several other factors beyond the control of employees can also affect the price of shares. The effects of share ownership of employees in privatised organisations on their work attitudes cannot be expected to be any different from those of other employee shareholders.

Empirical Studies of Ownership and Employee Work Attitudes

Employee ownership schemes are relatively recent introductions into industry, hence the paucity of studies on their effect on employee work attitudes (though research in the area has been growing steadily, especially in the United States). Studies on employee ownership have tested three main hypotheses which Klein (1987) has classified as (a) the intrinsic satisfaction model, (b) the instrumental satisfaction model and (c) the extrinsic satisfaction model.

The intrinsic satisfaction model presumes that ownership per se is satisfying and the fact that one is an owner is motivating enough to produce all the benefits associated with employee ownership. According to Tannenbaum (1983) (reported in Klein, 1987) "being an owner is attractive to most people being an owner is ego enhancing " (p.251). In other words being an owner is inherently satisfying. The instrumental model is of the view that whatever changes may occur in employee owned companies are because of the fact that ownership allows employees to participate in decision making. The observed changes in work attitudes are not as a result of ownership per se but rather as a result of participation in decision making. Participation in decisions therefore (under this model) mediates between ownership and employee attitudes. The extrinsic model argues that employee ownership will result in changes in employee work attitudes and organisational performance only if the ownership is attended by substantial extrinsic rewards. In a way, the extrinsic model is similar to the instrumental model in that it views ownership as instrumental towards obtaining valuable extrinsic rewards. The difference, maybe, between the two models is that in the instrumental model the employee gets the opportunity to participate in decision making apart from obtaining financial rewards from the share ownership while in the extrinsic model no such opportunity is attendant upon share ownership. Under the instrumental model, the employee owns shares in his/her company for the chance to participate in decision making while the extrinsic model assumes that the employee buys the

shares for the sake of the associated dividends. An attempt will be made to review studies on the three hypotheses or models.

Ownership as satisfying in itself

Studies investigating the intrinsic satisfaction model have generally adopted one or more of the following approaches; (a) employee owners or shareholders are compared with non-shareholders, (b) employee owned companies are compared with non-employee owned or traditional companies and (c) the number of shares owned by employees are correlated with measures of employee work attitudes (Klein, 1987). One major drawback of studies testing the intrinsic model is that such studies have generally not included the self-employed who typify employee ownership. The inclusion of the self employed will help sort out the relative effects of ownership and participation in decision making since the self-employed also have the sole responsibility in making decisions concerning their work. Employee ownership is however not always associated with participation in decision making. In such a case, comparing the self-employed with employee owners with no opportunity for participation in decision making and employees with opportunities for participation in decision making but no ownership status will help in separating the effects of ownership from those of influence (participation in decision making). Most of the studies testing the intrinsic model have used small businesses that are either employee buy-outs or co-operatives. Since these types of ownership are closer to self employment and have a greater sense of ownership in them than share ownership, they are likely to have effects that are different from other forms of ownership, especially share ownership which is the main focus of policy makers. Where employee stock or share ownership has been used as the measure of ownership, attention has been placed on the purchase of stock by employees to the neglect of situations where stocks are given to workers as benefits, i.e. without workers making any financial investments in the organisation. These

limitations make it difficult to generalise findings of those studies to other forms of ownership.

Long (1978a) studied employees of a medium-sized trucking firm that had been purchased by its employees. He found that employee shareholders differed significantly from non-shareholders on overall satisfaction, integration, involvement and commitment. No differences were observed between the two groups on motivation and perceived degree of participation in decision making. It was also observed that share owners reported greater increases in job security, job effort, job effort of others and increased communication between managers and employees. These findings need to be interpreted cautiously. Since the study was correlational, it does not allow casual relationships to be inferred from the findings (Long, 1978a himself mentions this). It is possible that employees who were already committed to and satisfied with the organisation were those who bought shares in it. It is also possible that the firm had been purchased by the employees to save jobs since the firm had been making losses over the years (five years) prior to the employee purchase and was likely to be closed down if it hadn't been purchased by them. The fact that the employees had been able to save their jobs would be satisfying to them and share owners who are likely to see themselves as having contributed more to the survival of the firm are likely to be more satisfied and committed to the firm than non-shareholders. It is therefore possible that these factors contributed to the differences observed between the shareholders and non shareholders. The higher satisfaction, involvement, integration and commitment may be more understandable if looked at in terms of dissonance theory. Having invested money in a firm that was making losses, it is possible that employee shareholders had to change their perception of the firm to match their action. This possibility is buttressed by the fact that share-owners saw more advantages with ownership schemes than did non-owners. Another fact that needs to be considered in interpreting the findings is that the share-owners differed from non-share-owners in terms of age and tenure.

These two variables have been found to be significantly associated with work involvement, job satisfaction and organisational commitment (Angle and Perry, 1981; Morris and Sherman, 1981; Rabinowitz and Hall, 1977). It is worth noting that even though Long claims that ownership was the cause of the obtained differences, no differences were observed on the motivation of shareholders and non-shareholders.

It has been assumed that if employees are share owners, they will be motivated to work towards the success of the organisation. Long (1978a p. 46) assumes that employees will be motivated if they see a relationship between their effort and performance. While this may be true, the relationship that matters is the performance-outcome relationship. If employees see that their outcomes or rewards are related to their performance, they are more likely to be motivated towards higher performance. About 83% of Long's sample agreed that there was a relationship between effort and performance but there was no data on the relationship between performance and outcome so the observed relationship between performance and effort cannot be presumed to be an indication of motivation. If ownership is to have the positive effect attributed to it, then it must be profitable or it must be associated with appreciable rewards. Long (1978a) did not provide evidence of the share growth of the firm since employee purchase. This would have provided some idea of the extent to which the employee may have perceived share ownership as profitable. The reason Long did not concern himself with the share value of the firm was probably that he was more interested in the effect of ownership (the intrinsic model) irrespective of the value of the ownership (the extrinsic model).

French and Rosenstein (1984) using a firm engaged in the servicing, sale and installation of cooling and plumbing systems and also operating an employee ownership scheme tested the hypothesis that the relationship between share ownership, organisational identification and job satisfaction are moderated by

employee control. This study was a test of the instrumental model but it also analysed the relationship between share ownership and employee satisfaction and desire influence irrespective of control. The results indicated no significant relationship between share ownership and satisfaction as well as desired participation. The firm used by French and Rosenstein (1984) differed from Long's (1978a) firm in the sense that while Long's firm was an employee buy-out, French and Rosenstein's was a firm that operated an employee ownership scheme. There was little opportunity for participation in decision-making in French and Rosenstein's firm compared to Long's (1978a). The differences in the outcomes of the two studies may indicate, to some extent, how the degree of ownership can affect the employee's attitude to his/her organisation. (The part of French and Rosenstein's study relating to the mediating effect of control on the relationship between share ownership, satisfaction and organisational identification will be discussed under the next section).

Conte and Tannenbaum (1978) in surveying the profitability of 30 companies operating employee ownership found profitability to be significantly associated with the amount of equity owned by workers. Employee-owned companies were found to be more profitable than conventional companies. In the words of the authors "the results are suggestive that employee ownership in one form or another may be associated with the profitability of a company" (p.25). Richardson and Nejad (1986) have pointed out the difficulties associated with trying to find the relationship between share ownership and profitability. First they argue that the profitability of any company in any one year is the result of a stream of decisions taken earlier. A rise in profits observed in a year may be the result of investments two or three years earlier. The second and apparently the most difficult problem is the ability to attribute a fraction of the profits to the introduction of employee ownership. Differences may be observed in the profits of employee owned and

conventional companies but since studies finding these differences are mainly correlational, it is difficult to attribute any causation to them.

In spite of these problems, Richardson and Nejad (1986) compared the profitability of conventional organisations with that of employee owned organisations using as their measure of profitability share price movement of the two types of organisations. It was found that between the period 1978 to 1984 the average share price increase for the employee owned companies studied was not significantly higher than the average share price increase of the conventional company. Actually, the authors considered their finding significant even though the significance level associated with the test statistic was .10. This cannot be accepted as significant though, as they argue, it did indicate that some difference existed.

It was also found that when the employee owned companies were divided into "enthusiastic participants" (those companies that had share schemes before the 1978 Financial Act which gave tax exemptions to companies operating the approved all employee share ownership scheme) and "cautious participants" (those companies that instituted the share ownership scheme after 1978) there was a significant difference between the enthusiastic participators and traditional firms in terms of the average share price increase over the six year period. This was the case when the average share prices for each year as well as when end-year prices were used. No information was provided as to whether "cautious participators" differed significantly from traditional firms, but it was indicated that the average share price increase of the cautious firms was closer to that of the traditional firms rather than the average share price increase of the "enthusiastic participants". This may be an indication of the moderating effect of the reasons for the institution of the ownership scheme on employee work attitudes. It is possible that firms that introduced ownership schemes before the introduction of tax exemptions will have more 'noble' reasons for introducing the scheme than organisations that introduced

their scheme after the 1978 Financial Act that enabled these firms to benefit from tax exemptions.

The main problem of studies comparing firms operating share ownership and conventional firms is that it is difficult to have two firms that differ only in terms of ownership schemes and nothing else. Comparability is difficult to achieve (Richardson and Nejad, 1986). Smith (1986) has found that even the type of ownership scheme a firm operates and the reasons for the introduction of the scheme are likely to affect the relationship between ownership and work attitudes. Putting all the firms operating some form of ownership schemes together, irrespective of whether they introduced the schemes before or after 1978 and without differentiating between type of ownership scheme is likely to confound the results as is indicated by the insignificant difference found between the average share price increase of firms with schemes on one hand and those without schemes on the other.

Another factor that could have affected the results of Richardson and Nejad's study is that ownership schemes (except those instituted to save jobs when the organisation is about to be closed) are normally operated by organisations that are profitable and can afford to operate the ownership scheme. There is an element of success already found in firms that operate the scheme. It is therefore no wonder that the two groups of firms differed in their share price growth. It is also no wonder that the 'enthusiastic participators' differed from the traditional firms. The researchers however did much to control for as many variables as possible but the research design itself does not ensure that all artifacts were controlled. Longitudinal studies that compare share price changes of the same organisation over a period of no schemes with a period of scheme operation will be more helpful in providing some meaningful information on the effects of ownership schemes on employee work attitudes and performance of the organisations with schemes.

This approach of studying the same organisation over a period of time when the organisation had no shares and when it converted to employee ownership will not solve all the problems of comparative studies of conventional versus employee owned organisations but it will narrow down the confounding variables to be controlled. Since the comparison will be made within the same organisation there will be fewer variables to control and it may be easier to control these variables.

Rhodes and Steers (1981) compared employee-owned organisations (co-operatives) and conventional organisations on employee perceptions of participation opportunities, pay equity, performance contingent rewards and group norms favouring productivity. It was found that the perception of employee owners was higher on all the above factors except on group norms favouring productivity. These differences are to be expected because co-operatives are high on the ownership scale in the sense that the feeling of ownership is almost as high as that of self-employment. If ownership has any effects on employee work attitudes then these effects can be very pronounced in co-operatives.

Several assumptions were made regarding employee perception of the factors named above. It was assumed by Rhodes and Steers that since worker-owners have several opportunities for participating in decision making, they would perceive a higher degree of participation in decision making than employees of conventional organisations. Participation in decision making does not depend solely on the availability of opportunities for participation. Opportunities may be available but employees may not avail themselves of such opportunities if: (a) they do not desire the participation, (b) if employees do not perceive the participation to be legitimate, (c) no extrinsic rewards are provided for participation (French et.al., 1960; Powell and Schlacter, 1971; Hesse and Wall, 1976). These factors are likely to affect employees' perception of available opportunities for participation rather than the fact that an employee is also an owner. The mere perception of the

existence of opportunities for participation does not tell us very much about how participation in decision making is actually used in the two forms of organisations.

The second hypothesis tested by Rhodes and Steers (1981) was based on the assumption that because in a co-operative all workers receive the same rate of pay regardless of job performed, and because employee owners receive end of year bonuses distributed upon the organisation's profits for the year, employees in the co-operatives will perceive more pay equity than employees in conventional organisations. It was also assumed that since the rate of pay in the co-operatives was about a dollar per hour higher than that in the conventional organisations, employees would perceive their pay to be more equitable than conventional employees.

Pay equity does not depend only on what one receives but also on what one perceives oneself as putting into one's work. In a situation where all employees receive the same pay irrespective of performance, as in a co-operative, pay inequity is bound to arise between hardworking and not-so-hardworking employees. The two forms of inequity, overpayment and underpayment, are bound to be found in the co-operative rather than in the conventional organisation. The fact that employees of the conventional organisation received about \$1 less than the employees in the co-operative did not necessarily mean that the co-operative employees would perceive higher pay equity. They would perceive greater pay equity if and only if they used the employees of the conventional organisation as a comparison group. The study did not indicate whether employees were asked to indicate their perception of pay equity using the other group (the co-operative or the conventional organisation) as the comparison group.

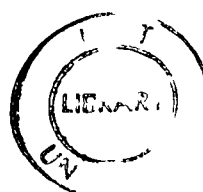
Expectations that absenteeism, tardiness, accidents, grievances and turnover would be lower in the co-operative than in the conventional organisation were not

supported. It was even found that absenteeism and tardiness were higher in the co-operative than in the conventional organisation.

Other studies that have found significant differences in the performance of employee-owned and conventional organisations are: Marsh and McAllister (1981); Conte and Tannenbaum (1980). Conte and Tannenbaum (1980) found employee-owned organisations to be 150% as profitable as a comparable conventional organisation while Marsh and McAllister found companies with share ownership plans to have twice the annual production growth rate of comparable non-ESOP firms.

Studies testing the intrinsic model of ownership have had mixed results but most of them seem to support the hypothesis that ownership tends to be associated with higher employee work attitudes. The studies have been correlational and therefore it is not appropriate to attribute the findings to the effect of ownership. The outcome of the studies have depended largely on the type of ownership implied and since there are several forms of employee ownership schemes, the results cannot be generalised across all forms of employee ownership. The view that ownership is intrinsically satisfying has more commonsense appeal than empirical appeal. Several anecdotal pieces of evidence seem to support the intrinsic satisfaction of ownership model (Flanders et.al., 1968; Bellas, 1972; Oakshott, 1975; Bader, 1975 all reported in Long 1978a).

Long (1980) compared three companies (that differed on degree of ownership) on work attitudes, "objective behaviours" and general performance. It was found that general satisfaction, job effort, communication between management and employees, conscientious work behaviour, favourable group norms, involvement, integration and commitment were all greater relative to the degree of ownership. Turnover and grievances were lower in the firms with higher ownership than the ones with lower levels of ownership. The study also found that employee owners



differed from non-owners in terms of organisational involvement., integration and satisfaction. Differences observed between two of the firms with the highest degree of ownership were attributed to a greater degree of participation in one firm than the other.

Long (1982) found no significant changes in the work attitudes of shareholder and non-shareholder employees. The two groups were compared before, 7 months after and 18 months after employee involvement in ownership. Indications were that eighteen months after employee involvement in ownership, not only did employee work attitudes not change, but in some cases it even changed in a negative direction, the deterioration being higher among employee owners in spite of a steady rise in the share price of the firm. The researcher found participation in decision making to be more influential than share ownership.

Some studies have tested both the intrinsic and instrumental models together and some have even tried to separate out the relative effects of these models on employee job attitudes. Long (1978b) tried to sort out the relative effect of ownership and participation in decision making on commitment, satisfaction, integration and motivation. It was found that both ownership and participation have independent significant effects on some aspects of job attitudes.

The results of the studies testing the intrinsic model seem to depend on the ownership type studied. When a co-operative or a small employee owned company has been used, the results seem to support the model but the opposite happens when weaker forms of ownership are used in the study. In a personal correspondence with one of the prominent researchers on the topic, (Long) when asked whether employee ownership affects employee attitudes, he replied "Sometimes, indeed depending on how employee ownership is structured and implemented, in conjunction with the type of management style which is in use, employee ownership could affect employee work attitudes positively, negatively, or not at all" (Long

1987). This indicates that the relationship between employee ownership and employee job or work attitudes is not as simple as it is believed to be.

Studies of the instrumental hypothesis of employee ownership

Underlying the instrumental hypothesis is the belief that employee ownership can only lead to changes in employee work attitudes if the ownership is accompanied by sufficient opportunity for control or participation in decision making (Hammer and Stein, 1980; Long, 1978a; 1978b; 1979; Tannenbaum, 1983). It has been argued by some that ownership leads to a desire to participate in decision making to protect the individual's investment (French and Rosenstein, 1984; Long 1978b; 1979). Studies testing the instrumental hypothesis have generally followed the same pattern as those testing the intrinsic hypothesis (Klein, 1987). Most studies have aimed at testing both the intrinsic and instrumental models at the same time (Long, 1978b; 1981; French and Rosenstein, 1984; Rhodes and Steers, 1981).

French and Rosenstein (1984) (discussed earlier) tested the hypothesis that the relationship between share ownership, organisational identification and overall job satisfaction are moderated by employee control. The hypothesis was based upon the assumption that unless employees have some exercise of control over how their investments are to be used, there will be no significant relationship between share ownership and work attitudes. French and Rosenstein found little support for their hypothesis. The relationship between share-holding and general job satisfaction was not affected by authority, influence and status in the firm. The relationship between shareholding and organisational identification was however affected by formal authority with lower authority being associated with a higher relationship between shareholding and identification. The authors explained their findings by saying that the strength of the relationship may stem from the fact that non-managerial employees have lower expectations of control, but, among managerial personnel, there is a lesser dependence on ownership as a mechanism for

identification. Alternatively, they explain, it may indicate that managerial employees were under pressure to purchase company shares whether they were committed or not. The second explanation sounds plausible given the fact that about 76% of the firm's shares were owned by the managerial staff in 1980. The study also indicated that shareholding and desired influence were not related.

Long (1978b) in a study aimed at separating out the relative effect of ownership and participation in decision making on commitment, satisfaction, integration and motivation found that participation had significant effects on integration, involvement, satisfaction and motivation. Participation was also observed to have more powerful effects on work attitudes than share ownership. In a later study Long (1979) found no confirmation for the instrumental hypothesis though about half of the managerial employees believed that workers' influence 'had increased to some extent' since the firm was converted to an employee-owned firm. The non-significant relationship between employee ownership and perceived participation in decision making occurred notwithstanding the availability of opportunities for employees to participate in decision making. Two employees had been appointed on to the Board of Directors and all shares carried voting rights. Beside these formal avenues for participation, all shareholders received a monthly profit and loss statement and report from the president. This finding is contrary to the belief that employee ownership promotes efforts to participate only when there is substantial opportunity for employee control (Tannenbaum, 1983; Whyte et.al., 1983 reported in French and Rosenstein, 1984). In this study, there were sufficient opportunities for employee participation in decision making but employee owners did not perceive significantly higher participation in decision making than non-employee owners.

French and Rosenstein (1984) also found that employee ownership did not increase the desire for participation among employees with greater control as suggested by Tannenbaum (1983). In a longitudinal study, Long (1982) observed

no significant increases in perceived influence of managers, non-managers and shareholders, though shareholders perceived a significant increase in their personal influence at the organisational level. It was also observed that employees who experienced some increase in worker participation in decision making also experienced increases in organisational involvement, commitment, motivation and receptivity to change. These increases were significantly higher than those experienced by workers who did not perceive any increases in worker participation in decision making. Shareholders who experienced increased participation in decision making showed positive attitudes in seven out of eight job attitudes. They also showed a significant increase in organisational involvement. Shareholders who did not perceive increased participation in decision making showed a negative direction in all eight job attitudes. Unfortunately, the study did not show how shareholders and non-shareholders differed on desire for participation.

The findings above seem to suggest that ownership itself has no effect on job attitudes but combined with participation in decision making, there seems to be an interaction effect of share ownership and participation in decision making on work attitudes. This is contrary to Long's (1978b) finding that share ownership and participation in decision making have no interaction effect on job attitudes but each has independent effects on work attitudes.

Klein (1987) found some support for the instrumental satisfaction hypothesis but did not find any support for the intrinsic hypothesis. In general, studies testing the instrumental hypothesis have been inconsistent in their findings. It is difficult to draw any general conclusions from the studies concerning participation in decision making as a moderator of the relationship between ownership and employee work attitudes.

Studies on the extrinsic satisfaction model

The third model, the extrinsic satisfaction (with ownership) model assumes that if employee ownership is financially rewarding it will lead to improved employee work attitudes. This hypothesis is contrary to the popular belief that intrinsic job factors are more motivating than extrinsic job factors (Herzberg et.al., 1959; Hackman and Oldham, 1976; 1980; Deci, 1980). The belief in intrinsic job factors as the causes of positive work attitudes has led to the acceptance of job enrichment as the appropriate technique for improving employee work attitudes. Job enrichment concentrates on creating interesting and challenging work that lead to the fulfillment of higher order needs. Hackman and Oldham (1976) identified five job dimensions (Autonomy, task significance, task identity, skill variety and feedback) which lead to satisfaction as well as internalised work motivation which in turn affect performance. The hypothesis that if ownership is extrinsically rewarding it will lead to improved satisfaction and work attitudes generally is a radical proposition against popular opinion. The whole idea of share ownership leading to improved employee job attitudes is reminiscent of the Economic Man era when money was thought to be the prime motive for work.

The extrinsic satisfaction model has not been tested as much as the intrinsic and instrumental models. The only attempt (that I am aware of) that has been made to test the model has been Klein's (1987) study of the annual company contribution to the employee share ownership plan, i.e. the percentage of company stock owned by the trust compared to the total company shares in circulation and return on stock. It was found that the size of company contribution to the trust was positively and significantly related to satisfaction with the share ownership plan and organisational commitment. The size of the company contribution to the share ownership plan was negatively and significantly related to turnover intentions. Return on stocks and the percentage of stock owned by the trust were not

significantly related to employee satisfaction with the ESOP, organisational commitment and turnover intentions.

The study however used the organisation or company as the unit of analysis, therefore, unlike the other studies cited, differences observed in this study were differences between companies rather than within companies. It is not, as the author suggests, appropriate to draw conclusions concerning the relation between employee share ownership plan characteristics and employee job attitudes and behaviours. The use of the company as the unit of analysis may explain why employee outcomes were not significantly related to stock return. At the individual level, growth of share prices are more meaningful than the size of the company's contribution since in the long run the benefits of ESOPS (employee share ownership plans) to the employee are dependent on the share price of the company. It is therefore possible that, at the individual level, share prices will be related to employee outcomes.

In a study by Rosen, Klein and Young (1986), it was found that the three most motivating aspects of employee share ownership were the financial benefits of the ownership plan, management's commitment to the plan and the degree to which employees are educated on the ownership scheme. The amount of the company's shares owned by the employee share ownership plan, degree of participation associated with stock ownership, the reasons for establishing the ESOP, the magnitude of the company's contribution to the ESOP were all found to be of less importance to the motivating potential of the share ownership plan. The study depended solely on percentages of people choosing items as the only analysis therefore the results are less informative than they would have been with more sophisticated statistics. It would have been interesting if the study had compared companies with different degrees of employee ownership and also employees with different numbers of shares.

The studies cited above show the complexity of the relationship between employee ownership and job attitudes. Several factors influence the relationship including the employee's aim or reason for purchasing the shares (either as an investment or as a means or mechanism of control) (French 1987), the conceptualisation of ownership used in the study, etc. One ownership form that has been neglected in the studies is self employment. The outcome of the studies seems to depend, in part, on the kind of ownership considered. Other factors that may mediate between ownership and work attitude are; reasons for the introduction of the ownership scheme, participation in decision making, employee characteristics (age, values, tenure, position, salary etc., Long, 1978a) and employees' attitudes' to the change process itself.

The studies discussed so far have adopted as their definition of ownership either a co-operative, an employee buyout or a company operating an ESOP. Under privatisation employee ownership has a different meaning from those already discussed (except, maybe, in the case of the National Freight Consortium which is an employee buyout). Ownership under privatisation can be classified by what Conte and Tannenbaum (1978) have referred to as direct ownership, where employees buy shares just as would ordinary shareholders. Though in some cases shares have been given free to them, this cannot be classified as beneficial ownership where employees own shares through a trust as in an ESOP scheme. In some cases of privatisation, employees received interest free loans to purchase shares (Veljanovski, 1987). The sense of ownership seems to be a very weak one under employee ownership in privatised organisations. It is difficult to hypothesise from the studies cited to the privatised organisations since the sense of ownership differs in the two situations. At best ownership in the privatised organisations can be considered as a combination of direct and beneficial ownership.

It is therefore anticipated that in this study, both share ownership and number of shares held by individual employees will be significantly associated with

job satisfaction and organisational commitment. It is also anticipated that share owners will differ significantly from non share owners on job satisfaction and organisational commitment.

CHAPTER 6

THE PRESENT STUDY

Aims of the Study

As stated in Chapter 1, the primary aim of this study is to find out whether there has been a positive change in the job satisfaction and organisational commitment of employees of privatised organisations since privatisation. A second objective of this study is to provide further evidence for the public/private sector differences in job satisfaction and organisational commitment. This is necessary because though there seems to be some consistency in the findings of studies comparing public and private sector enterprises on work attitudes, there are fewer such studies and virtually none using British employees. A study of this nature will throw more light on the observed differences between the two sectors on work attitudes. It will also help in finding out whether such observed differences are idiosyncratic of the organisations and countries in which the studies were conducted, or whether such differences are general.

A third objective of the study is to find out whether share ownership (especially the type found in privatised organisations) leads to higher job satisfaction and organisational commitment. Studies on the effects of share ownership on employee work attitudes are scanty, though growing steadily. Results of the few studies have been confounded by the nature of the share ownership studied. With privatisation and employee share ownership in Britain, it has become necessary to study the effect of such ownership type on employee job satisfaction and organisational commitment. Finally, fewer studies have been conducted in Britain on the relationship between share ownership and employee work attitudes, perhaps due to the fact that share ownership schemes are recent introductions into British industries. The fourth objective of the

study is to find out whether share ownership leads to increased perceived participation in decision making.

METHOD

Study Design and Procedure

A study such as the current one should ideally be a before-after design in which employee job satisfaction and organisational commitment are assessed before privatisation and a period after privatisation. Due to time constraints, but more importantly to the fact that organisations to be privatised are usually known only a few months before privatisation, a modified version of the before-after design was used in the study. Employees were required to indicate on questionnaires how they felt about certain aspects of their jobs in 1987/88 (now) and how they thought they felt about the same job aspects in 1983 (ie before the privatised organisations were privatised). This approach was used to obtain two sets of data on job satisfaction and organisational commitment.

It is possible that data collected by this method may be affected by memory since a period of between four to five years is a long time for anyone to remember exactly how they felt about their job. It was however felt that since participants would be making the 1983 evaluations in relation to their current evaluations (ie 1988/1987 evaluations) the 1987/88 evaluations (current evaluations) would guide them by serving as standards with which to evaluate their feelings in 1983 and thus minimise the effect of memory distortions on the 1983 evaluations.

Though this procedure will not completely eradicate the problem of memory distortion, it was felt that it would be better controlled than if participants were

required to make absolute judgments or evaluations. Secondly, the 1983 measures served as baseline data from which to deduce any improvements in commitment and satisfaction in 1987/88. The main data of interest were the 1987/88 data which because it was current could not have been affected by memory. Thirdly, and finally, in a pilot survey using the questionnaire, participants were required to indicate any problems they found in trying to fill out the questionnaire. Out of 22 participants, only two indicated that they had difficulty in remembering exactly how they felt about the job aspects in 1983. On the main study itself no one mentioned this difficulty.

It is very important to note that the 1983 measures cannot be regarded as true measures of satisfaction and commitment for 1983. These measures can be taken only as perceived measures rather than actual measures. This must be borne in mind throughout the reading of this thesis.

Three groups of organisations (private, privatised and public) were involved in the study. Several organisations within each group were written to, inviting them to participate in the study. After several negotiations, four organisations each from the public and private sectors, agreed to participate, while two of the five privatised companies contacted agreed to participate in the study (several branches within the privatised companies were contacted to solicit their participation in the study). All the organisations that participated were in the service industry, and each organisation employed more than 20,000 employees (organisation wide, not at the branch level).

The study was in two stages. In the first stage, each participating organisation was given a number of anonymous questionnaires with self-addressed envelopes. (See appendix 6a for the questionnaire). These were then distributed to all willing employees who had been with the organisation for not less than five years, ie employees should have been with the organisation since 1983. The completed questionnaires were then posted to the author by the individual participants. Where an organisation wanted some

feedback on its employees' responses, some identification mark (usually the organisation's emblem) was made on all the questionnaires coming from it. A total of 913 questionnaires were given out to the three groups of organisations out of which 301 were returned yielding a return rate of 32.97%. The private sector group returned 58.33% of its questionnaires, having returned 98 out of its total of 168 questionnaires. The public and privatised groups returned 41.22% and 34% respectively. The public sector group returned 101 out of a total of 245 while the privatised group returned 102 out of a total of 300. All the organisations operated in South Eastern England and were mainly in the utilities. The questionnaire data were collected between October 1987 and May 1988 with almost 50% of the data from the privatised group arriving in May 1988.

The second stage of the study involved the administration of a second questionnaire based upon findings in the first study. The second stage also involved interviews with the heads of the organisations participating in the study on their views on the data obtained in the first study. The heads of the organisations were requested to provide some possible reasons for the observed changes in satisfaction with the job aspects on the job satisfaction questionnaire between 1983 and 1988.

A number of the second questionnaires was sent to the three organisational groups that participated in the earlier study. The number given to each group was the same as the number returned by the group on the first study. The idea was to get the same people who responded on the first questionnaire to respond to the second one (though no records were kept of exactly who returned questionnaires on the first study). The response rate was very low for the second questionnaire apparently for two main reasons.

First the questionnaires were distributed in December 1988 just before Christmas. Perhaps people's concern for the impending festivities gave them little time to fill the

questionnaires out or they just weren't interested enough to fill out the questionnaires since they had something (perhaps) more interesting and important to think about.

Secondly, the second questionnaire required participants to write out their responses unlike the first questionnaire where they had to check one of seven response alternatives to each item. The time required to write out the responses may have discouraged some potential participants from actually participating.

In the light of the above, the response rate was very low for the second study though the researcher regarded about ten participants from each group as sufficient. The privatised group returned 16 out of the 50 questionnaires actually distributed to employees. This yielded a return rate of 32%. The public sector returned 8, while the private sector returned 7 questionnaires. The response rates were 22.85% and 35% for the public and private sectors. Though the second questionnaires given to the organisations were the same as the number of questionnaires returned by the organisations in the first study the actual number distributed to employees was less than this number and though the number of questionnaires returned cannot be said to be representative of the first group, the responses threw some light on the results of the first study. The returned questionnaires were coded 1 - 16; 1 - 7; and 1 - 8 for the privatised, private and public sectors respectively.

SAMPLE

A total of 301 employees from private, privatised and public organisations were used in the study. Out of the total sample, 32.6% (98) were from the private sector, 33.9% (102) were from the privatised organisation and the remaining 33.6% (101) were from the public sector. The sample was also made up of 64.8% (195) males, 35.2% (106) females, 66.1% (199) non-shareholders, 33.9% (102) share owners, 40.2% (121) managers

and 59.8% (180) non-managers. The average number of shares owned by the sample was 282.49 with a maximum of 9,000 and a minimum of 0 shares. The mean age of the total sample was 39.75 with a minimum age of 20 years and a maximum age of 65 years (the standard deviation was 10.06). The mean years in school for the group was 11.69 with a minimum of 5 years and a maximum of 18 years, and a standard deviation of 1.85. The mean tenure for the total sample was 15.34 with a standard deviation of 8.77 and a maximum and minimum tenure of 44 and 5 years respectively. Union membership was 80.73% (243) while non-union members were 19.27% (58).

The private sector sample was distributed as follows:

55.1% (54) Male: 44.9% (44) Female; 96.9% (95) Non-shareholders, and 3.1% (3) Shareholders. About 74.5% (73) were non-managerial employees, while 25.5% (25) were Managers. The three share owners in the private sector sample had shares of 150,200 and 260. Out of the 98 private sector employees 63.3% (62) were Union members, while 36.7% (36) were non-Union members. The mean age for the private sector employees was 40.07 (sd=11.35) with a maximum and minimum ages of 65 and 20 respectively. The mean tenure for the group was 12.07, (sd=7.71) with maximum and minimum values of 38 and 5 respectively, while the mean number of years in school for the group was 11.72 (sd=2.06), maximum and minimum values of 17 and 5 years respectively.

Among the privatised sample, there were 65.7% (67) males and 34.3% (35) females, 2.9% (3) non-shareholders and 97.1% (99) shareholders; 57.8% (59) non-managers and 42.2% (43) managers; 12.7% (13) non-Union employees and 87.3% (89) Unionised employees. The means for age, tenure, years at school and number of shares were 38.74; 17.15; 11.60; 827.65 respectively with standard deviations of 9.60; 8.98; 1.75 and 1321.74 respectively. The maximum and minimum values for age were 60 and 21, those for tenure were 44 and 5, while those for years in school were 17 and 9 respectively. The maximum number of shares was 9,000.

In the public sector sample, there were 73.3% (74) males and 26.7% (27) females; 100% non-shareholders; 47.5% (48) non-managerial employees, and 52.5% (53) Managers; 8.9% (9) non-unionised employees, and 91.1% (92) unionised employees. The mean age, tenure and years in school were: 40.46, 16.70 and 11.74 respectively, with standard deviations of 9.16, 8.72 and 1.75 respectively. The maximum and minimum values for age, tenure and years in school were 63 and 24; 43 and 5; and 11 and 7 respectively.

The three organisational groups differed significantly on Sex ($X = 7.25$ $P < 0.05$); Tenure ($F = 10.83$, $P < 0.01$); Union Membership ($X = 28.97$ $P < 0.01$) and managerial position ($X = 15.29$ $P < 0.01$). The difference on tenure was between the private sector group against the public and privatised with the private group having a lower mean than the remaining two groups. (The differences among the groups are shown in tables 6a and 6b below). Since the majority of share owners were from the privatised group, significant differences were observed on share ownership and number of shares. The groups did not differ on education (years in school) and age.

The sample for the second study was made up of the 31 employees; 16 from privatised and 8 and 7 from the public and private sectors respectively. The private sector group was made up of 4 managers, 3 non-managers, 5 unionised members and 2 non-union members. The group had a mean tenure of 17 years ($sd = 7.01$). The public sector group was also made up of 5 managers, 3 non-managers, 4 unionised members, 4 non-union members and a mean tenure of 9.6 years ($sd = 2.61$). The privatised group was made up of 12 managers, 4 non-managers, 11 unionised members, 5 non-union members and the group had mean tenure of 18 years ($sd = 2.64$).

Measures

Job attitudes have usually been measured by attitude surveys, with the use of questionnaires and, to a lesser extent, interviews. The major problem with the

Table 6a

Means, Standard Deviations and F values showing differences among the three organisational groups on some personal characteristics

Demographic Variable	Private (N=98)		Privatised (N=102)		Public (N=101)		F	P
	Mean	SD	Mean	SD	Mean	SD		
Age	40.07	11.34	38.74	9.60	40.45	9.16	0.82	0.44
Number of Shares	6.22	36.09	827.65	13.21	0.00	0.00	38.72	0.0000
Tenure	12.07	7.71	17.15	8.98	16.69	8.72	10.83	0.0000
Years in school	11.72	2.06	11.60	1.75	11.74	1.74	0.18	0.83

Table 6b

Chi-square table showing differences among the three organisational groups on dichotomous personal characteristics.

Demographic Variable		Private (N=98)	Privatised (N=102)	Public (N=101)	X ²	P
SEX	Male	54	67	74	7.25	0.03
	Female	44	35	27		
SHARE	Yes	3	99	0	275.02	0.0000
	No	95	3	101		
MANAGERIAL POSITION	Yes	25	43	53	15.29	0.0005
	No	73	59	48		
UNION MEMBERSHIP	Yes	62	89	92	28.97	0.0000
	No	36	13	9		

measurement of job attitudes is the tendency for researchers to develop their own scales instead of using those of other researchers (Landy and Trumbo, 1980 p.145). In a recent publication, Cook et al (1981) identified about 249 measures of work attitudes employed in articles published in 15 principal international Journals. About 42 scales of job satisfaction were identified (though these excluded scales with less than three items). The multiplicity of scales of job attitudes makes the comparability of studies almost impossible (Vroom, 1964 p.100). Landy and Trumbo (1980 p414) have compared the multiplicity of the measures of work attitudes to a situation where every carpenter in the world develops an individual way of measuring lengths. This preference for individual measuring methods poses no problems until the carpenters try to talk about their work to each other. In order not to add to this confusion (among other things), the current author did not construct his own scales for measuring the dependent measures for which there were available scales to choose from.

Due to the peculiar nature of this study, however, certain adaptations had to be made in whichever of the existing scales that were to be used in this study. Job satisfaction and organisational commitment measures developed by Warr et al (1979) and Cook and Wall (1980) were adapted for this study. These two scales were chosen for at least two main reasons. First, the reasons cited by the authors in the source publication for developing the scales are very relevant to the present study. Apart from the fact that the scales were standardised on shop floor employees⁷, the scales were also constructed to meet the need for short and robust scales to measure these work attitudes. The low return rate of most questionnaire studies have been due to (in part at least) the volume of the questionnaire itself. Where one has to depend upon the goodwill of others to obtain research data, one cannot afford to present lengthy questionnaires that will discourage willing participants. The scales were also developed with the view that most of the existing job satisfaction and organisational commitment scales have been developed in North America. These scales sometimes have some expressions that are not

meaningful to British employees. The Warr et al (1979); Cook and Wall (1980) scales having been standardised in Britain and on British employees, offset the above problem.

The second reason for using the two scales is that their psychometric properties are similar to some of the more popular scales in use (for a review of this see Cook et al, 1981). Two scales of job satisfaction that have found popular usage are the Job Descriptive Index (JDI) and the Minnesota Satisfaction Questionnaire. These two scales, in spite of their simplicity in terms of wording, are unusually lengthy (the MSQ has 100 items on the long version, and 20 items on the short version, while the JDI has 72 items). The length of these scales are likely to discourage participation in studies using them, especially where participation in the study is voluntary. Cook et al, (1981) have reviewed studies using these scales and the reliabilities observed in these studies. The MSQ and JDI have psychometric properties similar to Warr et al's (1979) job satisfaction scale with the additional advantages of being short and standardised on British employees.

Job Satisfaction

Warr et al's (1979) Job Satisfaction Scale is made up of 15 items and has sub-scales for intrinsic and extrinsic satisfaction (as well as other sub-scales which were not of interest in this study). There are eight items forming the extrinsic satisfaction sub-scale and these are interspersed with 7 items forming the intrinsic satisfaction sub-scale. The scale starts with an extrinsic satisfaction item such that every other item is an extrinsic satisfaction item while the items in between are intrinsic satisfaction items. Responses to the items are on a seven point Likert-type scale with one indicating least satisfaction and 7 indicating the most satisfaction. All the items are positively keyed. The individual's overall satisfaction score is the sum across items; a higher score

indicating higher satisfaction and a lower score indicating lower satisfaction. The scale yields a maximum score of 105 and a minimum score of 15.

The nature of the current study as mentioned above, necessitated that minor changes be made in the wording of some of the items and the format of the questionnaire generally. The current study required that each participant gave two responses to each item. Participants were to indicate how satisfied they thought they were with each item in 1983 and also how satisfied they were with the item at the time of filling out the questionnaire (Now). The seven point scale was explained on the first page of the questionnaire, and each item was followed by two sets of numbers each ranging from 1 to 7. The first set was for the 1983 responses and the second for the now or present responses. All items were positively keyed as in the original scale by Warr et al. (1979) and the scale was also scored as in the original scale. (See appendix 6a for the questionnaire).

A few items were reworded to suit the present study. All the 1983 items were, naturally, worded in the past. Item 7 on pay was reworded to read, "Your pay compared to what you need to spend". This was so because given the time between 1983 and 1987/88 one could not talk about absolute values of pay. The pay may have been small in absolute terms in 1983 but may have been able to provide most of the employee's needs because of a lower rate of inflation. On the other hand, a higher pay in 1987/88 may be able to purchase less because of a higher rate of inflation. The word "firm" in Item 11 was dropped, and "organisation" was substituted for it. This was so because all the participating organisations were units of larger organisations rather than single firms. Management policies in such organisations will be influenced more by top management decisions than by the unit level Manager.

A sixteenth item was included in the scale used for the present study to tap employees' feelings towards their jobs as a whole. In the development of the scale, Warr

Table 6c

Means, Standard Deviations and reliability coefficients of the scores among the three groups and the total sample

	Private(N=98)			Privatised(N=102)			Public(N=101)			Total Sample(N=301)		
	M	SD	α	M	SD	α	M	SD	α	M	SD	α
Total Satisfaction 83	71.64	14.54	0.90	70.04	11.58	0.86	69.06	12.15	0.87	70.23	12.80	0.88
Total Satisfaction 88	71.29	14.55	0.90	66.91	14.98	0.91	66.42	13.48	0.87	68.50	14.43	0.89
Extrinsic Satisfaction 83	39.47	7.71	0.82	38.75	5.25	0.63	37.35	6.17	0.72	38.51	6.48	0.75
Extrinsic Satisfaction 88	38.66	7.28	0.77	36.11	6.76	0.74	35.51	7.05	0.73	36.74	7.14	0.75
Intrinsic Satisfaction 83	32.16	7.73	0.84	31.30	7.29	0.86	31.71	7.17	0.85	31.72	7.38	0.85
Intrinsic Satisfaction 88	32.63	8.23	0.87	30.80	9.02	0.90	31.90	7.66	0.85	31.77	8.33	0.87
Commitment 83	46.60	8.02	0.70	44.83	8.50	0.77	43.86	9.00	0.78	45.10	8.57	0.76
Commitment 88	45.15	9.07	0.76	42.02	10.69	0.84	42.56	9.92	0.81	43.22	9.99	0.81
Identification 83	15.51	3.20	0.47	14.16	3.72	0.66	13.88	4.07	0.71	14.50	3.74	0.64
Identification 88	14.72	15.85	0.65	13.53	4.39	0.75	13.09	4.53	0.72	13.77	4.35	0.72
Loyalty 83	14.25	3.71	0.38	14.19	3.84	0.59	13.36	3.65	0.45	13.93	3.75	0.48
Loyalty 88	13.64	4.12	0.54	12.36	4.50	0.62	12.49	4.27	0.60	16.64	3.60	0.70
Involvement 83	16.91	3.38	0.57	16.49	3.08	0.56	16.62	3.44	0.65	16.67	3.29	0.59
Involvement 88	16.79	3.48	0.61	16.13	3.97	0.77	16.99	3.30	0.69	16.64	3.60	0.70
Privatisation	22.88	6.86	0.80	20.13	6.82	0.77	19.78	7.63	0.85	20.90	7.23	0.81
Participation	10.32	4.28	0.82	9.16	3.96	0.76	10.24	4.58	0.86	9.90	4.30	0.82

et al. (1979) included a single item tapping overall job satisfaction, but dropped it later because it failed to correlate highly with the other items and with the 15 item total satisfaction. The single item assessing overall job satisfaction was included in this study to find out how it would correlate with the other items. Reliability is a property of a set of data or responses rather than of a scale (Cook et al 1981 p6) so the failure of the single item to correlate significantly with the other items in Warr et al's (1979) study does not mean it will not correlate significantly in the present one or in any other study.

Warr et al. (1979) used two samples of male blue-collar employees from 10 manufacturing industries in the study leading to the development of the job satisfaction scale. The authors observed coefficient alphas of 0.85 and 0.88 for the two samples (N=200 and N=390). A test re-test reliability of 0.63 was observed over a six month period (N=60) for the 15 item job satisfaction scale. The extrinsic satisfaction sub-scale was observed to have coefficient alphas of 0.74 and 0.78 for the two samples, while the intrinsic job satisfaction scale had coefficient alphas of 0.79 and 0.85 for the two samples. Clegg and Wall (1981) (reported in Cook et al 1981) reported coefficient alphas of 0.92 (N=574) and mean overall job satisfaction score of 71.90 with standard deviation of 13.58.

Table 6c above shows the mean standard deviations and alpha coefficients of the scales used in the study as found among the three groups and the total sample. It is worth noting that for the job satisfaction measures, the reliabilities were considerably higher for all the three groups, and the total sample. Coefficients of reliability ranged from 0.63 to 0.91 with median alpha of 0.85. The means for the various scales in the various groups congregated around the scale means, avoiding the extreme ends of the scales. The variations within the groups on the scales were also reasonably large. These three conditions (large variation, high reliability and not too high, nor too low mean) are good psychometric properties of a scale. (Warr et al 1979).

ORGANISATIONAL COMMITMENT

Organisational commitment was measured with Cook and Wall's (1980) Organisational Commitment Scale. Extensive discussion of the development and psychometric properties of the scale have been included in the source publication. The scale is made up of 9 items, three of which are negatively keyed. The scale has sub-scales for loyalty, identification and involvement. The response alternatives are on a seven point Likert Scale with respondents having to indicate how much they agree or disagree with each of the statements on the scale. The individual's commitment score is obtained by summing the scores across items. The scale has minimum and maximum scores of 9 and 63 respectively with a scale mean of 31.5. All the sub-scales (identification, loyalty and involvement) have minimum and maximum scores of 3 and 21 respectively with scale means of 10.5 in each case. The source publication notes coefficient alphas of 0.87 (mean 44.64, standard deviation of 11.45), 0.74 (mean 15.04, standard deviation 4.38), 0.82 (mean 12.63 standard deviation 5.51) and 0.87 (mean 16.99, standard deviation 3.11) for organisational commitment, organisational identification, organisational loyalty and organisational involvement respectively for a sample of 390 male manufacturing employees.

In a second study involving 260 male manufacturing employees, coefficient alphas of 0.80 (mean 45.37, standard deviation as 9.55); 0.71 (mean 15.77, standard deviation 4.00), 0.71 (mean 16.58, standard deviation of 3.08) and 0.60 (mean 12.99 standard deviation of 4.47) for organisational commitment, organisational identification, organisational involvement and organisational loyalty respectively were noted. Test retest reliabilities of 0.50, 0.60, 0.53 and 0.35 were also observed for organisational commitment, organisational identification, organisational involvement and organisational loyalty respectively across six months.

The current study required employees to provide two responses to each item on the questionnaire; one for how much the employee would have agreed with the statement in 1983, and how much the employee agreed with the statement in 1987/88. This led to two sets of data just as in the case of the job satisfaction scale. The coefficient alphas (ie reliability) means and standard deviations for the commitment scales as found within the groups are shown in table 6c. As can be seen, the reliability coefficients of the two organisational commitment scales (1983 and 1987/88) are much higher in all the groups than the reliability coefficient of the sub-scales. Loyalty 83 had the smallest reliability coefficient of 0.38 within the private sector group, and 0.45 within the public sector group. Apart from loyalty 83 which had reliabilities of 0.38, 0.45 and 0.48 for the private, public and total sample groups, all the scales of organisational commitment had reliabilities above 0.50. All the groups also had means above the scale average though these means were closer to the scale average than to the maximum score. Standard deviations for the various groups on the two organisational commitment scales were much larger for the three groups and the total sample than the variations on the sub-scales. The variations on the sub-scales ranged from 3.08 to 4.53. Only identification 88 had a higher standard deviation of 15.85 for the private sector group. the lower variations on the sub-scales may have accounted for the relatively lower reliability coefficients of the sub-scales though all the reliabilities were higher than 0.50 except for loyalty 83.

Attitude to Privatisation

Attitude to privatisation was assessed with a five item scale designed by the author. Two of the items were negatively keyed and were therefore reverse scored. The response alternatives to the items were on a seven point Likert Scale. Participants were required to indicate their agreement or disagreement with the statements. The

individual's score was the sum of the scores across items. (For the scale, see Appendix 6a). The items were factor analysed by the principal components method. A single factor was extracted with all the items loading on this single factor. Table 6c shows that among the various groups, the reliability of the measure was very high ranging from 0.77 for the privatised group to 0.85 for the public sector group. The private and total sample groups had reliabilities of 0.80 and 0.81 respectively. The scale mean for the attitude to privatisation scale was 17.5 with minimum and maximum scores of 5 and 35 respectively. The means for the groups were all above the scale mean, though as in the case of the job satisfaction and organisational commitment scales, the means were closer to the scale mean than to the maximum score. The variations in the various groups on the scale were relatively high, the standard deviations ranging from 6.80 and 7.63.

Participation in Decision Making

Following Hespe and Wall (1976), Long (1979) and French and Rosen (1984), perceived participation in decision making was conceptualised at (a) the job level; (b) departmental level and (c) the organisational level. As in the case of Long (1979), participants were required to indicate the amount of participation they felt they had in relation to decisions made by (a) their Supervisors, (b) Department Heads and (c) Top management. The amount of felt participation at each of these levels was indicated on a seven point scale (as in the case of the other scales) with a higher score indicating a higher felt participation in decision making. The scale mean was 10.5 for the three-item scale with maximum and minimum scores of 21 and 3 respectively. As shown in table 6c, the scale had a very high reliability within the various groups having been observed to have reliabilities of 0.82, 0.76, 0.86 and 0.82 for the private, privatised, public and total sample groups respectively. The variations within the groups were also observed to

Intercorrelations among the Measures

Table 6d
Intercorrelations between 1983 and 1988 measures for the total sample^a N=301

	Total Satisfaction 83 (0.88)	Total Satisfaction 88 (0.89)	Extrinsic Satisfaction 83 (0.75)	Extrinsic Satisfaction 88 (0.75)	Intrinsic Satisfaction 83 (0.85)	Intrinsic Satisfaction 88	Commitment 83 (0.76)	Commitment 88 (0.81)	Identification 83 (0.72)	Identification 88 (0.48)	Loyalty 83 (0.70)	Loyalty 88 (0.70)	Involvement 83 (0.59)	Involvement 88 (0.70)	Privatisation (0.81)	Participation (0.82)
Total Satisfaction 83	0.93***	0.34***	0.71***	0.32***	0.32***	0.32***	0.61***	0.59***	0.30***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Total Satisfaction 88	0.39***	0.94***	0.39***	0.74***	0.32***	0.32***	0.83***	0.50***	0.45***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Extrinsic Satisfaction 83	0.91***	0.23***	0.39***	0.74***	0.32***	0.32***	0.65***	0.87***	0.30***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Extrinsic Satisfaction 88	0.41***	0.43***	0.44***	0.75	0.32***	0.32***	0.83***	0.50***	0.45***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Intrinsic Satisfaction 83	0.93***	0.34***	0.71***	0.32***	0.85	0.32***	0.61***	0.59***	0.30***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Intrinsic Satisfaction 88	0.33***	0.94***	0.23***	0.74***	0.32***	0.87	0.83***	0.50***	0.45***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Commitment 83	0.44***	0.33***	0.43***	0.30***	0.39***	0.32***	0.76	0.61***	0.45***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Commitment 88	0.23***	0.67***	0.24***	0.59***	0.19***	0.65***	0.81	0.87***	0.30***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Identification 83	0.49***	0.35***	0.49***	0.32***	0.43***	0.32***	0.83***	0.50***	0.45***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Identification 88	0.25***	0.66***	0.27***	0.59***	0.19***	0.64***	0.52***	0.87***	0.30***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Loyalty 83	0.27***	0.20***	0.23***	0.16***	0.21***	0.21***	0.78***	0.44***	0.45***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Loyalty 88	0.17**	0.52***	0.18***	0.46***	0.13**	0.51***	0.47***	0.81***	0.29***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Involvement 83	0.29***	0.25***	0.25***	0.24***	0.28***	0.23***	0.77***	0.50***	0.52***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Involvement 88	0.14***	0.44***	0.13***	0.39***	0.13**	0.44***	0.50***	0.77***	0.35***	0.55***	0.37***	0.23***	0.71***	0.18***	0.11*	0.37***
Privatisation	0.20***	0.24***	0.20***	0.23***	0.17***	0.22***	0.12*	0.22***	0.17***	0.25***	0.01	0.10*	0.18***	0.18***	0.11*	0.37***
Participation	0.19***	0.57***	0.18***	0.48***	0.17***	0.59***	0.29***	0.50***	0.32***	0.50***	0.14**	0.35***	0.23***	0.37***	0.20***	0.82

(See appendices 6b, 6c and 6d for intercorrelations in the three groups).

*** P<0.001 ** P<0.01 * P<0.05

^a Reliability coefficients are shown along the diagonal

be relatively high, with standard deviations of 6.86, 6.82, 7.63 and 7.23 for the private, privatised, public and total sample respectively. The means (for the groups) on the scale clustered closely around the scale average, ranging from 9.16 to 10.32. All the means were, unlike the other scales, below the scale average for all the groups.

All the measures (job satisfaction, organisational commitment, attitude to privatisation and participation in decision making) were pre-tested on a sample of 22 bank and supermarket employees. The scales showed high reliabilities, means and variations as they did in the actual study. The job satisfaction measures, ie 1983 and 1987, yielded reliabilities of 0.87 (mean 75.91 sd 11.87) and 0.92 (mean 77.36 and sd 16.91) respectively. The extrinsic satisfaction sub-scale had reliabilities of 0.68 and 0.78 for 1983 and 1987 respectively while the intrinsic sub-scales had reliabilities of 0.87 and 0.91 respectively. The commitment scales had reliabilities of 0.77 and 0.78 for 1983 and 1987 respectively while attitude to privatisation and perceived participation in decision making had reliabilities of 0.84 and 0.79 respectively. As in the main study, the means congregated around the scale means and the variations were high, with the standard deviations ranging from 4.93 to 16.91.

In sum, all the scales showed good psychometric properties, ie high reliabilities, high variations and high means (close to the scale means). The scales were also inter-correlated to find some evidence of construct validity.

The inter-correlations among the measures are shown in table 6d above. The job satisfaction measures correlated significantly highly among themselves with correlations between measures of the same year (1983 or 1987/88) being higher than correlation between measures of different years. For the total sample (table 6d), job satisfaction 1983 correlated 0.39 with job satisfaction 1988, a relatively low correlation indicating that perhaps the two satisfactions were assessed differently by the employees. The two satisfaction measures correlated highly with their sub-scales of extrinsic and intrinsic

satisfactions while correlating lowly with the sub-scales of their counterparts. The sub-scales of the same year also correlated significantly higher than they correlated with their counterparts of the other year.

The trend of the correlations in the total sample was also repeated in the three groups with correlations between measures of different years being lower than those between measures of the same year. All the correlations between the 1983 and 1988 job satisfaction measures were however significant at the 0.01 level or better. The job satisfaction measures also correlated significantly with the organisational commitment measures (1983 and 1988) showing the same trend as the correlations between the job satisfaction measures. Measures of commitment and satisfaction for the same year correlated significantly higher than measures of different years. Within the total sample, all the correlations between the commitment 1983 and 1988 measures and the job satisfaction 1988 and 1983 measures were significant. The sub-scales of the commitment and satisfaction scales also correlated significantly among themselves with the 1988 job satisfaction sub-scales correlating more highly and significantly with the commitment sub-scales than did the 1983 job satisfaction sub-scales. This trend was also repeated in all the three groups. (See appendices 6B, 6C, 6D for inter-correlations in the three groups).

The significant correlations between the job satisfaction and organisational commitment measures is important in the sense that they provide some evidence of construct validity of the two measures. It is possible that satisfied employees will be committed, and also that committed workers will be satisfied. There is also some evidence that job satisfaction and organisational commitment are significantly related and that job satisfaction is a major determinant of commitment. (For review of such evidence see Mottaz, 1987 p544). The job satisfaction measures also correlated significantly with the perceived participation in decision making measures. This was the

case for all the groups. The significant correlation between the job satisfaction measures and the participation measure may also be taken as evidence of construct validity of the job satisfaction measures, since participation in decision making has been identified as one of the major determinants of job satisfaction (Griffin and Bateman 1986). The organisational commitment measures also correlated significantly with the participation in decision making measure, yielding further evidence of construct validity for the measures.

An interesting trend of correlation was observed in connection with the correlation between attitude to privatisation and the other measures. In the total sample (table 6d), attitude to privatisation correlated significantly with all the other measures except loyalty 1983. The correlations, however differed in the three groups. In the private sector group (Appendix 6c) attitude to privatisation correlated significantly with all the 1983 and 1988 measures except loyalty (both 83 and 88) while in the privatised group (Appendix 6B) it correlated with all the 1988 measures, but not with any of the 1983 measures. In the public sector group, however, attitude to privatisation did correlate significantly with only the 1983 job satisfaction measures, but not with any of the 1988 job satisfaction measures nor any of the organisational commitment measures (1983 or 1988). This seems to suggest that, at least in the private sector, attitude to privatisation is a condition for higher job satisfaction and organisational commitment (this will be referred to in later chapters). The attitude to privatisation measure was similar to identification with private sector goals and values. This was shown by the fact that the measure correlated significantly with the measures for identification (1983 and 1988) for the private sector. It also correlated significantly with the measure of identification (1988) for the privatised group, but not with the 1983 identification measure (ie when the privatised group was in the public sector). For the public sector group attitude to privatisation did not correlate significantly with any of the measures of identification (1983 or 1988).

In sum, the measures correlated significantly among themselves as was expected. Job satisfaction was expected to correlate with organisational commitment and participation in decision making since there is some evidence that these measures are usually correlated. The measures showed good psychometric properties with high reliabilities, variations and means. Attitude to privatisation correlated significantly with the other measures, depending upon the type of organisation under consideration.

Apart from the job satisfaction, organisational commitment, participation and attitude to privatisation measures, participants were also requested to indicate; their age, sex, number of years in school (education), whether or not they owned shares in their organisations, the number of shares they had (if they owned shares in their organisations), the type of organisation they worked for, their managerial position and their Union membership status. These demographic characteristics were meant to help in describing the samples and also to help in explaining any observed differences among the groups on the dependent variables, since they are related to the dependent variables. Table 6e below shows the correlations between the demographic variables and the dependent variables. In the total sample, age, education (school) and managerial position were observed to be significantly correlated with most of the dependent measures. Union membership was observed to be significantly and negatively correlated with most of the dependent measures. Type of organisation also correlated significantly with the commitment measures and the identification measures for both 1983 and 1988. The correlations also differed in the various groups. (See appendices 6e, 6f, 6g).

Table 6f below shows the intercorrelations among the demographic variables for the total sample. Age correlated significantly with tenure, gender (males being older than female employees) and managerial position. Tenure also correlated significantly with gender (male employees having higher tenure than female employees), managerial position, type of organisation (public sector and privatised organisations having more

Table 6e

Correlations between 1983 and 1988 measures and the Demographic characteristics for the total sample. (N=301)

	Age	Tenure	School	Sex	Share	Number of Shares	Managerial Position	Type of Organisation	Union Membership
Total Satisfaction 83	0.11*	0.15**	0.02	-0.02	0.01	0.00	0.10*	-0.07	-0.11
Total Satisfaction 88	0.03	0.06	0.17***	-0.02	0.04	-0.05	0.23***	-0.11*	-0.22***
Extrinsic Satisfaction 83	0.06	0.11*	-0.01	0.01	0.04	-0.02	0.04	-0.13**	-0.12*
Extrinsic Satisfaction 88	0.02	0.05	0.13***	0.03	-0.03	-0.06	0.17**	-0.18***	-0.23***
Intrinsic Satisfaction 83	0.13**	0.16**	0.05	-0.05	-0.02	0.02	0.13**	-0.01	-0.08
Intrinsic Satisfaction 88	0.03	0.05	0.19***	-0.07	-0.04	-0.04	0.26***	-0.04	-0.18**
Commitment 83	0.15**	0.13**	0.08	-0.06	-0.02	0.04	0.19***	-0.13**	-0.11*
Commitment 88	0.17**	0.16**	0.18***	-0.12*	-0.05	0.02	0.28***	0.11*	-0.13**
Identification 83	0.11*	0.12*	0.06	-0.05	-0.05	-0.02	0.21***	-0.17**	-0.11*
Identification 88	0.09	0.12*	0.17**	-0.08	-0.02	0.03	0.28***	-0.15**	-0.14**
Loyalty 83	0.06	0.08	0.06	-0.05	0.06	0.07	0.07	-0.10*	-0.02
Loyalty 88	0.15**	0.14**	0.14**	-0.12*	0.03	-0.01	0.14**	-0.11*	-0.07
Involvement 83	0.18***	0.11*	0.07	-0.04	-0.06	0.04	0.17**	-0.04	-0.15**
Involvement 88	0.17**	0.14**	0.12*	-0.09	-0.08	0.04	0.27***	0.02	-0.11*
Privatisation	0.04	-0.14**	0.06	0.12*	-0.05	0.02	0.06	-0.17**	-0.26***
Participation	0.08	0.08	0.22***	-0.13**	-0.08	-0.02	0.36***	0.00	-0.16**

*** P<0.001

** P<0.01

* P<0.05

Table 6f

Intercorrelations among the demographic characteristics for the total sample (N=301)

	Age	Tenure	School	Sex	Share	Number of Shares	Managerial Position	Union Membership	Type of Organisation
Age									
Tenure	0.50**								
School	-0.05	-0.12**							
Sex	-0.16**	-0.34***	0.09						
Share	-0.07	0.17**	-0.02	-0.03					
Number of Shares	0.08	0.12**	0.05	-0.12**					
Managerial Position	0.23***	0.30***	0.19***	-0.28***	0.06	0.15**			
Union Membership	-0.00	0.21***	0.20***	0.26***	0.10*	-0.00	-0.06		
Type of Organisation	0.02	0.21***	0.00	-0.15**	-0.03	0.00	0.22***	0.29***	

*** P<0.001

** P<0.01

* P<0.05

older employees than the private sector group) and Union membership with Union members being older than non-union members. Education (years in school) correlated positively with managerial position while correlating negatively with Union membership. Gender correlated significantly with number of shares, managerial position and Union membership (with females associated with fewer members). The remaining significant correlations were number of shares and managerial position (Managers having more shares) type of organisation and managerial position and Union membership. In both cases, the private sector group had fewer Managers and Union members than the remaining two groups. (See appendices 6h, 6i, 6j for intercorrelations among the demographic characteristics in the three groups).

Hypothesis

From the literature reviews in Chapters 4 and 5, it is being hypothesised that:

- (1) The private sector organisations will have significantly higher means on all the 1983 job satisfaction and organisational commitment measures than the privatised organisations and the public sector group since in 1983 the privatised organisation was in the public sector.
- (2) The private sector group and the privatised group will have significantly higher means than the public sector group on the 1988 job satisfaction and organisational commitment measures.
- (3) Attitudes to privatisation will moderate the effect of sector ownership on all the 1988 job satisfaction and commitment measures.

- (4) The private and privatised groups combined will have significantly higher means on the 1988 job satisfaction and organisational commitment measures than the public sector group.
- (5) The private sector group will differ significantly from the public and privatised groups combined on the 1983 job satisfaction and commitment measures, with the private sector having higher means.
- (6) Share owners will have significantly higher mean scores on the 1988 job satisfaction and commitment measures than non-share owners.
- (7) Number of shares owned by share owners will correlate significantly with the 1988 job satisfaction and commitment measures.
- (8) Share owners will perceive more participation in decision making than non-share owners.
- (9) Managers will show higher job satisfaction and commitment in both 1988 and 1983 than the non managerial employees.

Operational Definitions

The public-private distinction is not a clear-cut one (Solomon (1987) p247). Most researchers have often left the two sectors undefined leaving readers to define these for themselves. Most researchers, may be, assume that people know what these terms mean and therefore do not consider it necessary to define them. In this study, sector of ownership irrespective of method of funding is used to differentiate public and private organisations. A public organisation is here defined as any organisation established by an Act of Parliament or by any process or processes of Parliament. A

private organisation, by elimination, is any organisation not established by an Act of Parliament or any processes of Parliament.

A privatised organisation is defined as any organisation that has been transferred from Government or public ownership to the private sector. The Government must not have more than 50% of the shares in the privatised organisation.

CHAPTER 7

RESULTS

The results of the study will be presented systematically, considering each set of hypotheses at a time, beginning with data on the differences observed among the three groups on the 1983 job satisfaction measures. Data on the 1983 commitment measures will then be presented followed by data on the 1988 job satisfaction and commitment measures.

Evidence of co-variation between attitude to privatisation and the dependent measures will be presented next followed by data on the differences among the groups on the various job dimensions on the job satisfaction scale. Data on public/private sector differences will also be presented. Lastly, data on the relationship between share ownership and the dependent variables (job satisfaction, organisational commitment and perceived participation in decision making) will be presented. Differences between the public and private sectors will also be presented.

In this chapter, I intend to concentrate on the empirical findings of the study, leaving their discussion to the next chapter. The data have been presented in the most parsimonious manner possible to make it easier to comprehend. Complete tables and statistical analyses are presented in the appendix when necessary.

Differences observed among the groups on the 1983 job satisfaction measures.

It may be recalled that it was anticipated that on all the 1983 measures, the private sector group would score significantly higher means than the public and privatised groups. It should also be noted again that since the 1983 responses were recall responses, they can only be regarded as perceived responses rather than actual. Any differences observed on the 1983 measures must therefore be considered as perceived differences.

Table 7a below shows the means and ANOVA effects of type of organisation and managerial position on 1983 job satisfaction. From table 7a (below), it may be observed that the private sector group did not differ significantly from the public and privatised groups on the 1983 job satisfaction measure as was hypothesised.

Managers were, however, observed to be significantly different from non-managerial employees with managers having a higher mean score than the non-managerial employees. There was no significant interaction effect of managerial position and type of organisation on the 1983 perceived job satisfaction; meaning that the significant managerial effect was irrespective of type of organisation. The significant main effect of managerial position was as hypothesised.

Table 7b below shows the means and ANOVA effects of type of organisation and managerial position on 1983 intrinsic and extrinsic job satisfaction. On extrinsic satisfaction, the private sector was observed to be significantly different from the public sector. The private sector group had a higher mean than both the public and privatised groups with the difference between the private sector and the two other sectors being more obvious in the non-managerial group. The observed effect of type of organisation on extrinsic satisfaction was a weak one hence its inability to

Table 7a

Means and ANOVA effects of managerial position and type of organisation on 1983 job satisfaction.

Managerial Position (B)	Type of Organisation (A)		
	Private	Privatised	Public
Managers	4.77	4.78	4.78
Non-managers	4.75	4.60	4.41

(See Appendix 7A for full ANOVA table for 1983 measures)

ANOVA EFFECTS

Type of organisation (A)	F=1.39	P=0.25
Managerial Position (B)	F=4.11*	P=0.04
Interaction (AxB)	F=0.97	P=0.38

* Significant at 0.05 level.

Table 7b

Means and ANOVA effects of managerial position and type of organisation on 1983 intrinsic and extrinsic job satisfaction.

Managerial Position (B)	Extrinsic Satisfaction		
	Type of Organisation (A)		
	Private	Privatised	Public
Managers	4.76	4.97	4.80
Non-managers	4.97	4.76	4.52
Managerial Position (B)	Intrinsic Satisfaction		
	Private	Privatised	Public
Managers	4.78	4.57	4.76
Non-Mangers	4.50	4.41	4.28

(See Appendix 7A for full ANOVA table)

ANOVA Effects

Extrinsic Satisfaction

Type of organisation (A)	F=3.07* ^a	P=0.05
Managerial Position (B)	F=1.52	P=0.22
Interaction (AxB)	F=2.32	P=0.10

Intrinsic Satisfaction

Type of organisation (A)	F= 0.49	P=0.61
Managerial Position (B)	F=5.96*	P=0.02
Interaction (AxB)	F=0.60	P=0.55

* Significant at 0.05 level

a Private sector is significantly different from the public sector.

produce a significant effect on the 1983 measure of job satisfaction. No managerial effect was observed on extrinsic satisfaction neither was there any interaction effect of type of organisation and managerial position on extrinsic satisfaction for 1983.

Managers differed significantly from non-managers on the 1983 intrinsic job satisfaction measure; managers showing a higher mean than non-managers. No significant differences were observed among the organisational groups (though the private sector group had a higher mean score than the two remaining groups) neither was there a significant interaction effect of managerial position and type of organisation on intrinsic satisfaction for 1983. Data on the 1983 organisational commitment measures also show a similar trend as those of the job satisfaction measures. The 1983 organisational commitment data are presented in the next section.

Differences among the organisational groups and managerial position on the 1983 organisational commitment measures.

Table 7c below shows the means and ANOVA effects of managerial position and type of organisation on organisational commitment for 1983. Significant differences were observed between managers and non-managers with a very large managerial position effect; managers scoring a higher mean than non-managerial employees. Significant differences were also observed among the organisational groups with the private sector differing significantly from the public sector but not from the privatised sector. The private sector group had a higher mean than the public and privatised groups both among managers and non-managers though there was no significant interaction between managerial position and type of organisation. The hypothesised differences among the organisational groups on commitment in 1983 was partially supported since the private sector group differed significantly

Table 7c

Means and ANOVA effects of managerial position and type of organisation on 1983 organisational commitment.

Managerial Position (B)	Type of Organisation (A)		
	Private	Privatised	Public
Managers	5.31	5.28	5.15
Non-Managers	5.14	4.73	4.57

(See Appendix 7A for full ANOVA table)

ANOVA Effects

Type of Organisation (A)	F=5.35 ^{**a}	P=0.01
Managerial Position (B)	F=16.53 ^{***}	P=0.00
Interaction (AxB)	F=1.24	P=0.29

****Significant at 0.01 level**

***** Significant at 0.001 level**

a Private sector is significantly different from the public sector.

only from the public sector group and not from the privatised group. The hypothesised difference between managers and non-managers was however supported.

Table 7d below shows the differences among the groups on the three subscales (Identification, Loyalty and Involvement) constituting the organisational commitment measure. On all three measures only identification showed the hypothesised differences among the three organisational groups on the 1983 measures. There was a significant main effect for type of organisation with the private sector group differing significantly from both the public and privatised groups. The large differences on identification must have contributed to the observed significant difference between the private and the public sectors on commitment as a whole. There was also a large significant effect of managerial position on identification with managers scoring a higher mean than non-managers. The finding on identification is significant for the study because of the view held by some people that privatisation and share ownership will lead to identification of employees with the goals and values of their organisations. The finding on identification for 1983 is suggestive of the possibility that the private sector employees identify more with the goals and values of their organisations than public sector employees.

There was no significant effect of managerial position and type of organisation on loyalty neither was there any interaction effect on both loyalty and identification. No significant differences were found among the organisational groups on organisational involvement though there was a large managerial position effect.

Table 7d

Means and ANOVA effects of managerial position and type of organisation on 1983 measures of Identification, Loyalty and Involvement

Managerial Position (B)	Type of Organisation (A)		
	Private	Privatised	Public
IDENTIFICATION			
Managers	5.33	5.14	5.06
Non-Managers	5.08	4.40	4.15
LOYALTY			
Managers	4.68	4.91	4.66
Non-managers	4.79	4.57	4.22
	4.74	4.74	4.44
INVOLVEMENT			
Managers	5.91	5.78	5.72
Non-Managers	5.55	5.24	5.34

(See Appendix 7A for full ANOVA table).

ANOVA Effects

Identification

Type of organisation (A)	F=9.08*** ^b	P=0.000
Managerial Position (B)	F=22.09***	P=0.000
Interaction (AxB)	F=1.75	P=0.18

Loyalty

Type of organisation (A)	F=2.41	P=0.09
Managerial Position (B)	F=2.84	P=0.09
Interactions (AxB)	F=1.13	P=0.33

Involvement

Type of organisation (A)	F=1.42	P=0.24
Managerial Position (B)	F=10.88***	P=0.001
Interactions (AxB)	F=0.20	P=0.82

*** Significant at 0.001 level

^b Private sector group is significantly different from both the public and privatised groups.

Summary of findings on 1983 job satisfaction and organisational commitment.

From the data presented above, the following general observations can be made on the 1983 findings and hypothesised relationships.

First it is worth noting that on all the measures (both job satisfaction and organisational commitment) the private sector had higher mean scores than both the public and privatised groups. Secondly, only on identification was the hypothesised differences (ie the private sector will be significantly different from both the public and privatised sectors) supported. The hypothesis was partially supported on extrinsic job satisfaction and commitment.

Thirdly, it is also important to note that the public and privatised groups did not differ significantly on any of the measures as predicted or hypothesised thus providing some support for the hypotheses on the 1983 measures.

The hypothesised differences between managers and non-managers were supported on all the measures except extrinsic job satisfaction and organisational loyalty. On all the measures, managers had higher means than non-managerial employees across organisations.

Another important point to note also is that on all the measures and in all three groups, the means were above the scale means. Differences observed among the groups were therefore differences in the upper half of the scales. It is therefore, perhaps, necessary to look at the differences in terms of which of the organisations have the most satisfaction and commitment since all three organisations indicated higher means on the job satisfaction and commitment measures. Both type of organisation and managerial position had independent effects on job satisfaction and organisational commitment. There was no interaction effect of managerial position and type of organisation on the dependent variables.

On the whole, the results were in the predicted direction. Managerial position showed the predicted differences on all the measures except two and though type of organisation showed the hypothesised relationship only on identification, the hypothesis was partially supported in the cases of extrinsic job satisfaction and commitment. Also, the private sector had higher means on all the measures for 1983. Attention will now be focused on the results of the 1988 measures to find out how they support or do not support the hypotheses for 1988.

Differences observed among the groups on the 1988 job satisfaction measures.

On the 1988 measures, as may be recalled, it was hypothesised that both the private and the privatised groups would be significantly different from the public sector group. Table 7e below shows significant main effects for both type of organisation and managerial position with the private sector being significantly different from the privatised organisation. The private sector again scored a higher mean than the public and privatised groups, while the managerial group also scored a higher mean than the non-managerial group. As with the 1983 measure, there was no significant interaction effect on the 1988 measure.

Table 7f below shows significant main effects for managerial position for both intrinsic and extrinsic job satisfaction, with the managerial group scoring higher in the two cases. The main effect for type of organisation is only significant in the case of extrinsic satisfaction; the private sector being significantly different from both the public and the privatised organisations.

Though by conventional standards there were no significant differences among the organisational groups on intrinsic job satisfaction ($P=0.06$) the differences or the effect of type of organisation was quite substantial and close to significance.

Table 7e

Means and ANOVA effects of managerial position and type of organisation on 1988 job satisfaction.

Managerial Position (B)	Type of Organisation (A)		
	Private	Privatised	Public
Managers	5.08	4.90	4.68
Non-Managers	4.64	4.15	4.29

(See Appendix 7B for full ANOVA table for 1988 measures)

ANOVA Effects

Type of organisation (A)	F=5.70** ^c	P=0.004
Managerial Position (B)	F=22.87***	P=0.000
Interaction (AxB)	F=1.11	P=0.33

** Significant at 0.01 level

*** Significant at 0.0001 level

c Private sector is significantly different from the privatised group.

Table 7f

Means and ANOVA effects of type of organisation and managerial position on 1988 Extrinsic and Intrinsic job satisfaction.

Managerial Position (B)	Type of Organisation (A)		
	Private	Privatised	Public
Extrinsic Satisfaction			
Managers	5.10	4.82	4.59
Non-Managers	4.74	4.30	4.27
Intrinsic Satisfaction			
Managers	5.06	4.99	4.77
Non-Managers	4.53	3.98	4.31

(See Appendix 7B for full ANOVA table)

ANOVA Effects

Extrinsic Satisfaction

Type of Organisation (A)	F=8.73*** ^b	P=0.000
Managerial Position (B)	F=14.93***	P=0.000
Interaction (A X B)	F=0.37	P=0.69

Intrinsic Satisfaction

Type of Organisation (A)	F=2.89	P=0.06
Managerial Position	F=24.55***	P=0.000
Interaction (A X B)	F=1.69	P=0.19

*** Significant at 0.001 level

^b Private sector is significantly different from both public and privatised groups.

The differences on the 1988 job satisfaction seem to have been due mainly to the differences on extrinsic job satisfaction which showed significantly larger effect than intrinsic job satisfaction. The effect of managerial position, as in the previous findings was substantially larger than the effect of type of organisation. As on the 1983 measures there was no significant interaction effect on either extrinsic or intrinsic job satisfaction. On the 1988 job satisfaction measures type of organisation did not show the predicted differences on any of the measures, ie the private and privatised groups did not differ significantly from the public sector group. The private sector differed significantly from the privatised group on two of the job satisfaction measures (job satisfaction and extrinsic satisfaction) while it (the private sector) differed significantly from the public sector on only one of the job satisfaction measures (extrinsic job satisfaction) on which the private sector and the privatised groups were also significantly different. Managers were significantly higher on all the 1988 job satisfaction measures than non-managerial employees as predicted. It seems that the findings on the 1983 job satisfaction measures are repeated on the 1988 measures though more differences appeared between the private sector and the privatised organisations. The 1988 organisational commitment measures showed a similar trend as the 1988 job satisfaction measures. The next session discusses the findings on the 1988 commitment measures.

Differences among the groups on 1988 organisational commitment.

Table 7g below shows significant main effects for both type of organisation and managerial position on 1988 commitment. The effects of managerial position and type of organisation happen to be the largest effects of the two independent variables on the dependent variables considered so far. Unlike the 1983 commitment however, the significant difference is between the private and the

Table 7g

Means and Anova effects of type of organisation and Managerial position on 1988 organisational commitment

Managerial Position (B)	Type of Organisation (A)		
	Private	Privatised	Public
Managers	5.39	5.22	5.04
Non-Managers	4.90	4.22	4.38

(See Appendix 7B for full ANOVA table)

ANOVA Effects

Type of Organisation (A)	F=7.16*** ^c	P=0.001
Managerial Position (B)	F=33.28***	P=0.000
Interaction (A X B)	F=1.37	P=0.26

*** Significant at 0.001 level

^c Private sector significantly different from the privatised sector.

Table 7h

Means and ANOVA effects of managerial position and type of organisation on 1988 identification, loyalty and involvement.

Managerial Position (B)	Type of Organisation (A)		
	Private	Privatised	Public
IDENTIFICATION			
Managers	5.44	5.20	4.81
Non-Managers	4.72	3.95	3.88
LOYALTY			
Managers	4.63	4.55	4.45
Non-Managers	4.54	3.76	3.85
INVOLVEMENT			
Managers	6.09	5.90	5.88
Non-Managers	5.45	4.93	5.42

(See Appendix 7B for full ANOVA table)

ANOVA Effects

Identification

Type of Organisation (A)	F=8.81*** ^b	P=0.000
Managerial Position (B)	F=35.85***	P=0.000
Interaction (A X B)	F=0.83	P=0.44

Loyalty

Type of Organisation (A)	F=4.73** ^c	P=0.009
Managerial Position (B)	F=9.56**	P=0.002
Interaction (A X B)	F=1.35	P=0.26

Involvement

Type of Organisation (A)	F=2.80	P=0.06
Managerial Position (B)	F=24.02***	P=0.000
Interaction (A X B)	F=1.21	P=0.30

** Significant at 0.01 level

*** Significant at 0.001 level

^b Private sector is significantly different from both public and privatised groups.

^c Private sector is significantly different from the privatised group.

privatised organisations. The hypothesised differences on the 1988 measure was again not confirmed in the case of the effect of type of organisational commitment. The hypothesised difference for the 1983 measure again shows on the 1988 measure. The results on the subscales for organisational commitment 1988 also showed similar differences as was found on their 1983 counterparts.

From table 7h below it will be observed that the private sector showed a significantly higher mean from both the public and privatised groups on identification as it did on the 1983 measure. The effect size of type of organisation on identification was a bit smaller than that on the 1983 measure though both were equally strongly significant. Type of organisation also had a significant effect on loyalty with the private sector group differing from the privatised group but not from the public sector group. Identification, needless to say, contributed much more to the differences on the commitment measure than did loyalty and involvement (on which there were no significant differences among the three groups).

Managerial position showed a significant main effect on all the three subscales of commitment with stronger effects than on the 1983 measures. The hypothesised differences among the three groups on 1988 commitment were not confirmed, the hypothesised differences on the 1983 measures again showed on the 1988 measures.

Summary of findings on 1988 job satisfaction and organisational commitment measures.

Except for organisational involvement, the private sector had higher mean scores on all the job satisfaction and organisational commitment measures though not all of these measures showed significant differences among the groups. None of the hypothesised differences among the organisational groups was supported by the data. The hypothesised differences on the 1983 measures rather showed on the 1988 measures with the private sector being significantly different from both the public and privatised organisations on extrinsic job satisfaction and identification while the private sector differed significantly from only the privatised organisations on job satisfaction, organisational commitment and loyalty.

It is interesting to note that the private sector also differed significantly from both the public and privatised organisations on 1983 identification. The main argument for allowing employees of privatised organisations to have shares in their organisations is that it will enable employees to identify themselves with the goals and values of their organisations since with their investment at stake, employees will be willing to work harder to make their organisations profitable so as to increase the value of their investments (shares). From the observed results, it can be said that the level of identification in the privatised organisations has not caught up with that of the private sector and seems to be perceived to have reduced slightly from what it was in 1983 (from 4.71 in 1983 to 4.48). More will be said on the 1988 measures in the next chapter.

Another interesting observation is that managerial position was found to be consistently significantly related to both the job satisfaction and organisational commitment measures. The effect of managerial position on the measures was

relatively larger than the effect of organisational type on any of the measures. Managerial position and type of organisation had independent effects with no interaction effect between them on any of the dependent measures.

It was hypothesised that the change to occur within the privatised organisations in terms of job satisfaction and organisational commitment would depend upon the privatised group sharing the same attitudes to privatisation as the private sector group. Technically speaking, it was hypothesised that attitude to privatisation would moderate the effect of sector of ownership on job satisfaction and organisational commitment. The following section will discuss evidence of the moderating effect of attitude to privatisation on the relationship between sector of ownership, job satisfaction and organisational commitment.

Evidence of the moderating effect of attitude to privatisation on the effect of sector of ownership on job satisfaction and organisational commitment.

Four main lines of evidence of the moderating effect of attitude to privatisation were explored in this study. Each will be discussed in the light of whether or not it lends support to the proposed effect of attitude to privatisation. Before the discussion of the evidence, it is important to indicate that the attitude to privatisation measure was in a way similar to identification with private sector goals and values. A positive attitude to privatisation indicates one's confidence in the private sector. The similarity of attitude to privatisation to identification with private sector goals and values is supported by the fact that the measure correlated significantly with the measure of identification, both 1983 and 1988 in the private sector group ($r=0.35$ $P<0.001$ and $r= 0.36$, $P<0.001$ for 1983 and 1988). The correlations were almost the same for both 1983 and 1988. In the privatised group, the measure of attitude to privatisation correlated significantly ($r=0.37$, $P<0.001$) with

the identification measure for 1988 (ie when the privatised organisations joined the private sector) but not with the 1983 measure of identification (ie when the privatised organisations were in the public sector). In the public sector, however, attitude to privatisation did not correlate significantly with either the 1983 or 1988 measure of identification. Saying therefore that attitude to privatisation will moderate the effect of sector of ownership on job satisfaction and organisational commitment is the same as saying that identification with private sector goals and values will moderate the said relationships.

The starting point for identifying the evidence for the moderating effect of attitude to privatisation was to find out whether the organisational groups differed significantly on the measure. A two way analysis of variance indicated a significant main effect for sector of ownership ($F=6.87$; $P=0.001$) but no significant main effect for managerial position ($F=3.54$; $P=0.06$). The expectation therefore that the privatised group will identify with their organisations' goals and values to the same extent as the private sector group did not materialise.

The second step was to correlate the measure of attitude to privatisation with all the job satisfaction as well as organisational commitment measures for the three groups separately and the sample as a whole. This was to throw light on how attitude to privatisation was related to the measures of job satisfaction and organisational commitment within the groups. Table 7i below shows the correlations between the dependent variables and attitude to privatisation within the various groups.

From table 7i, the following interesting observations can be made. First on the 1983 measures, attitude to privatisation correlated significantly with all the

Table 7i

Correlations between attitude to privatisation and the dependent measures within the organisational groups and the total sample

Dependent Variable	Private	Privatised	Public	Total Sample
Job Satisfaction 83	0.47***	0.04	0.19*	0.20***
Extrinsic Satisfaction 83	0.32***	0.01	0.20*	0.20***
Intrinsic Satisfaction 83	0.27**	0.06	0.16*	0.17**
Commitment 83	0.25**	0.06	0.01	0.12*
Identification 83	0.35***	0.04	0.08	0.17**
Loyalty 83	0.01	0.09	-0.12	0.01
Involvement 83	0.23**	0.00	0.07	0.11*
Job Satisfaction 88	0.30***	0.26**	0.12	0.57***
Extrinsic Satisfaction 88	0.25**	0.27**	0.11	0.48***
Intrinsic Satisfaction 88	0.32***	0.23**	0.10	0.59***
Commitment 88	0.26**	0.35***	-0.00	0.50***
Identification 88	0.36***	0.37***	0.00	0.50***
Loyalty 88	0.02	0.23**	-0.02	-.35***
Involvement 88	0.25**	0.29**	0.00	0.37***
Participation in Decision Making	0.40***	0.16*	0.05	0.20***

* P<0.05

** P<0.01

*** P<0.001

dependent measures (except loyalty) within the private and total sample groups. In the privatised group, attitude to privatisation did not correlate significantly with any of the 1983 measures. The public sector showed significant correlations with the job satisfaction measures but not with any of the commitment measures.

Secondly, on the 1988 measures, attitude to privatisation correlated significantly with all the job satisfaction and organisational commitment measures in both the privatised and total sample groups (bearing in mind that attitude to privatisation did not correlate significantly with any of the 1983 measures for the privatised group). In the private sector group, attitude to privatisation correlated significantly with all the measures except, again, loyalty. However, attitude to privatisation did not correlate significantly with any of the 1988 measures within the public sector group. Though the correlations between attitude to privatisation and the 1983 job satisfaction measures were significant within the public sector group, these correlations failed to reach significance level for the 1988 measures.

A third point worthy of note is that while within the total sample and the privatised groups the correlations with the 1988 measures were higher than those with the 1983 measure, the private sector group did not show any such trend. Correlations with both the 1983 and 1988 measures were about the same in magnitude and direction. This consistency in the correlations within the private sector group was also shown in the public sector group where the correlations were consistently lower, with the correlations between privatisation and the job satisfaction measures being slightly higher than those with the commitment measures.

The correlations seem to suggest that at least in the private sector, attitude to privatisation (which is similar to identification) is associated with higher job satisfaction and organisational commitment, with higher attitude to privatisation being associated with stronger job satisfaction and organisational commitment. The

privatised group showed significant correlations only on the 1988 (ie after privatisation) measures while in the public sector group none of the 1988 measures and only the job satisfaction measures of 1983 were significant. The correlations within the total sample, irrespective of sector of ownership, seem to indicate that attitude to privatisation is related to higher job satisfaction and organisational commitment not only in the private sector but for employees generally. The results of the correlations between attitude to privatisation and the dependent measures, coupled with the finding that the private sector group differed significantly on attitude to privatisation from both the privatised and public sector groups, indicate some degree of covariation between attitude to privatisation and the dependent measures.

A partial correlation between type of organisation and the job satisfaction and organisational commitment measures was performed on the total sample, controlling for the effect of attitude to privatisation. Table 7j shows the relative strengths of the correlations between type of organisation and the dependent variables when (a) no variables were controlled and (b) when attitude to privatisation was controlled. Table 7j shows that when attitude to privatisation was controlled in the partial correlation the strength of the correlation between type of organisation and the dependent variables was reduced in all cases both for the 1983 and 1988 measures. The attenuation effect of the control for attitude² to privatisation was larger on the 1988 relationships.

In the case of the 1983 correlations all the correlations remained significant at the same significant levels when attitude to privatisation was controlled in the partial correlation (though all the correlations were reduced in magnitude). The 1988 relationships showed greater reductions in magnitude when attitude to privatisation was controlled in the partial correlation.

Table 7j

The relative strength of correlations between the dependent variables and type of organisation when no variables are controlled and when the effect of attitude to privatisation is controlled.^a

Dependent Variable	No Controls	Controlling for Attitude to Privatisation
Job Satisfaction 83	-0.07	-0.04
Extrinsic Satisfaction 83	-0.13*	-0.09*
Intrinsic Satisfaction 83	-0.01	0.02
Commitment 83	-0.13**	-0.11*
Identification 83	-0.17**	-0.14**
Loyalty 83	-0.10*	-0.10*
Involvement 83	-0.04	-0.02
Job Satisfaction 88	-0.11*	-0.07
Extrinsic Satisfaction 88	-0.18***	-0.14**
Intrinsic Satisfaction 88	-0.04	0.00
Commitment 88	-0.11*	-0.07
Identification 88	-0.15**	-0.11*
Loyalty 88	-0.11*	-0.10*
Involvement 88	-0.01	0.05
Participation In Decision Making	0.00	0.00

* P<0.05

** P<0.01

*** P<0.001

a type of organisation was scored as:

Private 1 Privatised 2 Public 3

The correlations between type of organisation, job satisfaction and commitment were both reduced to non-significance levels. The correlations between type of organisation, extrinsic satisfaction and identification remained significant in spite of the attenuation effect of controlling for attitude to privatisation. The significance levels associated with the correlations however increased in magnitude thus making the correlations less significant than they were when privatisation was not controlled. These results do indicate that attitudes to privatisation do moderate the relationship between type of organisation and the dependent variables.

Attitude to privatisation was looked at in terms of the degree to which it predicted the dependent variables for the three organisational groups and the total sample. The following Section will discuss the results of stepwise multiple regression conducted with all the demographic characteristics and attitude to privatisation entered as predictors. Table 7k below shows the measures for which attitude to privatisation was a significant predictor in the various groups (Appendices 7C, 7D, 7E, 7F show the full results of the multiple regression for the three groups).

From Table 7k, it will be observed that the predictive strength of attitude to privatisation as among the various groups followed the same pattern of the correlations between attitude to privatisation and the dependent variables within the various groups including the total sample. Among the private sector group, attitude to privatisation predicted all (except loyalty) the job satisfaction and organisational commitment measures significantly. As in the case of the correlations between the dependent measures and attitude to privatisation, the predictive strength of attitude to privatisation was about the same for comparable measures for 1983 and 1988. In the privatised group, attitude to privatisation did not predict any of the 1983 measures but it did predict all the 1988 measures including loyalty, which was not

Table 7k

Measures within the various groups for which attitude to privatisation was a significant predictor.

Dependent Variable	Private		Privatised		Public		Total Sample	
	ΔR^2	F	ΔR^2	F	ΔR^2	F	ΔR^2	F
1983								
Job Satisfaction	0.10	10.35**			0.05	8.75***	0.04	12.36***
Extrinsic Satisfaction	0.10	11.01***			0.05	10.38***	0.04	13.03***
Intrinsic Satisfaction	0.07	7.44**					0.03	8.56***
Commitment	0.06	6.29***						
Identification	0.12	13.68***					0.01	11.97***
Loyalty								
Involvement	0.06	5.59*						
1988								
Job Satisfaction	0.09	9.78***	0.05	5.81***			0.06	19.00***
Extrinsic Satisfaction	0.06	6.16**	0.06	8.58***			0.05	17.29***
Intrinsic Satisfaction	0.10	10.97***	0.04	11.55***			0.04	18.24***
Commitment	0.7	7.18**	0.10	17.47***			0.04	19.97***
Identification	0.13	14.16***	0.11	19.05***			0.05	22.82***
Loyalty			0.08	11.46***				
Involvement	0.06	6.31**	0.06	11.30***			0.02	16.12***
Participation in Decision Making	0.16	18.23***					0.03	28.31***

(See Appendices 7C, 7D, 7E, 7F for full regression tables for the groups)

* P <0.05

** P<0.01

*** P<0.001

significantly predicted by attitude to privatisation in the private sector group. In the public sector group, attitude to privatisation predicted only 1983 job satisfaction and extrinsic job satisfaction. It did not predict any other measure, 1983 or 1988.

The total sample showed a trend similar to that of the private sector group with attitude to privatisation predicting all the measures, both 1983 and 1988, except loyalty. As may be observed, the variances explained by attitude to privatisation were generally low, ranging from 0.01 to a high 0.16. The trend and strength of the prediction by attitude to privatisation was the same within the organisational groups whether attitude to privatisation was entered as the only independent variable or with the nine personal characteristics.

The final test of the moderating effect of attitude to privatisation on the relationship between type of organisation and the dependent variables was an analysis of covariance with attitude to privatisation controlled as a covariate. Since union membership appeared as the only significant predictor of attitude to privatisation within the total sample, (see appendix 7C), it was controlled in an analysis of covariance while, in another analysis of covariance, privatisation and union membership were both controlled. These three analyses were to make it possible to identify the possible separate effects of union membership and attitude to privatisation on the relationship between type of organisation and the job satisfaction and organisational commitment measures. Table 71 below shows the relative strength (F value) of the effect of sector of ownership (type of organisation) on job satisfaction and organisational commitment when attitude to privatisation, union membership, both attitude to privatisation and union membership are controlled in analyses of covariance.

Though the hypothesised moderating effect of attitude to privatisation was only in connection with the 1988 measures, it can be observed from Table 71 that attitude to privatisation moderated the effect of sector of ownership on both the

Table 71

Relative strength of effect of type of organisation when attitude to privatisation, union membership, attitude to privatisation and union membership are controlled in analyses of covariance

Dependent Variables	No Controls	Controlling for Privatisation	Controlling for Union Membership	Controlling for Both
1988				
Job Satisfaction	5.70**	3.43*	2.71	1.84
Extrinsic Satisfaction	8.73***	6.04**	4.74**	3.68*
Intrinsic Satisfaction	2.89	1.54	1.31	0.85
Commitment	7.16***	4.91**	5.34**	4.21**
Identification	9.08***	5.96**	6.64**	5.20*
Loyalty	9.52**	3.90*	4.13*	3.67*
Involvement	2.80	2.08	2.13	1.85
Participation in Decision Making	4.19*	2.93	2.69	2.22
1983				
Job Satisfaction	1.39	0.57	0.68	0.36
Extrinsic Satisfaction	3.07*	1.95	0.13	1.58
Intrinsic Satisfaction	0.49	0.11	0.18	0.06
Commitment	5.35**	4.34**	4.02*	3.55*
Identification	9.08***	7.11***	7.53***	6.49**
Loyalty	2.41	2.46	2.45	2.48
Involvement	1.42	0.94	0.50	0.38

(See Appendices 7G, 7H, and 7I for full ANOVA Tables)

* P<0.05

** P<0.01

*** P<0.001

1983 and 1988 measures (for the full tables of the analyses of covariance results, see appendices 7G, 7H and 7I).

Attitude to privatisation attenuated the effects of sector ownership on the job satisfaction and commitment measures, reducing their magnitude and significance levels considerably. The effect was however not strong enough to eradicate the significant effect of sector ownership on the 1988 measures. Controlling for the effects of both union membership and attitude to privatisation was not enough to wipe off the effect of sector ownership on the 1988 measures except in the case of job satisfaction, but this was due mainly to the effect of union membership since controlling for attitude to privatisation alone could not wipe off the effect of sector of ownership. On the 1988 measures, union membership had a stronger attenuating effect on the job satisfaction measures while attitude to privatisation had a stronger effect on the organisational commitment measures. The trend was not however the same on the 1983 measures.

Putting the evidence of the moderating effect of attitude to privatisation together, there seems to be some partial support for the hypothesis of the moderating effect of attitude to privatisation on the effect of sector of ownership on the job satisfaction and organisational commitment measures. First attitude to privatisation was found to be significantly related to the job satisfaction and organisational commitment measures (both 1983 and 1988) within the total sample and the private sector groups. It was also significantly related to all the 1988 measures for the privatised group. The same trend was also shown on the multiple regression, with attitude to privatisation predicting all the measures (except loyalty) for the private and total sample groups while also predicting all the 1988 measures for the privatised group. These seem to indicate that at least within the private sector, attitude to

privatisation, which correlates significantly with identification within the private sector, is a condition for higher job satisfaction and organisational commitment.

The true differences among the organisations, however, must be due to some other variables since controlling for attitude to privatisation failed to wipe off the observed effect of sector of ownership on the dependent measures. In an effort to locate the actual source of the observed differences the organisations were compared on the individual job satisfaction items to find out what job aspects the groups differed on which could be contributing to the overall differences on both job satisfaction and organisational commitment.

Table 7m below shows the job aspects on which the organisations were perceived to differ in 1983 and 1988. The table indicates that there were fewer differences among the groups on the job satisfaction items in 1983. The differences were mainly between the private sector and the public sector organisations with the public and privatised organisations differing only on physical working conditions. On fellow workers, how the organisation is managed and hours of work, the private sector differed significantly from the public sector with the private sector having higher means than the public sector. The 1988 items revealed several significant differences on important job dimensions. The private sector group differed significantly from both the public and privatised groups on satisfaction with pay, industrial relations, hours of work and job security with the private sector having a higher mean in all cases. The private sector also differed significantly from the privatised group on satisfaction with promotional opportunity, freedom to choose method of work and recognition for a good work done. The privatised group differed, as in 1983, from the public sector on physical working conditions. From an almost neutral point in 1983, the privatised group seem to have decreased in their satisfaction with these important job components and this is likely to account for the

Table 7m

Job satisfaction items on which the groups differed significantly in 1983 and 1988^k.

Dependent Variable	Private	Privatised	Public	F
Physical working conditions 83	5.01	5.09	4.73	2.39 ^d
Fellow workers 83	5.65	5.38	5.24	3.25 ^{**a}
How the organisation is managed 83	4.29	4.16	3.87	3.28 ^{**a}
Hours of work 83	5.36	5.14	4.83	4.55 ^{***a}
1988 items				
Pay 88	4.73	4.14	4.04	5.79 ^{***b}
Industrial Relations 88	4.26	3.73	3.81	3.71 ^{*b}
Hours of work 88	5.48	5.08	4.98	4.22 ^{*b}
Job Security 88	5.15	4.54	4.69	4.58 ^{***b}
Chances of promotion 88	3.71	3.22	3.43	1.96 ^c
Freedom to choose your own method of work 88	5.22	4.65	4.94	4.55 ^c
Physical working conditions 88	4.75	4.85	4.40	2.77 ^d
Recognition you get for good job done 88	4.46	4.46	4.25	2.08 ^c

(See Appendices 7k and 7l for full ANOVA tables)

- * P<0.05
- ** P<0.01
- *** P<0.001

- k means are entered in the body of the table
- a private sector is significantly different from the public sector
- b Private sector is significantly different from both the public and privatised sectors
- c Private sector is significantly different from the privatised group
- d The privatised group is significantly different from the public sector.

observed differences between the privatised organisation and the private sector on the 1988 measures (both job satisfaction and organisational commitment). Since organisational commitment is regarded as an exchange relationship between the organisation and the employee, it is less likely to have a committed employee in a situation where there is low satisfaction with pay, industrial relations, job security, chances of promotion etc. It is however interesting to note that on all the items which indicated significant differences among the groups, the three groups had means above the scale means (3.5) except on chances of promotion on which the public sector had a lower mean of 3.2.

The above results show the differences that were among the groups on the various measures of both 1983 and 1988. The 1983 measures indicated fewer differences than the 1988 measures. It is therefore necessary to look also at the possible changes that occurred within the organisations between 1983 and 1988 in terms of employee satisfaction and commitment. Though the 1988 measures indicated several significant differences among the groups with the private sector group always showing a higher mean score than the two other groups, the across organisation comparisons fail to show which of several possible changes within the organisations accounted for the differences observed among the organisations on the measures.

Among the several possible within organisational changes that could account for the observed differences among the groups on the 1988 measures are the following: (a) The private sector group may have kept its 1983 lead on job satisfaction and organisational commitment while the public and privatised groups declined on the 1988 measures. (b) All three organisations may have 'improved' on their 1983 measures with the private sector group going ahead of the two other sectors. (c) All the organisations may have declined on the 1983 measures with the

public and privatised groups declining faster than the private sector group. These possible changes by no means exhaust the range of possible changes that could have occurred within the organisations between 1983 and 1988.

Table 7n shows t-test results of comparisons of 1983 and 1988 measures within the three organisations. Some very interesting results are revealed in table 7n below. Each measure will be discussed in terms of the change between 1983 and 1988 within each organisation and how such changes explain the differences observed among the three groups on the 1988 measures of job satisfaction and organisational commitment.

On job satisfaction it may be recalled that there were no significant differences among the three groups on most of the 1983 measures but the private sector differed significantly from the privatised group on most of the 1988 measures. Table 7n shows that within the private sector group, employee job satisfaction remained almost stable with only a very insignificant change between 1983 and 1988. In the public and privatised groups, there were perceived declines in employee satisfaction between 1983 and 1988 but the decline was only significant in the privatised group. This finding explains the significant difference observed between the private and privatised groups on 1988 job satisfaction.

Extrinsic satisfaction showed significant perceived declines in both the public and privatised groups between 1983 and 1988. Though extrinsic satisfaction also showed a decline in the private sector group, this decline was not significant. On the 1983 extrinsic satisfaction measure, the private sector differed significantly from only the public sector group. The significant decline in job satisfaction within the privatised group in 1988 made it possible for the private sector to be significantly higher than both the privatised and public sector groups. Intrinsic satisfaction shows slight declines in the privatised and public sector groups though none of these

Table 7n

T-test results showing changes in job satisfaction and commitment between 1983 and 1988 within the three organisations.

Dependent Variables	Private		Privatised		Public	
	Means	t	Means	t	Means	t
1988 Job Satisfaction 1983	4.76 4.75	0.01	4.47 4.67	-2.02*	4.49 4.60	-1.02
1988 Extrinsic Satisfaction 1983	4.83 4.92	-0.95	4.52 4.85	-3.79***	4.44 4.67	-2.47**
1988 Intrinsic Satisfaction 1983	4.67 4.57	0.93	4.40 4.48	-0.54	4.56 4.53	-0.19
1988 Commitment 1983	5.03 5.18	-1.79*	4.64 4.96	-3.18***	4.73 4.87	-1.62*
1988 Identification 1983	4.90 5.15	-2.02*	4.48 4.71	-1.82*	3.36 4.63	-2.09*
1988 Loyalty 1983	4.56 4.76	-1.78*	4.09 4.71	-4.37***	4.16 4.45	-2.49**
1988 Involvement 1983	5.61 5.64	-0.36	5.34 5.47	-1.20	5.66 5.54	1.56

* P<0.05 ** P<0.01 *** P<0.001

changes was significant (therefore maintaining the non significant difference among the three groups on the 1983 measure also on the 1988 measure).

The commitment measures showed very interesting within group changes between 1983 and 1988. On organisational commitment for 1983, the private sector differed significantly only from the public sector group. On the 1988 measure however, the private sector group differed significantly from both the public and privatised groups. From Table 7n it can be observed that within the three organisational groups, commitment was perceived to have declined significantly between 1983 and 1988. The decline was however larger in the privatised group than in the private and public sector groups hence the significant difference observed between the private and the privatised groups on the 1988 commitment measure. On identification, a measure on which the private sector differed significantly from both the public and the privatised groups in 1983 and 1988, there were significant declines in the three organisations between 1983 and 1988 with the declines being larger within the public and private organisations than in the privatised organisations. Loyalty and involvement also were perceived to have declined in the three groups between 1983 and 1988. In the case of loyalty, the perceived decline was significant for all the three groups with the largest decline occurring within the privatised group followed by the public sector group. The declines in involvement were not significant and in the public sector group there was even a slight increase though this was also not significant.

Generally, the differences observed among the three groups on the 1988 measures seem to be the result of significant declines on the 1988 measures for the various groups. In all cases, the private sector group maintained its lead over the public and privatised groups in spite of the significant declines on some of the measures. On the job satisfaction measures, the private sector seemed to have

remained stable between 1983 and 1988 with slight but insignificant increases in job satisfaction and intrinsic satisfaction while extrinsic satisfaction was perceived to have experienced a slight insignificant decline. On the organisational commitment measures however, the private sector showed significant declines on all the measures except involvement.

Within the privatised group, there were significant declines on all the job satisfaction measures between 1983 and 1988 except intrinsic satisfaction. The declines in the organisational commitment measures in the other groups followed those in the private sector group. Significant declines were observed on all the commitment measures except involvement, just as in the case of the private group. The public sector group also showed decline on all the job satisfaction measures but only the decline on extrinsic satisfaction was significant. The declines on the commitment measures were similar to those in both the private and privatised groups. There were also significant declines on all the organisational commitment measures except involvement.

Generally, the differences observed among the groups on the job satisfaction measures may be attributed to the fact that, as revealed in table 7n, the private sector group was relatively stable between 1983 and 1988 while the public and privatised groups perceived some decline in 1988. On the commitment measures however, the observed differences among the groups may be attributed to the observation that on all the measures there were significant declines between 1983 and 1988 (except involvement) and that on all these measures, except identification, the privatised group perceived a higher decline than the private and public sector groups. This was also the case on the job satisfaction measures. The private sector group with its initial lead on the commitment measures had to decline at a considerably greater pace to catch up with the other two sectors on the downward

race. This did not happen, hence the observed differences among the groups show the private sector as higher on all the commitment measures. In short the differences observed on the 1988 commitment measures may be due to the fact that on the commitment measures all the organisations perceived significant declines with the public and privatised groups declining faster than the private sector group (bearing in mind that the private sector group had higher means on all the 1983 measures).

An effort to explain the observed changes within the groups was made by assessing the within organisational changes between 1983 and 1988 on the individual items of the job satisfaction scale. Table 7o above shows the items on which there were significant changes within at least one of the three organisational types between 1983 and 1988.

In the private sector group, significant positive changes occurred on employee satisfaction with: freedom to choose one's method of work; amount of responsibility in one's work; pay; and attention paid to suggestions one makes. With positive changes in the above aspects of the job, it is no wonder that the private sector group perceived higher means on all the job satisfaction and organisational commitment scales. Pay is a major source of dissatisfaction among employees (Lawler 1971) and employees seem to never get enough pay since pay increases lead to changes in the individual's consumption pattern which absorbs the increased income. To have employees perceiving a positive change in their satisfaction with their pay is a step towards satisfaction with the job generally.

It is also important to note that both freedom to choose method of work and amount of responsibility were perceived to have increased in 1988. The two items are purported to be related; freedom to choose method of work leading to acceptance of responsibility for job outcomes (see discussion on the job characteristics model in Chapter 2). Both measures or job aspects are powerful contributors to job

Table 7o

T-test results showing some Job Satisfaction items on which there were significant changes within the organisations between 1983 and 1988.

Dependent Variables	Private		Privatised		Public	
	Means	t	Means	t	Means	t
1988	4.75		4.82		4.40	
Physical Working Conditions						
1983	5.03	-1.51	5.09	-1.56	4.73	-1.70*
1988	5.23		4.64		4.94	
Freedom to choose method of work						
1983	5.03	2.40**	4.80	0.83	4.73	1.12
1988	4.44		3.96		4.25	
Recognition for good work done						
1983	4.62	-1.07	4.34	-1.94*	4.27	-0.09
1988	4.96		4.94		5.00	
Amount of responsibility						
1983	4.60	2.28**	4.65	1.61	4.78	1.25
1988	4.73		4.11		4.03	
Pay						
1983	4.40	2.28**	4.39	-2.01*	4.38	-2.48**
1988	4.26		3.71		3.81	
Industrial Relations						
1983	4.41	-0.93	4.46	-4.65***	4.15	-2.46**
1988	3.71		3.22		3.43	
Chances of Promotion						
1983	4.01	-2.26**	4.12	-4.50***	4.11	-3.09**
1988	3.85		3.69		3.50	
How the organisation is managed						
1983	4.37	-3.13**	4.17	-2.84**	3.87	-2.08*
1988	5.16		4.53		4.69	
Job Security						
1983	5.41	-1.47	5.41	-5.90***	5.50	-5.36**
1988	5.19		5.18		4.98	
Amount of variety in your work						
1983	5.05	0.91	4.77	2.35*	5.05	-0.35
1988	4.56		4.32		4.50	
Attention paid to Suggestions you make						
1983	4.27	1.99*	4.27	0.28	4.30	1.16
1988	4.55		4.54		4.81	
Opportunity to use your abilities on the job						
1983	4.56	-0.06	4.39	0.79	4.48	1.88*

* P<0.05

** P<0.01

*** P<0.001

satisfaction. Attention paid to suggestions one makes (which also showed an increase among the private sector group) enhances one's perceived worth to the organisation which in turn affects the individual's job satisfaction.

Significant negative changes also occurred on some of the items for the private sector group. Significant negative changes occurred on chances for promotion and the way the organisation is managed. Comparable negative changes occurred on these two items in the other two groups as well. In the case of chances for promotion, the change was larger in the privatised and the public sector groups than it was in the private sector group.

Within the privatised group, several significant negative changes were perceived on the job satisfaction items for 1983 and 1988. Negative changes were observed on satisfaction with: recognition for a good work done; pay; industrial relations between management and workers; chances of promotion; how the organisation is managed; and job security. With significant perceived declines on satisfaction with the above aspects of the job, it is literally impossible for overall satisfaction with the job to increase. The perceived declines with satisfaction on the above job aspects explain why the privatised group came to be significantly different from the private sector group on several of the job satisfaction and organisational commitment measures. Amount of variety is the only item on which the privatised group perceived a significant increase in satisfaction between 1983 and 1988. It is however not clear whether this increase was viewed as beneficial by the employees or as detrimental to them. Amount of skill variety in one's job is seen as providing challenge which is a positive asset to job satisfaction. The positive effect of variety is however likely to have a limit beyond which the effect on job satisfaction will be negative. With all the observed significant changes between 1983 and 1988 being

negative (for the privatised group) it is less likely that the increase in variety of tasks performed was viewed positively by the employees.

The perceived changes in the public sector group showed a trend similar to that of the privatised group. Several negative changes were perceived on most of the job satisfaction items. Satisfaction with the physical working conditions; pay; industrial relations between management and workers; chances of promotion; how the organisation is managed; and job security all showed significant declines in 1988. On all the above items except physical working conditions, the privatised group also showed significant declines with the changes being larger in the privatised group than in the public sector group. The larger perceived declines in the privatised group may account for the many differences observed between the private and privatised groups on the 1988 measures than was observed between the private and public sector groups. The only significant positive change in the public sector group was on opportunity to use one's abilities. The perceived change was however not as large as the perceived negative changes on the other items except in the case of the physical working conditions.

Looking across organisations, it can be observed that all the three groups perceived significant declines on chances of promotion and how the organisation is managed, with the public and privatised groups perceiving larger declines on chances for promotion while the private sector group perceived a higher decline on how the organisation is managed. On pay, while the private sector group perceived a significant positive change, the two other groups showed significant negative changes. As can be seen from table 70, there were many negative changes within the public and privatised groups than there were within the private sector group and these must have been responsible for the observed differences between the private sector group and the other two groups.

Though the within organisation changes on the job satisfaction items help in understanding the observed differences among the groups on the job satisfaction and organisational commitment measures for 1988, the nature of the questionnaire was such that it did not make it possible to identify what it was that had changed about the job aspects identified. It is helpful to know that employee satisfaction with the way their organisations are managed has declined but it will be even more helpful to know what it is about the way the organisation is managed that has caused the perceived decline. Further information on the items on which satisfaction was perceived to have changed was necessary to help in clarifying the observed differences since in some cases the perceived changes may be open to several interpretations. Though employees were asked to indicate their satisfaction with the job dimensions, it is possible that in some cases employees indicated how much of the item was available on the job. It is possible that on items like amount of responsibility and variety some respondents may have indicated the amount present on their jobs rather than their satisfaction with the items. In such a case, a higher score may denote higher satisfaction or dissatisfaction. In order to clarify such possible equivocal interpretations and to obtain further data on the job aspects which indicated significant perceived changes between 1983 and 1988, a follow up questionnaire was administered to a sample of the participants in the first study. Participants were required to indicate what it was that had changed, about each of the job aspects listed on the questionnaire and also to indicate whether the change had been for the better or for worse (the items were those on which significant changes were observed between 1983 and 1988 in the first study).

Employee reasons for changes in satisfaction with some job aspects between 1983 and 1988

As mentioned earlier on, the aim of the second study was to find out employees' reasons for the perceived changes (in most cases decline) in satisfaction with some of the job aspects (on job satisfaction) between 1983 and 1988. Table 7o shows that on some of these job aspects there were significant changes within the three organisations while on others there were significant changes in two organisations and on others in only one of the organisational groups.

In this section, emphasis will be placed on the group which perceived a significant change on an item, discussing that groups' reasons for the change in some detail though the reasons for the other group or groups will also be touched on briefly. From table 7o, it will be found that significant changes occurred on the satisfaction of employees in the three organisations on pay, chances of promotion and the way the organisation is managed. The reasons for such changes will be discussed for each item and for each group.

Satisfaction with Pay

Among the privatised sector group, a significant perceived decrease in employee satisfaction with pay was observed between 1983 and 1988. Most of the 16 respondents on the second questionnaire indicated that salaries had increased (between 1983 - 1988) above inflation. While some viewed this increase as satisfactory, others felt it was inadequate. All the respondents who indicated dissatisfaction with pay increases between 1983 - 1988 did so on equity basis. One manager (respondent 1) (non-union member and with 14 years tenure) said that "pay increases have been marginally better than inflation up to the middle of 1988 but

relative to the South East employment market, such an increase was marginally worse". (For responses of employees to the follow-up questionnaire, see appendices 7M,7N and 7O). Respondent number 8 who was also a manager, non-union member and with 21 years of tenure said, "It (pay) has improved in line with inflation but has not kept pace with comparable companies elsewhere". Another manager (respondent 4, with 20 years of tenure and also a union member) said, "My pay has increased in line with inflation; this change is worse because with national wage agreement the South East is disadvantaged". In all, 6 out of the 16 respondents from the privatised sector indicated that pay had changed for the worse all because of equity considerations. The remaining 10 respondents felt that since the pay increases were better than inflation, that was a change for the better. The group (privatised group) seems to be saying that individually their pay was all right but as a group it was not very good. (See appendix 7N for responses for the privatised group).

One of the heads of the privatised organisations that participated remarked, "We British should not feel dissatisfied with our salaries because we have been doing well over the past nine years. Salaries have risen above inflation but people have become greedy, they go out and spend, spend, spend and that is what is getting us into trouble".

Among the private sector group, only one out of the 7 respondents expressed dissatisfaction with pay due to the perceived decline in the real value of his/her pay. The respondent remarked, "I have received annual increments, and cost of living rises. Also I now receive an allowance (the South East allowance). In real terms I feel the change has been for the worse eg. house purchase is no longer a possibility to start on while other major purchases have remained level". (This respondent (2) was a union member, non manager with 12 years of tenure). The remaining six

respondents either said that pay had changed for the better or were indifferent. (For responses of the private sector group, see Appendix 7M).

The public sector respondents like the other two groups said that salaries had increased due to promotion, annual increments and cost of living increases. All the 8 respondents said the pay increases had been above inflation and that the perceived increases were for the better. Probably the difference between the public and privatised groups was that while both groups indicated that individuals were satisfied with their pay increases, the privatised group went further to compare their pay with other organisations while the public sector group did no such thing. The small numbers involved makes it difficult to put any credibility on the results as representing the groups. This should be kept in mind throughout this section (For responses of the public sector group see Appendix 7O).

Chances of Promotion

Chances of promotion was another item on which there was a significant perceived change in all the three groups. In the private sector group, only one of the respondents said that there was a better chance of promotion in 1988 than in 1983. Why this is so is not very apparent from what he/she said. Respondent 4 (who was a manager, a non-union member with 15 years tenure) remarked that, "Up to 1988 I felt I was in a deep rut but now I hope to progress up the management tree". As said above, this does not give any indication why the respondent was hopeful of promotion after August 1988. The remaining 6 respondents in the private sector group indicated that there had been no significant change between 1983 and 1988 on chances of promotion. Perhaps such opportunities have always been limited

and remained so between 1983 and 1988 though the mean scores for this item for both 1983 and 1988 were both above the scale mean (4.01 and 3.71 respectively).

In the privatised group, 9 of the 16 respondents indicated dissatisfaction with chances of promotion. Almost all the 9 respondents attributed the decreased chances of promotion to some restructuring going on in their organisations which have led to the reduction of staff, especially managerial staff. Respondent 1 (manager, non-union member with 14 years of tenure) indicated that: "In general with reduced manpower and a slimmer organisation, the chances of promotion have been reduced". Respondent 4 (Manager, union member with 20 years of tenure) felt, "Personally OK but generally not so good. Declining numbers offer less opportunity". Two other respondents who clearly made the point about reduction in staff size and therefore reduction in promotional opportunities were respondents 8 and 9.

Respondent 8 (Manager, non-union member with 21 years of tenure) observed, "Reduced chances of promotion due to contraction of the organisation and therefore reduction in the number of opportunities available." Respondent 9 indicated that there was very little opportunity for promotion "except to say that if there are fewer managerial positions available resulting from re-organisation then chances of promotion are naturally reduced. For the 'high fliers' promotion chances have probably increased". (Respondent 9 was a manager, non-union member with 9 years of service).

The non managerial employees expressed somewhat more positive views on chances of promotion either because there were fewer bosses or because the organisational re-structuring had put them in a more 'prosperous' department.

Respondent 6 (non-manager, union member with 18 years of tenure) observed, "increased chances of promotion due to me changing departments but

generally in the industry no change in promotional opportunities". Respondent 15 (non-manager, union member with 20 years of tenure) indicated that, "due to new staff structuring and branch gradings I am now optimistic about promotion, although I feel I should have been promoted a year ago." It seems that (based on the responses obtained) the main source of dissatisfaction, among managers, with promotional opportunities is the shrinking staff size due to restructuring in the privatised organisations.

In the public sector group, 6 of the 8 respondents indicated less satisfaction with chances of promotion due either to the fact that promotion has become harder to achieve or promotion chances have reduced. One respondent who had been promoted recently (1987) saw better prospects due to management courses he/she was engaged in. Respondent 3 (manager, non-union and 6 years tenure), attributed the availability of promotional opportunities to availability of promotion examinations and acceptance of females as managers in the organisation. The 6 respondents who indicated less satisfaction with promotional opportunities failed to provide any elaborate information on how promotional opportunities have become harder to achieve or have reduced.

Apart from the small sample size, the reasons for either satisfaction or dissatisfaction with promotional opportunities are not detailed and too varied to enable any speculations to be made concerning the possible causes of the changes in perceived satisfaction with the item.

The Way your Organisation is managed.

The dissatisfaction with management in the private sector group was attributed to changes in management due to the re-structuring going on in the

organisations. Respondent 2 (non-manager, union member with 12 years of service) attributed the decline of satisfaction with the way the organisation is managed to the fact that, "Management has become a key part of the organisation. This change is for the worse, eg (i) There are more levels of management, the organiser has organiser etc so much time is spent on this organising it leaves little time actually to do the work, ie we seem to have more middle men. (ii) Time and motion has reduced staff while work load increases. These studies do not allow for the human element, ie if the customer asks a question, time is allowed for the question and answer only - no allowance is given to give the customer a full understanding of the answer".

Respondent 5 (non-manager, union member with 12 years of tenure) who also indicated perceived decline in satisfaction with management attributed the decline to, "re-organisation of the company in general. Three districts cut down to two". Respondent 6 also attributed the decline to, "major re-organisation throughout the company to bring it up to date. This change was meant for the better but at the moment seems for the worse". (Respondent 6 was a non-manager, non-union member with 12 years tenure). Respondent 3 (manager, union member with 34 years of service) attributed the perceived decline in satisfaction with management to the introduction of too much technology.

The three respondents who expressed positive changes in satisfaction with management attributed the change to increased openness of management. Respondent 4 (manager, non-union member with 15 years of service), felt the positive change in satisfaction with management was due to, "New general manager in 1986 who although fairly autocratic, has improved slightly the general openness throughout the company". Respondent 7 (manager, union member with 22 years tenure) attributed the positive change to a "slightly more open" management. The

third respondent who indicated a perceived improvement in satisfaction with management attributed the change to re-organisation of the company into a larger area and also to a change of management staff.

From the few observations above, it seems that the change in satisfaction with management has a lot to do with the re-structuring going on in the organisation. The re-structuring seems to account for both the satisfaction and dissatisfaction with the way the organisation is managed in the private sector group.

In the privatised group, 9 of the 16 respondents perceived that management had changed for the better while the rest perceived otherwise. Both those who felt satisfaction with management had changed for the better and those who felt the change had been for the worse based their reasons on re-structuring going on in their organisations - just as in the case for the private sector group. Respondent 9 (manager, union member with 9 years tenure) observed that, "There has been recent rational re-organisation in the way the industry is managed. While some new posts have been created, there has been recent dilution of over staffing on management side as well as manual. This has had the effect of people taking on larger responsibilities, increasing work load and perhaps taking larger areas and hence more men. Generally, there was room for such change although it has proved unpopular in certain cases. People don't like to take on more responsibilities for the same money etc even if it is proved that there is room for this - and there has been - in the name of efficiency". Respondent 12 (Manager, Union member with 32 years of tenure) who also perceived that there has been a decline in satisfaction with management attributed the change to the fact that, "The role of management has been given to people who have not come through the industry. This has led to an attitude of 'complacency' among the lower ranks. There is no future in allegiance to an industry. A lot of mistrust now exists". Respondents 2, 7, 8, 11 and 13 also

expressed perceived reductions in satisfaction with management due to the consequences of the organisational re-structuring. (See appendix 7N).

Respondent 15 (non-manager, union member with 20 years of service) perceived an improvement in satisfaction with management due to, "improved technology/improved management techniques, better communication to all levels of staff, enhanced training procedures". Respondent 16 (manager, non-union member with 12 years of tenure) also attributed the perceived positive change to management being more financially aware. The other respondents perceiving improvement in employee satisfaction with management also based their reasons for their perceptions on the re-structuring going on in the organisations.

The public sector respondents also based their perceptions on re-structuring going on in their organisations. Three of the eight respondents perceived negative change in satisfaction with management while four perceived a positive change and the remaining one was indifferent. Respondent 3 (Manager, Union member with 6 years of tenure) attributed the perceived negative change to "more attention now paid to fine detail and definitely more emphasis on profits". Respondent 1 and 2 attributed the perceived negative change to their organisation being split into three businesses and management becoming more remote. Respondent 4 (non-manager, union member with 12 years of tenure) who perceived a positive change in satisfaction with management saw it arising from the fact that, "New ideas are being introduced, there is more contact with management and more questioning of why certain procedures are necessary. A re-assessment of procedures". Respondent 8 (manager, non-union member with 10 years of tenure) ascribed the positive change to management being "more positive, top driven and with clear objectives". The changes in management personnel and style have led to some positive as well as

negative consequences in the perceptions of employees. (For responses of the public sector employees, see appendix 70).

Industrial Relations

Industrial relations is one of the two items on which only two of the organisations (public and privatised) perceived significant changes between 1983 and 1988. Both organisations indicated perceived declines in satisfaction with Industrial Relations.

Among the privatised group, satisfaction with industrial relations seems to be based on the ongoing restructuring of the organisations just as in the case of perceived changes in satisfaction with management. Some employees perceived significant improvement in industrial relations while others did not. Respondent 9 (manager, union member with 9 years tenure) observed that, "There has been some hostility recently between management and workers. This is due to the changes in working practices and wage restructuring including changing working hours and overtime hours. The majority however realise that change must come all be it slow. It is after all a British disease to resist change at all cost unfortunately. As people begin to see and realise that everyone has a job to do and that in today's economic and industrial climate there is a general urgency to perform well, particularly financially as almost all employees have a few shares in the company I genuinely believe that some are beginning to take interest in what goes on and this can only be good for the future as hopefully it snowballs onto other employees despite early difficulties at present".

Respondent 12 (manager, union member with 32 years of tenure) expressed the feeling that things could not get any worse, "with the change in union powers the

relationship between the two has drifted apart. In some respects relations have improved. The use of christian names for example. Unfortunately this is only a small part and I feel at present that things could not be any worse". Others felt that the fact that anybody's (manager or non-manager) job could be at stake had led to an atmosphere of cooperation between managers and workers. This was typified by respondent 11 who said, "The fact that everybody's job could be at risk has probably improved relations but if one side says it is black by nature the other side will say it is white... I think that it will always be us and them".

The perception of positive improvement in Industrial Relations is exemplified by Respondent 15 who felt that, "much closer network now exist with management and staff being able to communicate on the same level but with management retaining respect" (See appendix 7N for the remaining responses).

Among the public sector employees, there seems to be an indication of more cooperation between management and workers because of threats to job security. Five out of the eight respondents perceived greater cooperation between management and staff in order to ensure survival of the organisation. Respondent 5 (manager, non-union member with 5 years of tenure) observed that, "Both sides are aware of the problems and are working together to ensure work is kept in house". Respondent 6 also observed, "closer working relationships to ensure department survival". Cooperation was also the core of respondent 8's response. He/she observed, "increase in management control. Industrial relations is still very important for cooperation in facing competitive tendering". Cooperation between management and workers is possible when an organisation is facing decline (Hartley 1989) especially when the causes of the decline are seen as resulting from without the organisation. This seems to be the case in the public sector group. The two respondents who felt industrial

relations had deteriorated attributed the deterioration to either lack of union strength or to an unstable relationship between management and workers.

The private sector group indicated a more positive change in satisfaction with industrial relations, most of the respondents maintaining that industrial relations have always been cordial. Two respondents (5, 6) however perceived declines in satisfaction with relations due to the fact that, "Management has changed towards more high powered/financially orientated management. Certain amount of frustration is felt amongst workers with morale low throughout". (Respondent 5). Respondent 6 (non-manager, non-union member with 15 years of tenure) also expressed the view that, "There is no longer the family atmosphere - everything more highly concentrated and morale generally low". It may be noted that in the first study, the private sector group did not show any significant change in satisfaction with Industrial Relations between 1983 and 1988. This is largely reflected in the views of the seven respondents in the second study.

Job Security

The second item on which only the public and privatised organisations perceived significant changes in satisfaction between 1983 and 1988 was job security. Again, the reasons for the perceived decline seem to centre around the re-structuring going on in the organisations - especially the privatised organisations.

The perception of decline in job security expressed by some employees in the privatised organisations was based mainly on the rate at which employees were being declared redundant. Respondents 1, 2, 7, 11 and 16 expressed the view that the organisation is no longer seen as a job for life organisation and that privatisation has reduced job security through cutbacks and redundancies. Some respondents

expressed satisfaction with job security because they felt lucky not to have experienced redundancy with privatisation. Respondent 15 explained his/her satisfaction with job security as, "We are fortunate not to have had redundancies and in fact I feel that my position is even more secure now due to the company's need for word processing experience". The feeling of satisfaction or dissatisfaction with job security within the privatised organisations seems to depend on the presence or absence of redundancies as perceived by employees. Respondent 16 however felt that the precarious nature of job security within the privatised organisations was not as a result of privatisation but rather as a result of a general feeling of indispensability of any particular employee to industry. He/she expressed the view that "Job security is not guaranteed like it was a few years ago but I do not believe this to be a result of privatisation. No one is indispensable now! If you can save money in certain areas and are a genius on the computer, however, my last statement may not apply."

In the public sector group, the perceived decline in satisfaction with job security seems to be due to the introduction of competitive tendering or to the impending privatisation of the organisation. Two of the public sector organisations were targeted for privatisation and in one organisation *some sections were already* competing with the private sector for jobs that were solely for the public sector organisations a few years earlier.

Respondent 4 (non-manager, union member with 12 years of tenure) exemplified the privatisation threat to job security. He/she observed that "This (job security) is rather grim. Privatisation is about to strike, I am sure there will be plenty of other staff from other areas capable of my work. There cannot be any guarantee of job security at the moment". Respondent 8 (Manager, non-union member with 10 years of tenure) attributed the decline in satisfaction with job

security to the introduction of competitive tendering. He/she put it graphically as "job security has probably declined - Local Authority subject to compulsory competitive tendering - lose the tender due to wrong price = lose the job". The perceived decline in job security expressed by the public sector employees seemed to be due partly to conditions pertaining at the time and to conditions yet to come (privatisation).

Even among the private sector group which expressed no significant decline in perceived satisfaction with job security between 1983 and 1988, concern was expressed about the possible decline in job security in the years ahead. One of the organisations, though privately owned and managed, was working within certain government regulations which prevented it from operating as a truly private sector organisation. The organisation was going to be de-regulated to enable it to raise money on the stock market and to charge competitive prices for its services. The de-regulation was seen as a possible threat to job security by some of the employees.

Respondent 5 (non-manager, union member with 12 years of service) observed that, "Nothing (has changed about job security) at the present time but privatisation (de-regulation) of the Industry in the not too distant future may change this". Respondent 6 also said, "All (job security) as previously but future uncertain due to privatisation in 1989". Respondent 7 also observed that the job is "Becoming less secure with proposed restructuring" of the industry. The remaining respondents only expressed the view that jobs between 1983 and 1988, had always been secure., They did not make reference to job security beyond 1988.

Items showing significant changes in only one of the organisational groups.

On seven items, significant changes in satisfaction occurred in only one of the organisational groups. In this section, only reasons for the group that indicated significant changes in the first study will be discussed. The other two groups' reasons will be found in the appropriate appendices.

Concerning physical working conditions, only the public sector group indicated a significant decline in satisfaction between 1983 and 1988. The main cause of the perceived dissatisfaction with the physical working condition was a change of building with the new building having smaller space, poor ventilation and illumination. The conditions in the new building were exemplified by the responses of respondents 1 and 2.

Respondent 1 attributed the perceived decline in satisfaction with the physical working condition to the fact that, "I work in a much smaller, lower, darker and stuffy office." Respondent 2 also commented on the fact that he/she worked in a "newer building with less space, heating and lighting inadequate, windows smaller so artificial light is used all day". Other respondents however expressed satisfaction with the physical working condition, some even saying that their office was a luxury.

The private sector group also expressed some dissatisfaction with the physical working conditions as a result of a change of office building. The dissatisfaction seems to centre around the fact that the new building is a two-storey building with all facilities - photocopiers etc - located on the first floor thereby requiring staff to move up and down to use the facilities. This concern was expressed by respondents 5 and 6. Respondent 2 mentioned lack of adequate heating in winter and air conditioning in summer. (For responses of the private sector, see appendix 7m). The privatised group expressed a general satisfaction with the physical working

conditions though there were three out of the 16 respondents who expressed some dissatisfaction (see appendix 7n for responses for the privatised group).

On freedom to choose method of work, the private sector perceived a significant positive change in satisfaction between 1983 and 1988. The increase in satisfaction was attributed to a change in management style (respondent 1) and increased freedom (respondents 3, 4 and 7). Respondents 5 and 6 perceived a decline in freedom to choose method of work as a result of the introduction of computers and word processors.

The public and privatised groups also indicated satisfaction with freedom to choose method of work as a result of increased opportunities. (See appendices 7O and 7M for responses of public and private sector groups respectively).

The privatised group indicated a significant decline in perceived satisfaction with recognition for a good work done in the first study. In the second study, the reasons for this decrease were attributed to, less recognition (respondents 2, 6, 7, 12), less financial recognition (respondents 5, 11) and obscurity due to the size of the organisation (3, 9). Others, however, expressed satisfaction with recognition as a result of either a change in status or because recognition has always been present on their jobs. Among the public and private sector employees, there was a general feeling of decline in recognition due to its total absence, reduction in frequency or verbal recognition with no associated financial rewards. (See appendices 7O and 7M for public and private sector responses respectively).

On amount of responsibility, the private sector was the only group that perceived a significant positive change in satisfaction in the first study. Almost all the respondents in the second study either indicated an increase in satisfaction or a stable level of satisfaction between 1983 and 1988. Only respondent 2 indicated a

decline in satisfaction with responsibility. This was attributed to an increase in the height of the authority hierarchy leading to a single decision having to go through several levels of management before a decision is finally reached. The public and privatised organisations also indicated a general satisfaction with responsibility on the job as a result of increased responsibility. (see appendices 7O and 7N).

Amount of variety in one's job was the only item on which the privatised group perceived a significant positive change in satisfaction between 1983 and 1988. The change in satisfaction was attributed to an increase in the amount of variety. Some however expressed the view that the variety had become unwieldy making it difficult to cope. The private and public sector groups also indicated similar increases in variety but while some viewed such increases as satisfying, others (eg respondent 1) regarded a smaller variety as beneficial.

The last two items on which there were significant perceived changes in at least one of the three organisational groups were attention paid to suggestions and opportunity to use one's abilities.

On attention paid to suggestions, the private sector group showed a significantly positive change while the public sector did likewise on opportunity to use one's abilities. The private sector group indicated that management was either more receptive to suggestions or had maintained a positive attitude towards suggestions. Respondent 2 however indicated that: "We are now more greatly encouraged to make suggestions but there has been no change in the response they receive - which is very little". The two remaining sectors, public and privatised, also indicated that much more attention was paid to suggestions than in 1983. In the privatised group, however, three of the eight respondents (7, 9, 12) indicated that very little action is taken on suggestions made though they are generally encouraged to make suggestions.

The last item on which a significant change in satisfaction was observed was opportunity to use one's ability. As shown in table 7o, the public sector group perceived a significant positive change in satisfaction with this item between 1983 and 1988. Out of the 7 respondents, 6 perceived increase in opportunities to use their abilities while only one said there was a decline in such opportunities. The privatised group also showed that opportunities had either been always available or had changed positively between the 1983 and 1988 period. This was mainly attributed to promotion and advancement on the organisation's hierarchy. The private sector group also gave a similar positive change in opportunities to use abilities.

In concluding this section, I would like to reiterate that the sample for the second study cannot be said to be representative of the sample in the first study because of the small numbers involved in the second study. The responses obtained in the second study cannot therefore be said to be representative of the views of the sample in the first study. The responses however give some indication of the reasons for the changes in satisfaction with the various job aspects between 1983 and 1988.

One theme seems to run through the responses in the second study. There seem to be some restructuring going on in the three organisational types. These restructurings seem to be the underlying causes of the perceived shift in satisfaction with the items discussed above. More will be said on the effect of the restructuring exercise on employee satisfaction and commitment in the next chapter. The next section will present data on the observed public/private sector differences.

Differences between Public and Private sector organisations on Job satisfaction and Organisational commitment.

The second set of hypotheses was tested in three ways. First the two established groups in the private and public sectors were compared on job satisfaction and commitment for both 1983 and 1988 then, secondly, the public and privatised groups were combined and compared with the private sector group on all the 1983 measures (since in 1983 the two groups were in the public sector). Finally, the private sector group was combined with the privatised group and compared with the public sector group on the 1988 measures.

Table 7p below shows the means and t values for the public and private sector groups on the job satisfaction and organisational commitment measures for both 1983 and 1988. The significant differences observed between the public and private sector groups were similar to those observed with the two-way analysis of variance earlier on.

The private sector group differed significantly from the public sector group only on one of the job satisfaction measures for 1983 ie extrinsic satisfaction. On the 1983 commitment measures however, the private sector differed significantly from the public sector group on all the measures except involvement. The private sector group differed from the public sector group on 1988 job satisfaction and extrinsic satisfaction but not on intrinsic satisfaction. On the 1988 commitment measures the private sector differed significantly from the public sector on all measures except, again, involvement. Considering the results in table 7p, it can be said that the private sector showed some consistency in differing significantly from the public sector. The private sector differed significantly from the public sector on the same measures of commitment for both 1983 and 1988 while on the satisfaction

measures the private sector differed from the public sector on only extrinsic satisfaction for 1983 and 1988, on job satisfaction and extrinsic satisfaction.

A comparison of the private sector group with a combination of the public and privatised groups (as the public sector group) on the 1983 measures did not show the differences observed when the 'established' public and private sector groups were compared on the 1983 measures. As shown in table 7q below, the private sector group differed significantly from the combined public and privatised group (as the public sector group) on only commitment and identification. It was anticipated that since the privatised and public sector groups were both in the public sector in 1983, a combination of the two compared with the private sector would show significant differences with the private sector being higher on the 1983 job satisfaction and commitment measures than the combined public and privatised group.

A comparison of the public sector with the combination of the private and privatised organisations (as the private sector) on the 1988 measures also failed to show the differences observed between the 'established' public and private sector groups. The combined private and privatised group differed significantly from the public sector group only on extrinsic satisfaction and Identification (see table 7r below). These (extrinsic satisfaction and Identification) are two measures on which the private sector was found to differ significantly from both the privatised and the public sector groups (see tables 7f and 7h above). The main reason for the failure of the private sector group to show significant difference from the public and privatised groups (combined as the public sector group) on the 1983 measures was that the slightly higher means of the privatised group raised the combined means of the public and privatised sectors thereby eradicating the observed differences between the established public and private sector groups.

Table 7p

A comparison of the public and private sector groups on the 1983 and 1988 measures.

Dependent variable	Private (N=98)	Public (N=101)	T-value
1983			
Job Satisfaction	4.75	4.60	1.17
Extrinsic Satisfaction	4.92	4.67	2.01*
Intrinsic Satisfaction	4.57	4.53	0.24
Commitment	5.18	4.87	2.31**
Identification	5.15	4.63	2.99**
Loyalty	4.76	4.45	1.78*
Involvement	5.64	5.54	0.61
1988			
Job Satisfaction	4.76	4.49	1.97**
Extrinsic Satisfaction	4.83	4.44	3.11**
Intrinsic Satisfaction	4.67	4.56	0.68
Commitment	5.03	4.73	1.98*
Identification	4.90	4.36	2.70**
Loyalty	4.56	4.16	2.01*
Involvement	5.61	5.66	-0.32
Participation in Decision Making			
Making	3.42	3.41	0.01

* P<0.5

** P<0.1

***P<0.001

Table 7q

Comparison of the privatised and public sectors combined with the private sector on the 1983 measures.^a

Dependent Variables	Private(N=98)	Public(N=203) (Public and privatised)	T
Job Satisfaction	4.75	4.64	1.01
Extrinsic Satisfaction	4.92	4.76	1.45
Intrinsic Satisfaction	4.57	4.50	0.46
Commitment	5.18	4.92	2.34*
Identification	5.15	4.67	3.36***
Loyalty	4.76	4.58	1.17
Involvement	5.64	5.50	0.99

a means are entered in the body of the table

* P<0.05

** P<0.01

*** P<0.001

Conversely, the inability of the combined private and privatised group (as the private sector group) to differ significantly from the established public sector group on the 1988 measures was due to the fact that the lower means of the privatised group (compared with the private sector means) pulled down the combined means also wiping off the significant differences between the established private and public sector groups. The hypotheses concerning the differences between public and private sector organisations on job satisfaction and organisational commitment may be said to have been supported in a way since between the established public and private organisations these differences did show. The privatised organisations will need some time to be sufficiently 'privatised' ie to acquire private sector values. At the moment, they may be said to be in transition, trying to adjust to the changes necessary to transform them into 'proper' private sector organisations (this point will be discussed later on). The fact that the privatised organisations have not sufficiently divorced themselves from the public sector is obvious from the fact that the privatised group did not differ significantly from the public sector group on any of the measures, both 1988 and 1983.

The next section will look at the data in support or otherwise of the hypotheses that share owners do differ significantly from non-share owners on job satisfaction and organisational commitment.

Share ownership, Job Satisfaction and Organisational commitment

One main problem encountered in testing the hypothesised relationship between share ownership and the dependent variables was that in none of the three organisations was there sufficient numbers of share owners and non-share owners to enable a within organisation analysis to be done. In the privatised group, there were 99 share owners and only 3 non-share owners while in the private sector group there

Table 7r

Comparison of the private and privatised combined with the public sector group on the 1988 measures.^a

Dependent Variables	Private (N=200) (Privatised and Private)	Public (N=101)	T
Job Satisfaction	4.61	4.49	1.00
Extrinsic Satisfaction	4.67	4.44	2.18*
Intrinsic Satisfaction	4.53	4.56	-0.18
Commitment	4.83	4.73	0.73
Identification	4.69	4.36	1.80*
Loyalty	4.32	4.16	0.92
Involvement	5.47	5.66	1.34

a means are entered in the body of the table

* P < 0.05

were 3 share owners and 95 non share owners while the public sector had no share owners.

Correlations between share ownership and the job satisfaction and commitment measures were disappointingly low (see table 7s below). Within the privatised group, share ownership correlated significantly with only three of the 1988 measures (commitment, loyalty and involvement) and none of the 1983 measures. The lack of significant relationship between share ownership and the dependent measures of 1983 was as expected since in 1983 employees of the privatised organisations did not have any shares in their organisations. The number of shares owned did correlate significantly with only organisational involvement for 1988. Within the private sector group however, both share ownership and number of shares owned correlated significantly with loyalty for both 1983 and 1988 but did not correlate with any other measure. Share owners in the private sector also differed significantly from non share owners on loyalty for both 1983 ($t=2.28$, $df=96$, $P=0.01$) and 1988 ($t=2.47$, $df=96$, $P=0.01$). In the privatised group, the share owners differed significantly from non-share owners on commitment for 1988 ($t=2.07$, $df=100$, $P=0.02$), involvement for 1988 ($t=2.66$, $df=100$, $P=0.002$) and loyalty for 1988 ($t=1.94$, $df=100$, $P=0.03$). These results must be interpreted with caution due to the small number of share owners in the private sector group and the small number of non share owners in the privatised group.

In order to create a condition where larger numbers of share owners and non share owners will be available, the private and privatised groups are combined (since these were the two groups in which there were some share owners). This created a problem of the observed differences turning out to be a relection between the private and privatised groups (99 of them were from the privatised group and only 3 in the

Table 7s

Correlations between share ownership, number of shares and the dependent measures within the privatised and private sector groups.

	PRIVATE(N=98)		PRIVATISED(N=102)	
	Share ownership	Number of shares	Share ownership	Number of shares
Job Satisfaction 83	0.04	0.03	-0.01	0.01
Extrinsic Satisfaction 83	0.03	0.03	-0.03	-0.07
Intrinsic Satisfaction 83	0.05	0.02	0.01	0.07
Commitment 83	0.13	0.13	-0.05	0.10
Identification 83	0.14	0.14	-0.07	0.01
Loyalty 83	0.23**	0.22**	0.05	0.10
Involvement 83	-0.08	-0.08	0.02	0.14
Job Satisfaction 88	0.13	0.13	0.13	-0.03
Extrinsic Satisfaction 88	0.11	0.10	0.11	-0.06
Intrinsic Satisfaction 88	0.15	0.15	0.12	-0.01
Commitment 88	0.14	0.15	0.20*	0.12
Identification 88	0.09	0.09	0.07	0.09
Loyalty 88	0.24**	0.24**	0.19*	0.04
Involvement 88	-0.03	-0.00	0.26**	0.16*
Participation in Decision Making	0.17*	0.18*	0.10	0.07
Attitude to privatisation	0.09	0.09	0.11	0.09

* P<0.05

**P<0.01

private sector group) and the non share owners were mainly in the private sector group (95 in the private sector and only 3 in the privatised group).

Table 7t below shows that within the combined private and privatised group, non share owners differed significantly from share owners on Identification for 1983 and, for the 1988 measures, on extrinsic satisfaction, identification and attitude to privatisation. On all the above variables, the private sector was found to be significantly higher than the privatised group. This confirms the difficulty expressed earlier about comparing share owners and non share owners in the combined private and privatised group since the share owners were predominantly in the privatised sector while the non share owners were predominantly in the private sector. The differences observed above cannot be said to reflect differences between share owners and non share owners but rather differences between the private and privatised groups.

This is strengthened by the fact that on all the measures the non share owners scored higher than the share owners just as the private sector group scored higher on all the measures than the privatised group. The evidence for differences between share ownership and employee job satisfaction and commitment will have to be limited to what was observed within the private and privatised sectors separately.

The next section looks at evidence on the last of the hypothesised relationships in this study. The relationship between perceived participation in decision making and share ownership.

Table 7t

Differences between share owners and non share owners in the combined private and privatised group.

Dependent Variables	Share holders (N=102)	Non Share holders (N=98)	T
Job Satisfaction 83	4.68	4.75	0.50
Extrinsic Satisfaction 83	4.85	4.91	0.55
Intrinsic Satisfaction 83	4.49	4.55	0.39
Commitment 83	4.98	5.16	1.41
Identification 83	4.73	5.12	2.36**
Loyalty 83	4.75	4.72	0.13
Involvement 83	5.46	5.65	1.20
Job Satisfaction 88	4.52	4.70	1.32
Extrinsic Satisfaction 88	4.56	4.79	1.82*
Intrinsic Satisfaction 88	4.47	4.60	0.77
Commitment 88	4.71	4.94	1.45
Identification 88	4.53	4.85	1.62*
Loyalty 88	4.21	4.44	1.10
Involvement 88	5.40	5.55	0.81
Attitude to Privatisation	4.09	4.51	2.17*
Participation in Decision making	3.12	3.34	1.12
*P<0.05	** P<0.01		

The Relationship between perceived participation in decision making and Share ownership.

It was hypothesised that perceived participation in decision making would be significantly related to share ownership and that share owners would differ significantly from non share owners in their perception of participation in decision making. The same problem faced in testing the hypothesis in relation to the differences between share owners and non share owners on job satisfaction and organisational commitment was also encountered in testing for the differences between share owners and non share owners in their perception of participation in decision making, ie there were fewer share owners and non share owners in the private and privatised organisations respectively. Also, trying to compare share owners and non share owners led to the problem of sector of ownership confounding the comparison. The evidence in support or otherwise of the hypothesised relationship between share ownership and the dependent variables is therefore based solely on what was observed within the private and privatised groups in spite of the smaller numbers of share owners (in the private sector) and non share owners (in the privatised sector) involved.

Within the private sector, share ownership and number of shares correlated significantly with participation in decision making though the correlations were low (see table 7s). Share owners also did differ significantly from non share owners on perceived participation in decision making ($t=1.68$, $df=96$, $P=0.05$).

In the privatised group, both share ownership and number of shares, did not correlate significantly with perceived participation in decision making. The lack of significant correlations between number of shares, share ownership and perceived participation in decision making may be because the shares owned by employees are non-voting shares, in which case employee share owners will not perceive any

participation in decision making. It is also possible that since voting shares allow the share owner to participate in decision concerning the organisation as a whole, there will be no differences between share owners and non share owners on their perception of participation in decisions made at the job and department levels.

An analysis of share owners and non share owners' perception of participation on decisions at the top level of management (that is on the third item of the participation scale) indicated that, among the private sector group, share owners differed significantly from non share owners on perceived participation in decisions made by top management. ($t=1.94$, $df=95$, $P=0.03$). No difference was found between share owners and non share owners in the privatised group. The reasons for the differences observed within the private sector share owners and non share owners but not in the privatised group will be explored in the next chapter.

Managerial Position and the Dependent Measures.

A summary statement will be made here on the differences observed between managers and non managers on the dependent variables since these have been mentioned in the preceding pages. It was hypothesised that on all the measures, both 1983 and 1988, managers would be significantly higher than non managers. This hypothesis was the one that was supported in almost all cases of comparison between managers and non managers. Appendix 7A shows that on the 1983 measures, managers differed significantly from non managers on all the 1983 measures except extrinsic satisfaction and loyalty. Tables 7a, 7b, 7c and 7d show that on all the 1983 measures, the managerial group had higher means than the non-managerial group.

On the 1988 measures (shown in tables 7e, 7f, 7g and 7h) the managerial group differed significantly from non- managerial employees on all measures except

attitude to privatisation. The effects of managerial position were much larger on the 1988 measures than on the 1983 measures. The observed differences were not related to type of organisation in that there were no significant interactions between managerial position and type of organisation on any of the measures. The reason managers are significantly higher than non managers on job satisfaction and organisational commitment is probably that managerial position is associated with valuable intrinsic and extrinsic rewards which may not or may be available in smaller amounts to non-manual employees. Also managers tend to be higher on the personal characteristics that have been identified to be associated with job satisfaction and organisational commitment. As shown in table 6f above, within the total sample, managers tended to be; older, high tenured, of higher education, male, and have more shares. This was the case within the three organisational groups though in the private sector group, the correlations were lower than in the public and privatised groups (see appendices 6h, 6i and 6j) and managers in the private sector group were not necessarily high tenured and males though they were more likely to be share owners. These characteristics coupled with the fact that managers have higher opportunities for realising their job values may account for the observed differences between managers and non managers on the job satisfaction and commitment measures.

Though determining the relationship between personal characteristics, job satisfaction and organisational commitment is not one of the aims of this study, a little time will be spent on the observed relationships between the personal characteristics used in this study and the job satisfaction and commitment measures for two main reasons. First, these characteristics may help to explain some of the observed differences among the organisational groups on the job satisfaction and commitment measures. Secondly, some of the relationships observed in this study are contrary to what has been reported in other studies.

A discussion of these conflicting findings will not only be interesting but will also contribute to our knowledge of the relationships between personal characteristics and job attitudes. In connection with the first point, the correlations between sex, tenure, union membership, managerial position and the dependent variables will be discussed since these were the personal characteristics on which the three groups differed. The correlations between the personal characteristics and the dependent variables for the total sample are shown in table 6e.

Tenure and the dependent variables

In the total sample, (see table 6e) tenure correlated significantly with only the 1983 job satisfaction measures but not with the 1988 job satisfaction measures. Tenure however correlated with all the commitment measures except loyalty for 1983. These correlations are in consonance with other findings discussed in chapters 2 and 3 showing that since commitment is a long term attitude, it is often associated with tenure. Job satisfaction is however influenced by contemporaneous job situations and is therefore not necessarily closely related to tenure. Tenure was also found to be significantly negatively associated with attitude to privatisation indicating that tenured employees were less positively inclined towards privatisation.

Within the total sample also, tenure was found to be significantly positively related to age, share ownership, number of shares, managerial position, union membership and type of organisation with the public and privatised organisations having higher mean tenure than the private sector group. Tenure however correlated negatively and significantly with number of years at school and sex, males being longer tenured than females. (see table 6f).

The correlations between tenure and the dependent variables differed slightly within the three organisational groups. In the private sector group, tenure correlated significantly with none of the measures for both 1983 and 1988. In fact, it correlated negatively with almost all the dependent measures - though not significantly (See appendix 6e). Tenure correlated positively and significantly with age, sex (males having higher tenure than females) and union membership among the private sector group. (see appendix 6h). In the privatised group, tenure correlated significantly and positively with all the job satisfaction and organisational commitment measures, the correlations being stronger with the organisational commitment measures than with the job satisfaction measures (See appendix 6f). Tenure also correlated significantly and positively with age, sex and managerial position, all of which (especially sex and managerial position) correlated significantly with most of the job satisfaction and organisational commitment measures (see appendix 6i).

The correlations between tenure and the dependent measures differed in the public sector group from the privatised group. In the public sector group, tenure correlated positively and significantly with all the commitment measures except involvement (both 1983 and 1988). *It failed however to correlate significantly with satisfaction for 1988 and intrinsic satisfaction for 1988 while correlating significantly and positively with the other job satisfaction measures.* (See appendix 6g). Tenure also correlated significantly with age, sex and managerial position. (see appendix 6j) Age and managerial position correlated with most of the job satisfaction and organisational commitment measures.

From the above observed relationships between tenure, job satisfaction and organisational commitment within the three groups, it can be said that the differences observed between the private sector on one hand and the public and

privatised sectors on the other hand on the dependent variables cannot be attributed to differences in tenure. This is so for at least two main reasons. First tenure has been found to be significantly and positively related to job satisfaction and commitment (in this study this was the case for the total sample and the public and privatised groups). In this case, the groups with higher tenure (privatised and public sector groups) should have higher mean satisfaction and commitment scores than the group with a lower mean tenure (the private sector group). The obverse was rather the case, the private sector being higher than the public and privatised groups on the job satisfaction and commitment measures. Secondly, within the private sector group, tenure did not correlate significantly with any of the job satisfaction and organisational commitment measures meaning that within the private sector group, tenure was not a significant determinant of job satisfaction and organisational commitment. Tenure did not also predict any of the measures within the private sector group. (see appendix 6e).

Gender and the Dependent Variables

Another variable on which the three groups differed significantly was sex, with the private sector group having more females than the remaining two groups. Since females have been observed to be more satisfied with their jobs and more committed to their organisations in some studies (see review on the determinants of job satisfaction and organisation), it is necessary to take a look at the relationship between gender, job satisfaction and organisational commitment. From appendix 6e it can be observed that among the private sector group, gender was not significantly related to any of the job satisfaction and organisational commitment measures. Gender was only significantly correlated with attitude to privatisation (females being more positively inclined towards privatisation than males). Among the public sector

group also, sex did not correlate significantly with any of the job satisfaction and commitment measures. Sex correlated significantly with only perceived participation in decision making with males perceiving more participation than females.

In the privatised sector (see appendix 6g) however, sex was significantly related to all the job satisfaction and commitment measures except extrinsic satisfaction for 1988 and loyalty for 1983. On all the significant relationships being male was associated with higher scores. In this case since the privatised organisations had more males than the private organisations, the privatised group should have had higher means on the dependent variables if sex was a significant determinant of job satisfaction and commitment but the obverse was rather the case. Considering the sample as a whole, sex did not correlate significantly with any of the job satisfaction and organisational commitment measures except loyalty 88 (see table 6e). Sex did correlate significantly, however, with attitude to privatisation and perceived participation in decision making; males scoring higher on perceived participation in decision making while females scored higher on attitude to privatisation. Sex cannot be said to be accountable for the differences observed among the various groups on the dependent measures given the lack of significant relationship between sex and the dependent variables in the groups. Sex was found to be a significant covariant with commitment 88 ($F=4.73$; $P=0.03$) and privatisation ($F=4.93$; $P=0.03$) but when it was controlled for it did not eradicate the observed significant differences among the groups.

It is also worth noting that sex did not show that females are more committed as has been found by other researchers. The correlations indicated that males were rather more satisfied and committed than females. This was so for the privatised group only. In the remaining two groups, sex did not correlate significantly with any of the job satisfaction and commitment measures.

Union Membership

Union membership has generally not been found to be significantly associated with job satisfaction and organisational commitment (see Griffin and Bateman 1986) but in this study union membership was found to be negatively related to most of the dependent variables for the total sample. In the total sample, union membership correlated negatively and significantly with all the job satisfaction measures except job satisfaction 83 and intrinsic satisfaction 83. It did also correlate significantly and negatively with the organisational commitment measures except loyalty 83 and 88 and involvement 88. Union membership also correlated significantly and negatively with both attitude to privatisation and perceived participation in decision making (see table 6e).

In the public sector, union membership correlated negatively and significantly with only attitude to privatisation. The privatised group showed more significant and negative correlations than did the public sector group. Union membership correlated significantly with job satisfaction for 1988, extrinsic satisfaction for 1988, commitment and identification (both for 1988) and involvement (both 1983 and 1988). In the private sector group, union membership correlated significantly with job satisfaction 1988, extrinsic satisfaction 1988, extrinsic satisfaction 1983, attitude to privatisation and perceived participation in decision making. All the significant correlations were negative. From the above, it may be observed that the correlations differed according to organisation. Union membership also correlated differently with the other personal characteristics depending on type of organisation.

The total sample showed significant positive correlations between union membership, tenure and share ownership while showing negatively significant

relationships with number of years in school (Education), sex (males more likely to be union members) and type of organisation (public and privatised organisations had more union members than the private sector). The privatised group showed significantly negative correlations between union membership, tenure and managerial position while the private sector group showed significantly negative relationship with tenure and sex. In the public sector group, union membership correlated negatively and significantly with only number of years in school with highly educated people less likely to be union members.

Although union membership was negatively associated with most of the dependent variables for the total sample and though there were significantly more union members in the public and privatised groups, than the private sector group, union membership did not account for the observed differences among the groups on the job satisfaction and organisational commitment measures. When union membership was controlled in analyses of covariance, the differences among the groups on the job satisfaction and organisational commitment measures remained (see table 71).

Managerial Position

Managerial position is another variable on which the three organisational groups differed. The public and privatised groups had significantly more managers than the private sector group. Though significant differences were found between managers and non managers on almost all the job satisfaction and commitment measures, managerial position cannot be held accountable for the differences observed among the groups for the simple fact that on all the observed differences,

the private sector group had higher means though that group had the least number of managers.

In short, it can be said that none of the observed differences on personal characteristics can account for the observed differences among the three groups on the job satisfaction, organisational commitment, attitude to privatisation and participation in decision making measures. The personal characteristics do not account for the observed differences either logically or empirically.

Education (Years in School)

Concerning the second reason for discussing the personal characteristics, the findings on sex and union membership have already been discussed. Education (years in school) is another personal characteristic which was found to correlate differently with the job satisfaction and organisational commitment measures than have been found by other researchers. Several researchers have found a negative relationship between education, job satisfaction and organisational commitment (for reviews see Mowday et al, 1982, Mottaz, 1984; 1986). In this study, however, education was found to correlate positively and significantly with almost all the job satisfaction and commitment measures. The total sample showed significant correlations between years in school (education) and all the 1988 job satisfaction and commitment measures (see table 6e). School also correlated significantly with perceived participation in decision making. The positive correlations may have been due to the fact that number of years in school was also positively and significantly related to managerial position (a variable that was found to be positively related to job satisfaction and commitment) and negatively related to union membership (which

was found to be negatively related to most of the job satisfaction and commitment measures).

In the privatised group, years in school correlated positively with two of the job satisfaction measures (satisfaction 1988 and intrinsic satisfaction 1988) and with all the commitment measures except commitment 83 and identification 83. As in the total sample, years in school also correlated significantly and positively with managerial position and negatively with union membership (See appendix 6f). The correlation in the private sector group showed a trend almost similar to that within the total sample. Years in school correlated significantly and positively with all the job satisfaction measures and all the 1988 commitment measures except involvement. Years in school also correlated significantly and positively with managerial position but did not correlate significantly with union membership as in the total sample and in the privatised group. (See appendices 6h and 6e). In the public sector however, years in school did not correlate significantly with any of the dependent variables except extrinsic satisfaction 83 though it did correlate significantly positively with managerial position and negatively with union membership.

It seems from the above that the role of education in job satisfaction and organisational commitment depends upon the type of organisation under consideration. In the three groups used in this study, though education was significantly related to managerial position which was also significantly related to job satisfaction and organisational commitment, education did not relate to the job satisfaction and commitment measures in the same way in the three organisations. In the public sector group, education failed to correlate significantly with any of the job satisfaction and commitment measures.

Mottaz (1984; 1986) has explained that education will and does correlate significantly and positively with job satisfaction and commitment if it is related to

significant intrinsic and extrinsic rewards. Perhaps this is why the correlations between years in school (education) and the dependent measures were positive since education was found to be significantly related to managerial position and other personal characteristics (tenure) that have been found to be significantly related to job satisfaction and organisational commitment.

In conclusion, though some of the results have not been exactly as predicted, they have generally been in the predicted direction. In the next section, some effort will be spent on trying to discuss some of the possible reasons and implications for the observed findings. Some recommendations will also be made to future researchers in this area to enable them to overcome some of the problems encountered in this study.

CHAPTER 8

DISCUSSION

In the last chapter, effort was concentrated on presenting the results of this study. In this chapter, the author intends to spend some effort in discussing some of the possible reasons that may account for the results in the last chapter. Each reason will be discussed in terms of its plausibility in explaining the data to which it refers and, also in terms of possible flaws in that reason as the explanation of the observed data. A tentative model (based on the results of this study) for the relationship between privatisation and employee work attitudes will be presented and discussed, and finally some research questions will be raised and recommendations will be made to future researchers to aid them in answering these questions.

Possible Explanations to the Data Obtained in Relation to the Hypotheses for the 1983 Measures

It may be recalled that it was hypothesised that on all the 1983 measures (for job satisfaction and organisational commitment) the private sector group would be significantly different (with higher means) from both the public and privatised organisations. It may also be recalled that only organisational identification confirmed the hypothesis in its entirety. The private sector differed significantly from the public sector group on extrinsic satisfaction and organisational commitment but did not differ from the privatised group on these two measures.

One of the possible explanations for the observed data is that perhaps there were no such differences between the private sector group on one hand, and the public and privatised groups, on the other hand, in 1983. This does not, however, explain the fact that the private sector had higher means on all the 1983 measures than both the public and privatised groups. It does not also explain why the private sector differed significantly from the public sector organisations on two other measures (extrinsic satisfaction and organisational commitment), than the privatised organisations. Maybe the observed data were idiosyncratic of the organisations involved though again there is no reason why the four public sector organisations together should be idiosyncratically different from the two privatised organisations together.

Another possible explanation for the observed results is the tendency for individuals to think of old times as better times, especially if the present is seen in a negative way. This tendency is likely to make individuals inflate their evaluations of the past, especially if they have to do the evaluation in relation to the present. The inflation of evaluations of the past is likely to be higher, the more the individual perceives the present negatively. In this light, since the privatised group had lower means on the 1988 measures than the public sector group, they are more likely to have inflated their evaluations of the 1983 measures, thereby raising the means to be almost at par with the private sector means, and so eradicating any possible significant differences there may have been between the two groups (private and privatised).

Since the evaluations of the 1988 measures by the public sector group were not as high as those of the privatised group, it is possible that their inflation of the 1983 evaluations would be lower than those of the privatised group, leading to lower means and significant differences between the public and private sector groups on some of the measures. The possibility that the tendency of individuals to see old times as better times may have affected the 1983 results, is enhanced by

the fact that both the 1983 and 1988 measures were taken in 1988. The fact that both data were obtained in 1988, while enhancing the possibility explained in the above paragraph, is also a third possible reason for the observed results on the 1983 hypothesis. It was hoped that when individuals made evaluations of the 1983 and 1988 satisfaction and commitment in 1988, their knowledge of the present (1988) would be a yardstick by which they could remember how they felt in 1983. It is, however, also possible that the 1988 feelings could have exerted undue influence on the evaluations of the 1983 measures. If employees were highly satisfied and committed in 1988, it was possible for them to have indicated lower satisfaction and commitment in 1983 when both 1983 and 1988 measures were taken in 1988. This seems to have been the case given the fact that in all the three groups of organisations most of the 1988 means were lower than their 1983 counterparts. There seems to be positive correlations between the 1983 and 1988 measures for all the three groups (see Appendices 6b,6c,6d). This is not to suggest that the observed data for 1983 and 1988 are not true reflections of the participants' satisfaction and commitment, but rather that the results could have been affected by the fact that both data were collected in 1988.

A fourth possibility that has been suggested during discussions of the results is that since the 1983 data depended on memory, they may have been affected by memory distortions. While not rejecting this possibility, there seems to be no evidence in support of such a possibility. First, as mentioned earlier on, neither in the pilot study nor in the main study did participants mention any difficulty with recalling their satisfaction and commitment in 1983 though, at least in the pilot study, participants were given the opportunity to express any such difficulty. Secondly, there is no basis for believing that memory distortions affected the three groups differently. For example, how does memory distortion explain the fact that the private sector group scored higher means on all the 1983 measures than the privatised and the public sector groups? How does memory distortion explain the

significant differences between the private sector on the one hand, and the public and privatised groups, on the other hand, on organisational identification? Memory distortion does not also explain the fact that on extrinsic satisfaction and commitment the private and public sectors differed significantly. The three organisational groups did not differ significantly on any of the personal characteristics that may be associated with memory (e.g. age and education), and even if there were any such differences, the results did not show any consistent bias to suggest the effect of memory distortion. Finally, as discussed in the last section of the last chapter, the personal characteristics on which the three groups differed did not explain the differences observed. When they were controlled for, the differences persisted. In some cases, the groups that were to benefit for the higher presence of a variable rather showed lower mean scores.

The most plausible reason for the observed results on the 1983 measures seems to be the fact that the two sets of data (1983 and 1988) were taken at the same time (1988). The feelings in 1988 seem to have exerted and dictated employees' evaluations of the 1983 measures; with lower scores in 1988 'invoking' lower scores for 1983.

Possible Explanations to the Data Obtained in Relation to the Hypotheses for 1988

On the 1988 measures, as it may be recalled, it was hypothesised that the private sector group and the privatised group would differ significantly from the public sector group with the public sector having lower means in all cases. The hypotheses were not supported on any of the 1988 measures. More significant differences were observed between the private and privatised groups than on the 1983 measures. What accounted for the failure of the hypothesised relationship to show?

It may be argued that the hypotheses failed to be supported because the premise upon which they were based (i.e. the hypothesis for 1983 measures) was not supported. Much as it is true that the privatised sector failed to show any significant differences from the private sector groups on the 1983 measures, it also did not differ significantly from the public sector group on the 1983 measures as was expected. The most important issue on the hypotheses for 1988 is not whether the privatised sector differed from the private sector groups or not, but rather whether the privatised sector group differed significantly from the public sector group. Attention must therefore be focussed on the relationship between the privatised group and the public sector as much as the relationship between the privatised and the private sector. The fact that the privatised group did not show the hypothesised relationship on the 1983 hypothesis, does not mean that the hypothesised 1988 relationships would not show. Again, the fact that the two measures were taken at the same time must have affected the results.

A second possible reason for the failure of the privatised group to differ significantly from the public sector group, but rather differed more from the private sector group, may be that sufficient time had not elapsed to enable the privatised organisations to acquire private sector work values and attitudes. The two privatised organisations had been in the private sector for an average of eighteen months at the time of the study. Having been in the public sector for about 17 years (the mean tenure of the privatised group was 17 years, and they had been privatised for an average of one and a half years), it is doubtful whether attitudes that had built over a period of 17 years could be changed within one and a half years. The change in work attitudes expected of the privatised organisations' employees is said to depend, in part, on the shares that they are allowed to own in their organisations. Though some employees sold off some of their shares, mainly those purchased at the time of flotations, those still holding shares are those with time bound shares which can only mature after a certain time. Until such a time

comes when employees will reap their shares, the effect of share ownership on employee work attitudes cannot be felt. In the case of organisational commitment, it may be that the privatised group was at a different stage of development of organisational commitment from both the private and public sector groups. Three main stages of the development of organisational commitment have been identified by Mowday et.al. (1982).

These stages comprise:

First the pre-entry stage or anticipation stage. This stage is made up of mainly the employee's propensity to become committed, or the potential commitment the individual employee brings to the organisation. The pre-entry stage depends largely on the employee's expectations from the organisation.

The second stage, the initiation stage, covers the first few months to the first year of employment. This period provides firsthand experience of the organisational environment, and provides (what has been termed) "the reality shock". The employee makes adjustments to his/her initial expectations, and where there is too great a discrepancy between the employee's expectations and the organisational reality, this may lead to an early turnover.

The third and final stage of the development of organisational commitment is the entrenchment stage. The strongest determinant of commitment at this stage is tenure (the reasons why tenure leads to higher commitment have been discussed in Chapter 2). Though the privatised sector employees had been in their organisations for an average of about 17 years, they had been in the private sector for only eighteen months. The privatised sector employees entered their organisations (which were then public organisations) with a different set of expectations. With privatisation, these employees have had to change their expectations because privatisation has changed the rules of the game, and has promised them certain benefits.

The first year of privatisation will therefore be the stage of initiation for employees in the privatised organisations. These employees may not be able to quit their jobs if their expectations are not met because of certain investments like pensions, seniority etc. They may be passively committed employees, staying in the organisation without being committed in the sense that they will not identify with the organisation's goals and values, and will not be interested in expending extra effort towards the achievement of organisational goals. The private and public sector employees, on the other hand, had been in the same organisations for an average of thirteen years (for the private sector group) and seventeen years (for the public sector group). The two organisations can therefore be regarded as being at the entrenchment stage of the development of organisational commitment. Comparing them and the privatised organisations will be comparing unequals.

While the above suggestion may explain the differences observed between the privatised and the private sector groups, it does not account for the differences between the private and the public sector groups, nor the similarities between the privatised and the public sector groups. Maybe the privatised and the public sector groups did not differ significantly on the 1988 measures because the privatised organisations had not been "privatised" enough to enable them to acquire private sector values and attitudes. It may be recalled that the private sector differed significantly from both the public and privatised organisations on attitudes to privatisation.

Another possible explanation to the 1988 results may be that, it is not so much that the privatised organisations had been privatised for only one and half years that accounts for the observed differences, but rather what had gone on within the one and a half year period. The second study indicated that some re-structuring had been going on within the privatised organisations to shape them up to the image of the private sector. The re-structuring seems to have caused some concern over very important job dimensions such as job security, industrial

relations, pay, promotional opportunities, the way the organisation is managed etc. The re-structuring seems to have caused employees of the privatised group to perceive significant declines in job satisfaction and organisational commitment in 1988. The effect of re-structuring on employee perceived satisfaction and organisational commitment was also revealed in the public sector group where government effort to cut down on public spending had led to cutbacks in funding and also to the slimming down of the manpower size. The threat of privatisation in two of the public sector organisations also was cited in the second study as a source of uneasiness within the public sector groups leading to the perceived decline in employee satisfaction and organisational commitment. In one of the public organisations where compulsory competitive tendering was operating, employees expressed greater dissatisfaction with job security due to the fact that several colleagues had been declared redundant as a result of loss of tender to private organisations. These fears seem to be genuine fears and that the threat to jobs is actually present in these organisations. In a recent BBC television programme (Panorama, 27 February, 1989), it was reported that between twenty to thirty percent of jobs have been lost between 1979 and 1988, and that about 100,000 jobs may be lost by the end of Summer 1989 as a result of competitive tendering. The effect of privatisation on employees' conditions have been emphasised mainly in TUC publications. While one has to be careful in using such information because of the TUC's official position of opposition to privatisation, it will be wrong to overlook such information. After all, it is those who are opposed to the policy who will be prone towards identifying the ill effects of the policy. Secondly, neglecting the TUC's views and concentrating on positive views towards privatisation will also amount to a bias in favour of the policy. The TUC has accused privatisation of being responsible for job losses, weakened unions, inadequate pay and benefit for workers (TUC publication 1986).

On job losses, the publication asserts that this started before actual privatisation of the enterprises as a way of preparing them for privatisation, and making them attractive to investors. Over-manning of public sector enterprises has been observed as one of the major causes of inefficiency in the public sector. It is obvious that preparing public enterprises for privatisation will involve some job losses, even after privatisation. This slimming down operation must have led to feelings of insecurity among employees of the privatised organisations. Table 8a below shows some privatised organisations and job losses in them from a few years prior to privatisation to February, 1986.

Since privatisation, some Companies have engaged in various re-organisation exercises aimed at using labour 'effectively'. These re-organisations have either involved longer hours of work, or the transfer of employees to other plants where their labour is felt to be most needed. The re-organisation had also involved, in some cases, the cancellation of paid overtime hours and the declaration of redundant labour.

The dissatisfaction with pay and benefits seems to be as a result of weakened union negotiating strength. The TUC asserts that some privatised organisations have started clamping down on union time and facilities, and in some cases, union finance so as to make it almost impossible for unions to function (TUC Publication 1986). This is perhaps true given the fact that one of privatisation's aims is to discipline public sector trade unions. It is however not clear how this discipline is to be effected, but it is possible that this will involve the weakening of union strength in some way.

TABLE 8a

JOB LOSSES IN SOME PRIVATISED ORGANISATIONS IN 1986

Company and Year of Privatisation	Period Under Consideration	Job Losses
Association of British Ports	1984-1986	1,600
British Aerospace (1985)	1985-1986	8,500
British Airways (1987)	1981-1986	23,000
British Steel (Yet to be privatised)	1980-1985	102,400 (13,000 of the above figure is estimated to have left as a result of fear of privatisation)
British Telecom (1984)	1982-1986	16,500
Cable & Wireless (1981)	1982	200 out of 1000 UK Staff
Rolls Royce	1980-1983	15,700

SOURCE: Bargaining in Privatised Companies.

TUC Publication. Twentieth Century Prees Ltd., February, 1986.

In concluding this section, I would like to reiterate that the perceived deterioration of conditions for employees of privatised organisations seems to be based mainly on the re-structuring going on within these organisations. The public and privatised groups did not differ significantly on the 1988 measures because both groups were going through similar re-organisation exercises. In some of the public sector organisations, this was a prelude to privatisation. In other public sector

organisations, the re-structuring was in response to the government's efforts to cut down on public spending. The re-structuring seems to be more vigorous in the privatised organisations than the public sector organisations, hence the greater effect of this re-structuring on employee job satisfaction and commitment leading to more significant differences between the privatised group and the private sector group. The privatised sector employees may begin to perceive more positive attitudes to their jobs and organisations when the effects of the re-structuring exercises wear off, and when they forget and stop making comparisons with the public sector days.

Possible Reasons for the Observed Public/Private Sector Differences

The results obtained in relation to the hypothesised differences between the public and private sector organisations tie in very closely with those obtained in relation to the hypothesised differences among the three groups. Hence most of the reasons given above as possible causes of the observed results, also apply in relation to the data obtained on the public and private sector differences. It may be recalled that on both the 1983 and 1988 measures, the two established public and private sector groups showed the hypothesised relationships on most of the measures, i.e. the private sector group differed significantly from the public sector group. When the public and privatised groups were combined (as the public sector) and compared with the private sector group on the 1983 measures, the hypothesised differences did not show on most of the measures. Also, when the combined private and privatised group was compared with the public sector group on the 1988 measures, the hypothesised differences did not show.

The inability of the second set of hypotheses to be confirmed stems from the fact that the two data were collected in 1988. As mentioned earlier on, the privatised group's slightly higher means (compared with the public sector) on the 1983 measures pulled the combined means of the public and privatised group up,

wiping out the significant differences between the private and public sector groups. On the 1988 measures, the lower privatised sector means (compared with the private) pulled the higher private sector means down towards the means of the public sector group, and thereby eradicating the significant differences observed between the public and private sector organisations on the 1988 measures. The possible reasons for the observed data on the privatised group have been discussed in the above two sections. The observed significant differences between the established public and private sector groups were as expected. It is in line with previous studies reviewed in Chapter 4. The differences seem so strong that even on the 1983 data, which were recall data, the differences did show clearly. It should, however, be remembered that the 1983 data were influenced by the evaluations of the 1988 measures. The private sector group perceived higher satisfaction and commitment in 1988, and this reflected on the 1983 evaluations. In spite of the perceived declines in job satisfaction and commitment within the organisations between 1983 and 1988, the private sector group perceived more opportunities for satisfying important job values than the public sector group. This is probably the case because the re-structuring going on within the public sector organisations was more radical than those going on in the private sector organisations. The emphasis has been on encouraging public sector organisations to achieve private sector results. This has led to more radical changes in the public sector organisations, creating feelings of insecurity and uncertainty leading to the perceived lower satisfaction and commitment as expressed by participants. In the private sector, changes seem to have been "normal" routine adjustments with no major threat to jobs and their related benefits.

Share Ownership, Job Satisfaction and

Organisational Commitment

Share ownership has been said to lead to greater identification with the goals and values of the organisation, and also to greater job satisfaction. The results of this study did not support this proposition. This is probably so because of the small numbers of share owners (in the case of the private sector group) and non-share owners (in the privatised group). In the private sector group, it is understandable that share ownership correlated significantly only with loyalty (1983 and 1988) when one looks at the nature of the shares owned by employees. The "shares" owned in the private sector group were similar, in many respects, to bonds. These bonds were not traded on the stock market, and dividends were not subject to the ups and downs of the performance of the organisations involved. The bonds had fixed dividends (which may be considered as interest) which were paid yearly, irrespective of the performance of the organisation. In this case, the growth in the value of one's bonds or shares is not dependent on the performance of the organisation, and therefore does not compel or motivate the employee share owner to perform. A share ownership scheme such as this, encourages what Steers (1977) has referred to as passive commitment in which the interest of the employee is long tenure in the employing organisation without necessarily identifying him/herself with the goals and values of the organisation.

The failure of share owners in the privatised organisations to differ significantly from non-share owners may be because those still holding shares had not as yet realised the values of their shares. The effect of share ownership cannot be very different from the effect of any time bound benefit like pensions. Share ownership however, correlated positively and significantly with all the commitment measures for 1988 except identification. This may seem to point to the possibility of employee preparedness to expend energy towards the realisation of organisational

goals, and also to stay with the organisation without necessarily identifying with the goals and values of the organisation. This kind of commitment may be calculative rather than attitudinal. Attitudinal commitment has been identified as the identification of the employee with the goals and values of the organisation, irrespective of financial and other extrinsic rewards (De Cotiis and Summers, 1987; Buchanan, 1974). De Cotiis and Summers have, however, pointed out that involvement and loyalty should only be considered as outcomes rather than components of commitment. In this wise share ownership did not show any significant correlation with commitment since it failed to correlate significantly with its major component (in fact, identification is considered by some as the only component of commitment), though share ownership did correlate significantly with the overall measure of commitment.

It is possible that the calculative commitment observed in the current study is a precursor of attitudinal commitment yet to come. The nature of the shares that employees have, may explain the observed relationships. Unlike the private sector group, the privatised organisations were quoted Companies with their shares trading on the stock market. The value of the shares therefore, depends, in part, on the performance and profitability of the Company. The shares owned by the employees of the privatised organisations were a combination of free shares and ordinary shares bought by employees at the time of floatation, as well as those obtained through employee share ownership schemes. It was not possible to determine which type of share was owned by which employee, but it is apparent that most employees had a combination of the free shares and those accruing from employee share ownership schemes since most employees sold off their ordinary shares when trading of these shares opened on the stock market.

Shares from share ownership schemes are time bound, they cannot be sold until after a certain time, usually five years. These shares are therefore less likely to have any direct effect on job satisfaction and commitment. Their effect, as

mentioned earlier, will not be any different from the effect of pension plans on job satisfaction and organisational commitment. The more immediate rewards of the job (as pay, promotion job security etc) are likely to have greater influence on job satisfaction and commitment than share ownership schemes. In a situation where employees perceive the immediate rewards to have deteriorated even though share ownership schemes have been introduced, the share ownership is less likely to have any major influence on job satisfaction, and organisational commitment. This seems to have been the case in the present study.

Shares given free to employees are more likely to lead to attitudinal commitment depending, however, on the individual employee's level of moral development. This is so because it (the free share) is likely to lead to what Scholl (1981) has referred to as reciprocity. The norm of reciprocity will enhance commitment if employees receive benefits or rewards beyond expectations. The norm will dictate employee repayment of this "favour" (Griffin and Bateman, 1986 p. 169). The norm of reciprocity is similar to Adam's (1963) over-compensation inequity. Though research has been less supportive of the behaviour of reciprocity as a result of over-compensation (Locke and Henne, 1986 p. 11), it is possible that such researches have not considered the possible mediating factors between over-compensation and performance. One such mediating factor, as mentioned above, is the individual's level of moral development.

Vecchio (1981) found that overpaid student volunteers operating under piece rate tended to reduce quantity and increase quality only when they scored higher on a scale of moral development. Similarly, the tendency for employees to become committed to their organisations after receiving free shares in their organisations, will depend upon their level of moral development. As in the case of overpayment inequity, there are several other possible ways which employees may react to the free shares given them. One of such ways may be the rationalisation of the free shares as something they deserved. As one worker put it during the British

Telecom strike of 1987 when asked why he was striking against a Company he owned, he replied: "The shares?, they are nothing more than bonuses; we got free ones and ones at a discount. We would have been crazy not to have taken them....." (Thompson, 1987 p. 73). If employees rationalise the offer of free shares as the worker quoted above, then these shares are less likely to improve employee attitudes.

Following Becker (1960), Farrell and Rusbult (1981), Rusbult and Farrell (1984) that commitment and satisfaction are related to investment size, it was anticipated that number of shares owned by individual employees would be significantly related to job satisfaction and organisational commitment. It was also felt that, at least in the privatised group, the relationship between the number of shares owned, job satisfaction and organisational commitment would be more revealing than the relationship between share ownership, job satisfaction and organisational commitment since there were only 3 non-share owners against 99 share owners in the privatised group. Among the 99 share owners, there was a very wide variation in the amount of shares owned, hence it was believed that the relationship between number of shares and the dependent variables would be more valid than the relationship between share ownership and the dependent variables. As shown in Chapter 7, the anticipated relationships did not show. In the private sector, the number of shares correlated significantly only with organisational loyalty (for both 1983 and 1988) while in the privatised group it correlated significantly with only involvement for 1988. These correlations were, however, very low. Perhaps the mere fact that one has shares in one's employing organisation is sufficient for higher commitment irrespective of the number of shares owned. Employees with more shares are possibly desirous of putting extra effort into their work to help the organisation realise its goals. As pointed out earlier, the fewer number of non-share owners in the privatised organisation and the fewer number of share owners in the private sector group make the correlations between share

ownership, job satisfaction, and organisational commitment less reliable. However, they cannot be discarded as useless. Several researchers have found equivocal results in relation to the relationship between share ownership and work attitudes.

The studies that have found significant relationships between share ownership and employee work attitudes have been studies conducted in small Companies, mostly owned and controlled by employees, hence there may be other factors at play in these organisations which were not in the organisations used in this study (For a discussion of this point see Chapter 5). The relationships between the job satisfaction measures, share ownership and number of shares were very consistent. In both the private and privatised groups, the relationships were all non-significant. Share owners did not also differ from non-share owners on any of the job satisfaction measures for both the private and privatised groups. This, as has been pointed out, may be because share ownership has effects only in the long term when dividends are paid, or when the shares are redeemed. They are less likely to have any immediate effect on job satisfaction.

Another possible explanation for the observed relationships between share ownership and the dependent variables, is the fact that share ownership did not correlate significantly with attitude to privatisation. It was anticipated that attitude to privatisation and share ownership would be significantly positively related since those who were more positively inclined towards privatisation were more likely to buy shares in privatised organisations. Interestingly, union membership which was found to correlate negatively with attitude to privatisation, was positively and significantly related to share ownership. It may be assumed that employees bought the shares mainly because they were interested in the opportunity to make some money rather than because they were supportive of the process of privatisation. The fact that a significant positive relationship was found between union membership and share ownership is even more revealing of the above explanation since the TUC has been the most significant opponent of privatisation (not

forgetting the Labour Party of course) and since union membership was found to be negatively and significantly related to attitude to privatisation. In a situation where employees buy shares in their organisations without being positively inclined towards the process that ushered in the share ownership, it is unlikely that the share ownership will lead to improved employee work attitudes.

Share ownership was also expected to correlate significantly with perceived participation in decision making. Share owners were also expected to differ significantly from non-share owners on perceived participation in decision making. Perhaps the main reason that share ownership failed to show these relationships was that employees were not interested in the participation in decision making, though their shares offered them the opportunity to do so. When asked whether employee shares were voting shares, one of the heads of the two privatised organisations replied that employee shares were voting shares but the issues on which they (employees) could vote were so unimportant that fewer or virtually no employee took advantage to vote on the issues. This reiterates the fact that employee perceived participation in decision making is dependent on several factors besides the mere presence of opportunities for such participation. Some of the factors influencing employee perceived participation in decision making are: the desirability of participation to the employees; the associated rewards; the legitimacy of the participation, knowledge of the subject on which decisions are being made and, finally, the opportunities for participation. From the above discussion on the relationships between share ownership and the dependent variables, it seems possible that employees bought shares not as a way of getting some influence in their organisations, but rather as a way of making some money. Simply, it seems that employees did not desire the participation because of the unattractiveness of the issues on which they had to make the decisions. Also, some shares had been given to the employees free without their having to ask for them. The associated voting rights had also been thrown at them without choice. It is less likely that such

opportunity will be used by the employees. It was felt that since share-ownership allows participation in decisions concerning the organisation, share owners would perceive more participation in decisions at the organisational level than non-share owners. This was not the case in the present study, neither did the share owners differ from the non-share owners on decisions made at the job and departmental levels.

Attitude to Privatisation

Attitude to privatisation was very central to the study. Though it did not account for all the differences among the three organisational groups, it was found to be the most potent cause of the perceived decline in satisfaction and commitment in the privatised group. The re-structuring associated with privatisation seems to be the cause of the perceived declines rather than the change from the public sector to the private sector. The public sector organisations, also showed similar perceived declines in job satisfaction and organisational commitment, not forgetting of course, that two of the four public sector organisations were earmarked for privatisation, and that one organisation was engaged in competitive tendering.

Perhaps one of the reasons why employee attitude to privatisation failed to account for all the differences among the organisational groups was that employees were not asked specifically to make their evaluations before and after privatisation, though the evaluations of 1983 and 1988 were to reflect the before and after privatisation differences. Maybe if employees were requested to make their assessments before and after privatisation, the effect of privatisation on the dependent variables may have been given more weight than it was. This approach would have been appropriate for the privatised organisations, but it would have created a problem of comparability between the privatised organisations and the two

other groups. While the privatised organisations would have been making their evaluations based on their attitudes to privatisation, the other two groups (public and private) would have been making theirs based on just the passage of time. While the 1983 and 1988 assessments for all the groups offset the above problem, it seems that it allowed less weight to be placed on the effect of privatisation on the dependent measures.

A second possible reason of the failure of attitude to privatisation to account for all the differences among the groups is that perhaps the employees most affected by privatisation and its associated re-structuring had already left the organisations at the time of the study. As it was found out in the second study, most employees expressed concern about redundancy and the slimming down of the work force as the major cause of job insecurity. Even those employees whose organisations were about to be privatised expressed fear for their jobs when their jobs were eventually privatised. Those more vulnerable to redundancy may have been laid off at the time of the study. Those remaining in the privatised organisation, though still apprehensive of their job security, may be not as strongly affected as those who may have left already.

Time is another factor which probably affected the moderating strength of attitudes to privatisation. This influence could have happened in two ways. First, the year and a half that had elapsed since privatisation may have been too short for the full effect of privatisation to be felt. This is possible given that the re-structuring in the privatised organisations is still going on and that, maybe, employees may perceive more decline in job satisfaction and organisational commitment with further re-structuring. Secondly, it is possible that the one and a half years may have been long enough to diminish employee opposition to privatisation. This may be so when one considers that the privatised organisations had a higher mean score on attitude to privatisation than the public sector group. As has been pointed out before, two of the public sector organisations had been

targetted for privatisation, it therefore seems that the fear of privatisation and what it may bring produced less positive attitudes to the process than the presence of privatisation itself did in the privatised sector group. Perhaps time and experience had reduced employee negative attitude to privatisation. Veljanovski (1987) reports that a poll conducted in 1986 showed 44% in favour of privatisation compared with 32% in 1985. It seems that with time, people are becoming more positively inclined towards privatisation. The trend may be different, however, in the case of workers who are directly affected by privatisation. The "popularity" of privatisation may be properly put to the test when the policy is implemented in areas like Health, Education and Welfare generally since these affect everyone.

Interpretation of Study Findings and Recommendation to Future Researchers

The results seem to indicate that the privatised organisations are in a period of transition and adjustment towards eventually becoming "proper" private sector organisations. This period of transition has been associated with some re-structuring which seems to have caused considerable trepidation and concern among workers, causing them to report lower job satisfaction and organisational commitment. In view of the above, i.e. that employees feel basic job values threatened, share ownership failed to indicate any significant relationship with job satisfaction. The changes or re-structuring going on in the privatised organisation seem to be also going on in the public sector organisations as a result of Government effort to make these organisations profitable. The similarities between the public and privatised organisations in terms of the re-structuring going on in them, account for the lack of significant differences between them on job satisfaction and organisational commitment. Though the private sector group also indicated that some re-structuring was going on within the private sector organisations, theirs were of a different nature. The re-structuring within the private sector organisations seems to be less dramatic than those within the privatised and the public sector groups, hence the differences observed between the

private sector group and the public and privatised groups. Managers and non-Managers seem to be affected differently by the re-structuring, irrespective of type of organisation. The importance of privatisation to the world as a whole is such that lots of rigorous research must be done to test the efficacy of the policy in achieving the aims that it is purported to achieve. Because of the circumstances and constraints under which this study was conducted, several questions could not be addressed, also the research could not be done as rigorously as one would have liked it to be. It was, however, the major aim of the present researcher to whip up research interest in the topic even if the research just adds a point or two to this study. If people, by reading this piece of work, are encouraged to do more research into the effects of privatisation then this work will have served its purpose.

In studying employee attitude to privatisation it may be useful for researchers to study it at the pre and post privatisation levels. These two attitudes are likely to differ in intensity and probably direction since the process of privatisation itself may strengthen or change the directions of the attitude prior to the inception of the process itself. This view is perhaps strengthened by the fact that the privatised group scored a higher mean than the public sector group on attitude to privatisation. Though two of the public sector organisations were earmarked for privatisation, they could not have had more experience with privatisation than the privatised organisations themselves. 'The reality of the situation seems to have a different effect than the anticipated consequences of the situation.

It may also be necessary to study both pre and post privatisation attitudes to the process because these two attitudes are likely to be affected by different factors. In the current study, it was found that among the privatised groups, attitudes to privatisation were significantly related to only level of education (out of the eight personal characteristics used in the study) while in the public sector groups it was significantly related to only Union membership.

This may be because the privatised group indicated post privatisation attitude while the public sector group indicated pre-privatisation attitude. Apart from the factors identified above, pre-privatisation attitude to the process may be influenced by pre-privatisation organisational restructuring and the efficiency status of the organisation before privatisation, i.e. whether the organisation was in profit or not before privatisation. It is more likely that profitable organisations will be less positively inclined towards privatisation than loss making organisations. Post-privatisation attitude to the process will be influenced also by post-privatisation restructuring and more importantly, by the ability of the new organisation to provide valuable rewards to the employees.

As mentioned above, the length of the period of transition to acceptance of privatisation is influenced jointly and severally by employee attitude to privatisation and the perceived intensity and consequences of the organisational restructuring, both before and after privatisation. The more positive the attitude to privatisation and the more positive the effects of the restructuring process, the shorter will the period of transition be. During the period of transition, employees will have the opportunity of assess the ability of the 'new' organisation to provide valuable rewards, (both intrinsic and extrinsic rewards). The ability of the organisation to provide these valuable rewards will lead to high employee work attitudes. It follows from the above that no fixed period can be regarded as the appropriate length of the transition period, this will depend upon employee attitude to privatisation (both before and after the implementation of the process), pre and post privatisation restructuring and more importantly the ability of the organisation to provide desired rewards. Employee perceived ability of the organisation to provide valuable rewards can affect employee attitude to privatisation much as attitude to privatisation can also affect employee perceived ability of the organisation to provide valuable rewards.

It is obvious from the above that the relationship between employee work attitudes and privatisation is not a simple one. Researchers will have to concern themselves with the intervening variables identified above (as well as others that may be identified by other researchers) when considering the relationship between privatisation and employee work attitudes.

In the light of the issues raised above, the following recommendations are being put forward as a way of helping future researchers to conduct more sound and robust researches that can overcome some of the difficulties encountered in the present study. The first problem encountered in this study was the inability to use a proper before/after design due to time constraints. Future researchers should try and use the before/after design so as to avoid the problem of the two measures (before privatisation and after privatisation measures) influencing each other. Perhaps a time series design may even be more useful. When employee work attitudes are measured at various points in time before privatisation and after privatisation, it will be possible to tease out the effect of privatisation on employee work attitude and the effect of time on the effect of privatisation on employee attitudes. This will help in finding out at what point in time privatisation has its strongest effect.

A second recommendation is that future researchers must try and use more representative samples of the three organisational groups so as to enable the findings to be generalised. Organisations must also be matched on as many variables as possible so as to ensure comparability among the three groups. It is needless to say that because of the numbers involved, in this study the findings can only be confined to the organisations used. It may be necessary for future researchers to compare companies that were making losses before privatisation, and those that were in profit before privatisation. It is possible that companies which have pulled out of losses and have become profitable with privatisation will have more positive attitudes to privatisation than those that were in profit before privatisation.

Comparing different forms of privatisation, e.g. employee buy-outs, competitive tendering, share floatation, may also lead to more insight into the effects of privatisation on employee attitudes. The complexity of the aims of privatisation is such that the policy can be evaluated from several disciplines as was pointed out in Chapter One. The importance of privatisation and the speed of spread of the policy throughout the world is such that it cannot be assumed that it is fulfilling its goals without putting such assumption to vigorous test.

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APPENDIX 6A

Questionnaire used in first study.

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Director
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A STUDY OF EMPLOYEE WORK ATTITUDES

I am conducting some research at the University of Kent into employee work attitudes. This is part of my studies towards a PhD. I would be most grateful if you could spare me some of your time to fill out the attached questionnaire and return it to me. A pre-paid envelope is provided for this. The questionnaire should take only about fifteen minutes to complete.

All the questions refer to various aspects of your job. The answers will be solely used for the purpose of my research and will be treated in the strictest confidence. As you will see, you are not asked to give your name and so nothing you say can have any negative effects on you in your present job.

Your participation in this research is voluntary but I hope you will feel able to help. At the end of my research, I will be making available to all those who participated a brief report of my findings which you may find of interest.

Thanking you in advance for your cooperation.

Yours sincerely

Robert A. Boateng

SECTION A

In this section, you are to provide the information required below.

1. Sex Male or Female (Please tick one).
2. Age
3. (a) Do you own any shares in your organisation?
YES NO (Please tick one).
- (b) If your answer to 3(a) is yes, how many shares do you have in your organisation?
.....
4. Do you hold a managerial position in your organisation?
YES NO (Please tick one).
5. For how many years have you been working for this organisation?
.....
6. How many years were you at school?
.....
7. Which of the following statements best describes your organisation?
 1. My organisation has always been a private organisation.
 2. My organisation was a state organisation but has now been privatised.
 3. My organisation has always been a public limited company (PLC).
 4. My organisation is a state owned organisation.
8. Are you a union member?
YES NO Please tick one.

How satisfied are you with your freedom to choose your own method of working NOW?

1 2 3 4 5 6 7

How satisfied were you with your freedom to choose your own method of working in 1983?

1 2 3 4 5 6 7

3. **Your fellow workers.**

How satisfied are you with your fellow workers NOW?

1 2 3 4 5 6 7

How satisfied were you with your fellow workers in 1983?

1 2 3 4 5 6 7

4. **The recognition you get for good work.**

How satisfied are you with the recognition you get for good work NOW?

1 2 3 4 5 6 7

How satisfied were you with the recognition you got for good work in 1983?

1 2 3 4 5 6 7

5. **Your immediate boss,**

How satisfied are you with your immediate boss NOW?

1 2 3 4 5 6 7

How satisfied were you with your immediate boss in 1983?

1 2 3 4 5 6 7

6. **Amount of responsibility you are given.**

How satisfied are you with the amount of responsibility you are given NOW?

1 2 3 4 5 6 7

How satisfied were you with the amount of responsibility you were given in 1983?

1 2 3 4 5 6 7

7. **Your pay compared to what you need to spend.**

How satisfied are you with your pay compared to what you need to spend NOW?

1 2 3 4 5 6 7

How satisfied were you with your pay compared with what you needed to spend in 1983?

1 2 3 4 5 6 7

8. **Your opportunity to use your abilities.**

How satisfied are you with your opportunity to use your abilities on your job NOW?

1 2 3 4 5 6 7

How satisfied were you with your opportunity to use your abilities on your job in 1983?

1 2 3 4 5 6 7

9. **Industrial relations between management and workers.**

How satisfied are you with the industrial relations between management and workers NOW?

1 2 3 4 5 6 7

How satisfied were you with the industrial relations between management and workers in 1983?

1 2 3 4 5 6 7

10. **Your chance of promotion.**

How satisfied are you with your chance of promotion NOW?

1 2 3 4 5 6 7

How satisfied were you with your chance of promotion in 1983?

1 2 3 4 5 6 7

11. **The way your organisation is managed.**

How satisfied are you with the way your organisation is managed NOW?

1 2 3 4 5 6 7

SECTION B

In this section, there are questions about several aspects of your job. You are asked to give two answers to each question. First you are to say how satisfied you are with each item NOW. Secondly, you are to say how satisfied you were with each item in 1983. For example, the first item in this section is "The Physical Working Condition". Beneath this item you have two scales each starting with 1 and ending with 7. One scale is for 1983 and the other scale is for NOW. You are to express your satisfaction with this aspect of your job NOW by making a circle round the number that most represents you satisfaction or dissatisfaction.

Next you are to express how satisfied or dissatisfied you were with this aspect of your job in 1983.

The scale is explained below.

1. Means extremely dissatisfied.
2. Means very dissatisfied.
3. Means moderately dissatisfied.
4. Means not sure.
5. Means moderately satisfied.
6. Means very satisfied.
7. Means extremely satisfied.

Now express your satisfaction or dissatisfaction with the various aspects of your job indicated below.

NOTE: Each item must have two scores, one score for 1983 and the other score for NOW.

1. **The physical working conditions.**

How satisfied are you with the physical working conditions of your job NOW?

1 2 3 4 5 6 7

How satisfied were you with the physical working conditions of your job in 1983?

1 2 3 4 5 6 7

2. **The freedom to choose your own method of working.**

How satisfied were you with the way your organisation was managed in 1983?

1 2 3 4 5 6 7

12. **The attention paid to suggestions you make.**

How satisfied are you with the attention paid to suggestions you make NOW?

1 2 3 4 5 6 7

How satisfied were you with the attention paid to suggestions you made in 1983?

1 2 3 4 5 6 7

13. **Your hours of work.**

How satisfied are you with your hours of work NOW?

1 2 3 4 5 6 7

How satisfied were you with your hours of work in 1983?

1 2 3 4 5 6 7

14. **The amount of variety in your work.**

How satisfied are you with the amount of variety in your work NOW?

1 2 3 4 5 6 7

How satisfied were you with the amount of variety in your work in 1983?

1 2 3 4 5 6 7

15. **Your job security.**

How satisfied are you with your job security NOW?

1 2 3 4 5 6 7

How satisfied were you with your job security in 1983?

1 2 3 4 5 6 7

16. **Now taking everything into consideration how do you feel about your job as a whole?**

How satisfied are you with your job as a whole NOW?

1 2 3 4 5 6 7

How satisfied were you with your job as a whole in 1983?

1 2 3 4 5 6 7

SECTION C

In this section I am interested in how you feel about being a member of your organisation. Some people feel themselves to be just an employee while others feel more personally involved in the organisations they work for.

You are asked, in this section, to express your agreement or disagreement with the statements below in relation to how you feel involved in your organisation NOW and how you felt involved in your organisation in 1983.

The scale of agreement or disagreement with the statements is explained below.

1. Means No I strongly disagree.
2. Means No I disagree quite a lot.
3. Means No I disagree just a little.
4. Means I am not sure.
5. Means Yes I agree just a little.
6. Means Yes I agree quite a lot.
7. Means Yes I strongly agree.

Now express your agreement or disagreement with the following statements below.

NOTE that you are to express your agreement with the statements NOW and how much you would have agreed or disagreed with the statement in 1983.

1. **I am quite proud to be able to tell people who it is I work for.**

How much do you agree or disagree with the above statement NOW?

1 2 3 4 5 6 7

How much would you have agreed or disagreed with the above statement in 1983?

1 2 3 4 5 6 7

2. **I sometimes feel like leaving this employment for good.**

How much do you agree or disagree with the above statement NOW?

1 2 3 4 5 6 7

How much would you have agreed or disagreed with the above statement in 1983?

1 2 3 4 5 6 7

3. **I am not willing to put myself out just to help the organisation.**

How much do you agree or disagree with the above statement NOW?

1 2 3 4 5 6 7

How much would you have agreed or disagreed with the above statement in 1983?

1 2 3 4 5 6 7

4. **Even if my organisation were not doing well financially, I would be reluctant to change to another employer.**

How much do you agree or disagree with the above statement NOW?

1 2 3 4 5 6 7

How much would you have agreed or disagreed with the above statement in 1983?

1 2 3 4 5 6 7

5. **I feel myself to be part of my organisation.**

How much do you agree or disagree with the above statement NOW?

1 2 3 4 5 6 7

How much would you have agreed or disagreed with the above statement in 1983?

1 2 3 4 5 6 7

6. **In my work, I like to feel that I am making some effort not just for myself but for my organisation as a whole.**

How much do you agree or disagree with the above statement NOW?

1 2 3 4 5 6 7

How much would you have agreed or disagreed with the above statement in 1983?

1 2 3 4 5 6 7

7. **The offer of a bit more money with another employer would not seriously make me think of changing my job.**

How much do you agree or disagree with the above statement NOW?

1 2 3 4 5 6 7

How much would you have agreed or disagreed with the above statement in 1983?

1 2 3 4 5 6 7

8. **I would not recommend a close friend to join our staff.**

How much do you agree or disagree with the above statement NOW?

1 2 3 4 5 6 7

How much would you have agreed or disagreed with the above statement in 1983?

1 2 3 4 5 6 7

9. **To know my own work has made a contribution to the good of the company would please me.**

How much do you agree or disagree with the above statement NOW?

1 2 3 4 5 6 7

How much would you have agreed or disagreed with the above statement in 1983?

1 2 3 4 5 6 7

SECTION D

In this section there are some statements that have been made in support of the policy of privatisation. You are to express your agreement or disagreement with each statement.

The attached scale is the same as that in section C.

1. Means No I strongly disagree.
2. Means No I disagree quite a lot.
3. Means No I disagree just a little.
4. Means I am not sure.
5. Means Yes I agree just a little.
6. Means Yes I agree quite a lot.
7. Means Yes I strongly agree.

Now express your agreement or disagreement with the statements below.

1. **Privatisation of public organisations will make them more efficient.**
1 2 3 4 5 6 7

2. **Allowing employees to own shares in their organisations will motivate them to work harder.**
1 2 3 4 5 6 7

3. **Privatisation succeeds only in selling state property.**
1 2 3 4 5 6 7

4. **Privatisation benefits only the rich.**
1 2 3 4 5 6 7

5. **Private ownership of enterprise promotes individual freedom.**
1 2 3 4 5 6 7

SECTION E

In this section you are to express how much participation you think you have on decisions made by your Supervisor, Department head and Top Management of your organisation.

The scale of 1 to 7 is explained below.

1. Means I have almost no participation
2. Means I have very very little participation
3. Means I have very little participation
4. Means I have neither very little nor very much participation
5. Means I have much participation
6. Means I have very much participation
7. Means I have very very much participation

Now indicate how much participation you think you have in relation to decisions made by (a) your Supervisor, (b) your Department Head, (c) Top Management of your organisation.

1. **How much participation do you think you have in decisions made by your supervisor?**

1 2 3 4 5 6 7

2. **How much participation do you think you have in decisions made by your department head?**

1 2 3 4 5 6 7

3. **How much participation do you think you have in decisions made by Top Management of your organisation?**

1 2 3 4 5 6 7

Thank you for your time.

APPENDIX 6B

Intercorrelations between the 1983 and 1988 measures for the privatised group.^a
(N=102)

	Total Satisfaction 83	Total Satisfaction 88	Extrinsic Satisfaction 83	Extrinsic Satisfaction 88	Intrinsic Satisfaction 83	Intrinsic Satisfaction 88	Commitment 83	Commitment 88	Identification 83	Identification 88	Loyalty 83	Loyalty 88	Involvement 83	Involvement 88	Privatisation	Participation
Total Satisfaction 83	0.86															
Total Satisfaction 88	0.32***	(0.91)														
Extrinsic Satisfaction 83	0.89***	0.34***	(0.63)													
Extrinsic Satisfaction 88	0.30***	0.93***	0.35***	(0.74)												
Intrinsic Satisfaction 83	0.95***	0.27***	0.70***	0.22**	(0.86)											
Intrinsic Satisfaction 88	0.31***	0.96***	0.30***	0.80***	0.28***	(0.90)										
Commitment 83	0.41***	0.33***	0.43***	0.25**	0.34***	0.36***	(0.77)									
Commitment 88	0.17*	0.68***	0.18*	0.61***	0.14	0.67***	0.58***	(0.84)								
Identification 83	0.38***	0.32***	0.41***	0.29**	0.30***	0.35***	0.84***	0.47***	(0.66)							
Identification 88	0.15	0.67***	0.22**	0.62***	0.07	0.65***	0.55***	0.85***	0.58***	(0.75)						
Loyalty 83	0.26**	0.20*	0.30***	0.14	0.21*	0.23**	0.77***	0.37***	0.42***	0.28**	(0.59)					
Loyalty 88	0.20**	0.51***	0.16*	0.46***	0.20*	0.50***	0.45***	0.81***	0.25**	0.49***	0.49***	(0.62)				
Involvement 83	0.36***	0.28***	0.32***	0.23**	0.34***	0.29***	0.80***	0.56***	0.60***	0.46***	0.37***	0.34***	(0.56)			
Involvement 88	0.09	0.51***	0.08	0.46***	0.08	0.52***	0.45***	0.86***	0.34***	0.66***	0.15	0.52***	0.63***	(0.77)		
Privatisation	0.04	0.26**	0.01	0.27**	0.06	0.23**	0.06	0.35***	0.04	0.37***	0.09	0.23**	0.00	0.29**	(0.77)	
Participation	0.07	0.65**	0.15	0.57***	0.00	0.65***	0.30***	0.55***	0.28**	0.52***	0.24**	0.48***	0.20**	0.37***	0.16*	(0.76)

*** P<0.001 ** P<0.01 * P<0.05 a reliability coefficients are shown along the diagonal

APPENDIX 6C

Intercorrelations among the 1983 and 1988 measures for the private sector group.a
(N=98)

	Total Satisfaction 83	Total Satisfaction 88	Extrinsic Satisfaction 83	Extrinsic Satisfaction 88	Intrinsic Satisfaction 83	Intrinsic Satisfaction 88	Commitment 83	Commitment 88	Identification 83	Identification 88	Loyalty 83	Loyalty 88	Involvement 83	Involvement 88	Privatisation	Participation
Total Satisfaction 83	(0.90)															
Total Satisfaction 88	0.60***	(0.90)														
Extrinsic Satisfaction 83	0.94***	0.52***	(0.82)													
Extrinsic Satisfaction 88	0.59***	0.93***	0.55***	(0.77)												
Intrinsic Satisfaction 83	0.94***	0.61***	0.78***	0.55***	(0.84)											
Intrinsic Satisfaction 88	0.53***	0.95***	0.42***	0.76***	0.58***	(0.87)										
Commitment 83	0.47***	0.31***	0.42***	0.28**	0.45***	0.30***	(0.70)									
Commitment 88	0.30***	0.60***	0.27**	0.50***	0.31***	0.61***	0.59***	(0.76)								
Identification 83	0.49***	0.37***	0.46***	0.32***	0.47***	0.38***	0.80***	0.50***	(0.47)							
Identification 88	0.27**	0.60***	0.21*	0.48***	0.89**	0.63***	0.39***	0.84***	0.53***	(0.65)						
Loyalty 83	0.26**	0.13	0.27**	0.13	0.23**	0.10	0.76***	0.44***	0.40***	0.21*	(0.38)					
Loyalty 88	0.20*	0.40***	0.20*	0.36***	0.18	0.39***	0.44***	0.78***	0.25**	0.49***	0.64***	(0.54)				
Involvement 83	0.34***	0.24**	0.27**	0.24**	0.38***	0.22**	0.77***	0.43***	0.49***	0.18*	0.31***	0.10	(0.57)			
Involvement 88	0.25**	0.40***	0.21*	0.34***	0.26**	0.41***	0.56***	0.72***	0.39***	0.47***	0.14	0.28**	0.78***	(0.61)		
Privatisation	0.47***	0.30***	0.32***	0.25**	0.27**	0.32***	0.25**	0.26**	0.35***	0.36***	0.01	0.02	0.23**	0.25**	(0.80)	
Participation	0.33***	0.59***	0.21*	0.48***	0.40***	0.61***	0.19*	0.48***	0.35***	0.59***	-0.08	0.15	0.20*	0.41***	0.40***	(0.82)

*** P<0.001 ** P<0.01 * P<0.05

a reliability coefficients are shown along the diagonal

APPENDIX 6D

Intercorrelation between the 1983 and 1988 measures for the public sector group.a
(N=101)

	Total Satisfaction 83	Total Satisfaction 88	Extrinsic Satisfaction 83	Extrinsic Satisfaction 88	Intrinsic Satisfaction 83	Intrinsic Satisfaction 88	Commitment 83	Commitment 88	Identification 83	Identification 88	Loyalty 83	Loyalty 88	Involvement 83	Involvement 88	Privatisation	Participation
Total Satisfaction 83	0.87															
Total Satisfaction 88	0.21*	0.87														
Extrinsic Satisfaction 83	0.90***	0.28**	0.72													
Extrinsic Satisfaction 88	0.28**	0.91***	0.37***	0.73												
Intrinsic Satisfaction 83	0.92***	0.11	0.66***	0.16*	0.85											
Intrinsic Satisfaction 88	0.11	0.92***	0.15	0.68***	0.06	0.85										
Commitment 83	0.46***	0.33***	0.20*	0.31***	0.39***	0.29**	0.78									
Commitment 88	0.20**	0.71***	0.27**	0.62***	0.11	0.67***	0.64***	0.81								
Identification 83	0.61***	0.31***	0.58***	0.33***	0.54***	0.24**	0.85***	0.52***	0.71							
Identification 88	0.31***	0.69***	0.35***	0.63***	0.22**	0.63***	0.56***	0.90***	0.61***	0.72						
Loyalty 83	0.28**	0.27**	0.25**	0.17*	0.27**	0.31***	0.80***	0.53***	0.37***	0.45						
Loyalty 88	0.03	0.62***	0.16*	0.51***	0.00	0.62***	0.48***	0.83***	0.30***	0.63***	0.62***	0.60				
Involvement 83	0.16*	0.21*	0.19*	0.25**	0.11	0.15	0.76***	0.51***	0.48***	0.34***	0.41***	0.23**	0.65			
Involvement 88	0.08	0.38***	0.12	0.35***	0.03	0.35***	0.55***	0.70***	0.33***	0.51***	0.28***	0.32***	0.76***	0.69		
Privatisation	0.19*	0.12	0.20*	0.11	0.16*	0.10	0.01	-0.00	0.08	0.00	-0.12	-0.02	0.07	0.00	0.85	
Participation	0.15	0.50***	0.18*	0.42***	0.09	0.29***	0.35***	0.48***	0.33***	0.44***	0.26***	0.40***	0.07	0.33***	0.05	0.86

*** P<0.001 ** P<0.01 * P<0.05

a Reliability coefficients are shown along the diagonal

APPENDIX 6E

Correlations between the 1983 and 1988 measures and the demographic characteristics for the private sector group. (N=98)

	Age	Tenure	School	Sex	Share	Number of Shares	Managerial Position	Union Membership
Total Satisfaction 83	-0.2	-0.8	0.21*	0.09	0.04	0.03	0.01	-0.16
Total Satisfaction 88	-0.14	-0.07	0.29**	0.13	0.14	0.13	0.20*	-0.23**
Extrinsic Satisfaction 83	0.08	-0.12	0.18*	0.16	0.03	0.03	-0.10	0.17*
Extrinsic Satisfaction 88	-0.12	-0.04	0.23**	0.13	0.11	0.10	0.17*	-0.21*
Intrinsic Satisfaction 83	0.05	-0.02	0.22**	0.02	0.05	0.02	0.11	-0.14
Intrinsic Satisfaction 88	-0.13	-0.09	0.31***	0.12	0.15	0.15	0.20*	-0.22**
Commitment 83	0.05	-0.09	0.04	0.09	0.13	0.13	0.08	-0.10
Commitment 88	0.08	-0.03	0.24**	-0.05	0.14	0.15	0.21*	-0.10
Identification 83	-0.02	-0.01	0.16	0.13	0.14	0.14	0.10	-0.15
Identification 88	0.05	0.00	0.32***	0.15	0.09	0.09	0.24**	-0.14
Loyalty 83	0.00	-0.17*	0.02	0.06	0.23**	0.22**	-0.04	0.02
Loyalty 88	0.01	-0.09	0.19*	0.05	0.24**	0.24**	0.03	-0.01
Involvement 83	0.13	0.03	0.09	0.03	-0.03	-0.00	0.14	-0.11
Involvement 88	0.14	-0.00	0.05	0.02	-0.08	-0.08	0.24**	-0.11
Privatisation	0.05	-0.07	0.05	0.28**	0.09	0.09	0.30***	-0.35***
Participation	-0.03	0.04	0.36***	0.11	0.17*	0.18*	0.30***	-0.29***
	* P<0.05		** P<0.01		*** P<0.001			

APPENDIX 6F

Correlations between 1983 and 1988 measures and the demographic characteristics for the privatised group. (N=102)

	Age	Tenure	Sex	School	Share	Number of Shares	Managerial Position	Union Membership
Total Satisfaction 83	0.17*	0.28**	-0.20*	-0.07	-0.01	0.01	0.12	-0.10
Total Satisfaction 88	0.12	0.19*	-0.19*	0.19*	0.13	0.10	0.37***	-0.18*
Extrinsic Satisfaction 83	0.13	0.23**	-0.19*	-0.09	-0.03	-0.07	0.16	-0.11
Extrinsic Satisfaction 88	0.08	0.16*	-0.12	0.16	0.12	-0.06	0.30***	-0.20*
Intrinsic Satisfaction 83	0.18*	0.28**	-0.19*	-0.05	0.01	0.07	0.08	-0.08
Intrinsic Satisfaction 88	0.14	0.19*	-0.23**	0.19*	0.13	-0.01	0.39***	0.16*
Commitment 83	0.20*	0.33***	-0.26**	0.13	-0.05	0.10	0.28**	-0.15
Commitment 88	0.24**	0.35***	-0.31***	0.27**	0.20*	0.12	0.41***	-0.20*
Identification 83	0.13	0.23**	0.27**	-0.01	-0.07	0.01	0.30***	-0.09
Identification 88	0.14	0.26**	-0.31***	0.22**	0.07	0.09	0.42***	-0.21*
Loyalty 83	0.10	0.23**	-0.15	0.17*	-0.05	0.10	0.13	-0.06
Loyalty 88	0.28**	0.33***	-0.24**	0.22*	0.19*	0.04	0.26**	-0.09
Involvement 83	0.26**	0.35***	-0.20*	0.16*	0.02	0.14	0.26**	-0.24**
Involvement 88	0.19*	0.28**	-0.23**	0.24**	0.27**	0.17*	0.35***	0.20*
Privatisation	-0.09	-0.14	-0.04	0.21*	0.11	0.10	0.11	-0.05
Participation	0.12	0.11	-0.29**	0.19*	0.10	0.08	0.48***	-0.13
	* P<0.05		** P<0.01			*** P<0.001		

APPENDIX 6G

Correlations between 1983 and 1988 measures and the demographic characteristics for the public sector group. (N=101)

	Age	Tenure	School	Sex	Share	Number of Shares	Managerial Position	Union Membership
Total Satisfaction 83	0.24**	0.32***	-0.16	-0.03	--	--	0.23**	0.05
Total Satisfaction 88	0.12	0.14	0.02	-0.07	--	--	0.22*	-0.13
Extrinsic Satisfaction 83	0.24**	0.35***	-0.20*	-0.07	--	--	0.18*	0.08
Extrinsic Satisfaction 88	0.16*	0.18*	-0.01	-0.01	--	--	0.18*	-0.14
Intrinsic Satisfaction 83	0.20*	0.24**	-0.09	0.01	--	--	0.24**	0.01
Intrinsic Satisfaction 88	0.07	0.09	0.04	-0.11	--	--	0.21*	-0.10
Commitment 83	0.22**	0.20*	0.07	-0.07	--	--	0.29**	0.04
Commitment 88	0.17*	0.23**	-0.00	-0.13	--	--	0.30***	0.04
Identification 83	0.22*	0.25**	0.02	-0.09	--	--	0.34***	0.09
Identification 88	0.09	0.19*	-0.02	-0.14	--	--	0.31***	0.08
Loyalty 83	0.15	0.19*	0.01	-0.10	--	--	0.18*	0.07
Loyalty 88	0.17*	0.24**	-0.01	-0.12	--	--	0.21*	0.00
Involvement 83	0.16*	0.03	0.16*	-0.05	--	--	0.17*	0.08
Involvement 88	0.16*	0.12	0.03	0.03	--	--	0.21*	-0.00
Privatisation	0.14	-0.09	-0.08	0.06	--	--	-0.04	-0.22*
Participation	0.13	0.14	0.10	-0.26**	--	--	0.34***	-0.01

* P<0.05 ** P<0.01 *** P<0.001

APPENDIX 6H

Intercorrelations among the demographic characteristics within the private sector group.

	Age	Tenure	School	Sex	Share	Number of Shares	Managerial Position
Age							
Tenure	0.36***						
School	-0.05	-0.05					
Sex	-0.16	-0.31***	0.06				
Share	-0.01	0.15	0.01	-0.04			
Number of Shares	-0.02	0.13	0.02	-0.01	0.98***		
Managerial Position	0.17*	0.10	0.19*	-0.15	0.17*	0.13	
Union Membership	0.12	0.31***	-0.13	-0.50***	0.01	-0.02	0.14
Type of Organisation							

*** P<0.001

APPENDIX 6I

Intercorrelations among the demographic characteristics within the privatised sector group.

	Age	Tenure	School	Sex	Share	Number of Shares	Managerial Position
Age							
Tenure	0.69***						
School	-0.05	-0.15					
Sex	-0.16	-0.37***	0.06				
Share	0.04	0.14	0.13	-0.12			
Number of Shares	0.22**	0.11	0.14	-0.23**	0.11		
Managerial Position	0.23**	0.23**	0.20*	0.37***	0.15	0.26**	
Union Membership	-0.09	0.04	-0.31***	0.03	-0.07	-0.13	-0.21*
Type of Organisation							

*** P<0.001

APPENDIX 6J

Intercorrelations among the demographic characteristics within the public sector group.

	Age	Tenure	School	Sex	Share	Number of Shares	Managerial Position
Age							
Tenure	0.54***						
School	-0.05	-0.16					
Sex	-0.17	-0.28**	0.15				
Share							
Number of Shares							
Managerial Position	0.31***	0.41***	0.20*	-0.23**			
Union Membership	0.14	0.05	-0.23**	-0.05	--	--	-0.09
Type of Organisation							

*** P<0.001

APPENDIX 7A

Two-way ANOVA results of managerial position by Type of Organisation on the 1983 measures.

Dependent variable	Source of variation	D F	Mean Square	F	Significance of F.
Total Satisfaction 83	Managerial Position	1	3.00	1.11	.04
	Type of organisations	2	1.01	1.39	.25
	2-way interaction	2	0.71	0.97	.38
	Residual	295	0.73		
Extrinsic Satisfaction 83 *	Managerial Position	1	0.98	1.52	.21
	Type of Organisation	2	1.99	3.07	.05
	2-way interaction	2	1.50	2.32	.10
	Residual	295	0.65		
Intrinsic Satisfaction 83	Managerial Position	1	6.67	5.96	.02
	Type of Organisation	2	0.55	0.49	.61
	2-way interaction	2	0.67	0.60	.55
	Residual	295	1.12		
Commitment 83 *	Managerial Position	1	14.15	16.53 ^r	.000
	Type of Organisation	2	4.58	5.35	.005
	2-way interaction	2	1.06	1.24	.29
	Residual	295	0.86		
Identification 83 **	Managerial Position	1	31.19	22.09	.000
	Type of Organisation	2	12.82	9.08	.000
	2-way Interaction	2	2.47	1.75	.18
	Residual	295	1.41		

Loyalty 83	Managerial Position	1	4.39	2.84	.09
	Type of Organisation	2	3.73	2.41	.09
	2-way Interaction	2	1.75	1.13	.33
	Residual	295	1.54		
Involvement 83	Managerial Position	1	13.02	10.88	.001
	Type of Organisations	2	1.71	1.42	0.24
	2-way Interaction	2	0.24	0.20	0.82
	Residual	295	1.20		

* Private Sector group is significantly different from the Public Sector group.

** Private Sector group is significantly different from both the public and privatised groups.

APPENDIX 7B

Two-way ANOVA results of managerial position by Type of Organisation on the 1988 measures.

Dependent variable	Source of variation	D F	Mean Square	F	Significance of F.
Total Satisfaction 88 ***	Managerial Position	1	19.38	22.87	.000
	Type of Organisation	2	4.83	5.70	.004
	2-way interaction	2	.94	1.11	.33
	Residual	295	.85		
Extrinsic Satisfaction 88 **	Managerial Position	1	11.01	14.93	.000
	Type of Organisation	2	6.44	8.73	.000
	2-way interaction	2	0.27	0.37	.69
	Residual	295	0.74		
Intrinsic Satisfaction 88	Managerial Position	1	31.82	24.55	.000
	Type of Organisation	2	3.74	2.89	.06
	2-way interaction	2	2.19	1.69	.19
	Residual	295	1.30		
Commitment 88 ***	Managerial Position	1	37.24	33.28	.000
	Type of Organisation	2	8.01	7.16	.005
	2-way interaction	2	1.53	1.37	.29
	Residual	295	1.12		
Identification 88 **	Managerial Position	1	66.96	35.85	.000
	Type of Organisation	2	16.45	8.81	.000
	2-way Interaction	2	1.55	.83	.44
	Residual	295	1.87		

Loyalty 88 ***	Managerial Position	1	19.21	9.56	.002
	Type of Organisation	2	9.52	4.73	.009
	2-way Interaction	2	2.71	1.35	.26
	Residual	295	2.01		
Involvement 88	Managerial Position	1	32.97	24.02	.000
	Type of Organisation	2	3.84	2.80	.06
	2-way Interaction	2	1.66	1.21	.30
	Residual	295	1.37		
Participation in decision making	Managerial position	1	84.81	47.81	.000
	Type of Organisation	2	7.44	4.19	.02
	2-way Interaction	2	.49	0.28	.76
	Residual	295	1.77		
Attitude to privatisation **	Managerial Position	1	6.97	3.54	.06
	Type of organisation	2	13.53	6.87	.001
	2-way Interaction	2	6.04	3.07	.05
	Residual	295	1.97		

* Private Sector group is significantly different from the Public Sector group.

*** Private Sector group is significantly different from both the public and privatised groups.

APPENDIX 7C

Regression analysis for the total sample with all personal characteristics entered as independent variables

Dependent variable	Variables in equation	R ²	Change in R ²	F value	Significance of F value
Total Satisfaction 83	Privatisation	.04		12.36	.001
	Tenure	.07	.03	11.36	.0000
Total Satisfaction 88	Privatisation	.06		19.00	.0000
	Managerial Position	.11	.05	17.77	.0000
	Union Membership	.13	.02	14.56	.0000
Extrinsic Satisfaction 83	Privatisation	.04		13.03	.0004
	Tenure	.06	.02	9.84	.0001
	Type of organisation	.08	.01	8.23	.0000
Extrinsic Satisfaction 88	Privatisation	.05		17.29	.0000
	Union Membership	.09	.03	13.88	.0000
	Managerial Position	.11	.02	11.78	.0000
	Type of Organisation	.13	.02	10.73	.0000
Intrinsic Satisfaction 83	Privatisation	.03		8.56	.0037
	Tenure	.06	.03	9.64	.0001
Intrinsic Satisfaction 88	Managerial Position	.07		21.11	.0000
	Privatisation	.11	.04	18.24	.0000
	Years in School	.13	.02	14.47	.0000
Commitment 83	Managerial Position	.04		11.34	.0009
	Type of Organisation	.07	.03	10.95	.0000

Commitment 88	Managerial Position	.08		25.18	.0000
	Privatisation	.12	.04	19.97	.0000
	Type of organisation	.14	.02	15.71	.0000
	Tenure	.16	.02	13.59	.0000
	Years in School	.17	.01	12.43	.0000
Identification 83	Managerial Position	.04		14.04	.0002
	Type of (-) Organisation	.09	.05	15.44	.0000
	Privatisation	.11	.02	11.97	.0000
	Tenure	.12	.01	10.23	.0000
	Identification 88	Managerial Position	.08		25.56
Privatisation		.13	.05	22.82	.0000
Type of (-) Organisation		.16	.03	19.48	.0000
Years in School		.18	.01	15.72	.0000
Tenure		.19	.01	13.81	.0000
Loyalty 83		No variables entered			
Loyalty 88	Age	.02		7.07	.0083
	Years in School	.04	.02	6.86	.0012
	Type of (-) Organisation	.06	.01	6.00	.0006
	Sex (-)	.07	.02	5.84	.0002
Involvement 83	Age	.03		10.42	.0014
	Union Membership	.05	.02	8.65	.0002
	Managerial Position	.07	.02	7.55	.0001
Involvement 88	Managerial position	.07		22.59	.0000
	Privatisation	.10	.03	16.12	.0000
	Age	.11	.01	12.23	.0000

Participation	Managerial Position	.13		43.76	.0000
	Privatisation	.16	.03	28.31	.0000
	Years in School	.18	.02	22.03	.0000
Privatisation	Union (-) Membership	.07		21.81	.0000

APPENDIX 7D

Regression analysis for the private sector group with all personal characteristics entered as independent variables on the 1983 and 1988 measures.

Dependent variable	Variables in equation	R ²	Change in R ²	F value	Significance of F value
Total Satisfaction 83	Privatisation	.10		10.35	.0018
	Years in School	.14	.04	7.55	.0009
Total Satisfaction 88	Privatisation	.09		9.78	.0023
	Years in School	.17	.08	9.48	.0002
Extrinsic Satisfaction 83	Privatisation	.10		11.01	.0013
	Managerial Position	.14	.04	8.03	.0006
	Years in School	.19	.05	7.23	.0002
Extrinsic Satisfaction 88	Privatisation	.06		6.16	.0148
	Years in School	.11	.05	5.63	.0049
Intrinsic Satisfaction 83	Privatisation	.07		7.44	.0076
	Years in School	.10	.03	6.24	.0028
Intrinsic Satisfaction 88	Privatisation	.10		10.97	.0013
	Years in School	.19	.09	10.97	.0001
Commitment 83	Privatisation	.06		6.29	.0138
Commitment 88	Privatisation	.07		7.18	.0087
	Years in School	.12	.05	6.60	.0021

Identification 83	Privatisation	.12		13.68	.0004
Identification 88	Privatisation	.13		14.16	.0003
	Years in School	.22	.09	13.22	.0000
Loyalty 83	Share Ownership Tenure	.05		5.21	.0247
		.09	.04	4.88	.0096
Loyalty 88	Share Ownership	.06		6.12	.0152
Involvement 83	Privatisation	.06		5.59	.0201
Involvement 88	Privatisation	.06		6.31	.0137
Participation	Privatisation Years in School	.16		18.23	.0000
		.27	.11	17.87	.0000
Privatisation	Union (-) Membership Managerial Position Sex	.12		13.59	.0004
		.18	.06	11.00	.0001
		.22	.04	9.09	.0000

APPENDIX 7E

Regression analysis for the privatised group with all personal characteristics entered as independent variables on the 1983 and 1988 measures.

Dependent variable	Variables in equation	R ²	Change in R ²	F value	Significance of F value
Total Satisfaction 83	Tenure	.08		8.62	.0041
Total Satisfaction 88	Managerial Position	.14		16.20	.0001
	Privatisation	.19	.05	11.41	.0000
Extrinsic Satisfaction 83	Tenure	.05		5.81	.0177
Extrinsic Satisfaction 88	Managerial Position	.09		10.18	.0019
	Privatisation	.15	.06	8.58	.0004
Intrinsic Satisfaction 83	Tenure	.08		8.44	.0045
Intrinsic Satisfaction 88	Managerial Position	.15		18.25	.0000
	Privatisation	.19	.04	11.55	.0000
Commitment 83	Tenure	.11		12.59	.0006
	Managerial Position	.16	.04	9.08	.0002
Commitment 88	Managerial Position	.17		19.77	.0000
	Privatisation	.26	.10	17.47	.0000
	Tenure	.36	.10	18.40	.0000
	Years in School	.40	.04	16.18	.0000

Identification 83	Managerial Position	.09		9.75	.0023
Identification 88	Managerial Position	.17		20.90	.0000
	Privatisation	.28	.11	19.05	.0000
	Tenure	.33	.05	16.02	.0000
Loyalty 83	Tenure	.05		5.80	.0179
	Years in School	.10	.04	5.35	.0062
Loyalty 88	Tenure	.11		12.22	.0007
	Privatisation	.19	.08	11.46	.0000
	Years in School	.24	.05	10.18	.0000
Involvement 83	Tenure	.12		13.94	.0003
	Union (-) Membership	.18	.06	11.40	.0000
Involvement 88	Managerial Position	.12		14.04	.0003
	Privatisation	.19	.07	11.30	.0000
	Tenure	.25	.06	10.76	.0000
	Years in School	.28	.03	9.45	.0000
Participation	Managerial Position	.23		29.77	.0000
Privatisation	Years in School	.04		4.65	.0334

APPENDIX 7F

Regression analysis for the public sector group with all personal characteristics entered as independent variables on the 1983 and 1988 measures.

Dependent variable	Variables in equation	R ²	Change in R ²	F value	Significance of F value
Total Satisfaction 83	Tenure	.10		11.24	.0011
	Privatisation	.15	.05	8.75	.0003
Total Satisfaction 88	Managerial Position	.05		4.84	.0302
Extrinsic Satisfaction 83	Tenure	.12		13.88	.0003
	Privatisation	.17	.05	10.38	.0001
Extrinsic Satisfaction 88	No variables entered				
Intrinsic Satisfaction 83	Tenure	.06		6.04	.0157
Intrinsic Satisfaction 88	Managerial Position	.05		4.75	.0316
Commitment 83	Managerial Position	.08		9.15	.0035
Commitment 88	Managerial Position	.09		9.90	.0022
Identification 83	Managerial Position	.11		12.88	.0005

Identification 88	Managerial Position	.10	10.45	.0017
Loyalty 83	No Variables			
Loyalty 88	Tenure	.06	5.82	.0177
Involvement 83	No Variables Entered			
Involvement 88	Managerial Position	.04	4.51	.0363
Participation	Managerial Position	.12	13.04	.0005
Privatisation	Union (-) Membership	.05	5.02	.0273

APPENDIX 7G

ANCOVA with attitude to Privatisation as a Covariate

Dependent variable	Source of variation	D F	Mean Square	F	Significance of F.
Job Satisfaction 83	Privatisation	1	8.78	12.44	0.000
	Type of organisation	2	0.40	0.57	0.57
	Managerial position	1	2.06	2.92	0.09
	2-way interaction	2	1.25	1.77	0.17
	Residual	294	0.71		
Extrinsic Satisfaction 83	Privatisation	1	8.25	13.30	0.000
	Type of Organisation	2	1.21	1.95	0.14
	Managerial Position	1	0.50	0.81	0.37
	2-way interaction	2	2.21	3.56	0.03
	Residual	294	0.62		
Intrinsic Satisfaction 83	Privatisation	1	9.43	8.61	0.004
	Type of Organisation	2	0.12	0.11	0.89
	Managerial position	1	5.14	4.70	0.03
	2-way interaction	2	1.01	0.93	0.40
	Residual	294	1.10		
Commitment 83	Privatisation	1	3.87	4.54	0.03
	Type of Organisation	2	3.70	4.34	0.01
	Managerial position	1	13.06	15.31	0.000
	2-way interaction	2	1.33	1.56	0.21
	Residual	294	0.85		
Identification 83	Privatisation	1	13.72	9.87	0.002
	Type of Organisation	2	9.89	7.11	0.001
	Managerial position	1	27.99	20.13	0.000
	2-way Interaction	2	3.35	2.41	0.09
	Residual	294	1.39		

Loyalty 83	Privatisation	1	0.01	0.01	0.92
	Type of Organisation	2	3.82	2.46	0.09
	Managerial position	1	4.53	2.92	0.09
	2-way Interaction	2	1.67	1.08	0.34
	Residual	294	1.55		
Involvement 83	Privatisation	1	4.30	3.61	0.06
	Type of Organisation	2	1.13	0.94	0.39
	Managerial position	1	11.71	9.82	0.002
	2 way-Interaction	2	0.28	0.24	0.79
	Residual	294	1.19		
Job Satisfaction 88	Privatisation	1	16.50	20.29	0.000
	Type of Organisation	2	2.79	3.43	0.03
	Managerial position	1	16.20	19.91	0.000
	2-way Interaction	2	0.98	1.20	0.30
	Residual	294	0.81		
Extrinsic Satisfaction 88	Privatisation	1	12.99	18.21	0.000
	Type of Organisation	2	4.31	6.04	0.003
	Managerial position	1	9.00	12.61	0.000
	2-way Interaction	2	0.30	0.42	0.66
	Residual	294	0.71		
Intrinsic Satisfaction 88	Privatisation	1	21.02	16.80	0.000
	Type of Organisation	2	1.92	1.54	0.22
	Managerial position	1	27.01	21.59	0.000
	2-way Interaction	2	2.24	1.79	0.17
	Residual	294	1.25		
Commitment 88	Privatisation	1	18.03	16.60	0.000
	Type of Organisation	2	5.33	4.91	0.008
	Managerial position	1	32.79	30.19	0.000
	2-way Interaction	2	1.91	1.76	0.17
	Residual	294	1.09		

Identification 88	Privatisation	1	39.66	22.14	0.000
	Type of Organisation	2	10.68	5.96	0.003
	Managerial position	1	58.05	32.41	0.000
	2-way Interaction	2	2.29	1.28	0.28
	Residual	294	1.79		
Loyalty 88	Privatisation	1	6.74	3.36	0.07
	Type of Organisation	2	7.83	3.90	0.02
	Managerial position	1	17.59	8.77	0.003
	2-way Interaction	2	3.13	1.56	0.21
	Residual	294	2.00		
Involvement 88	Privatisation	1	14.77	10.99	.001
	Type of Organisation	2	2.79	2.08	0.13
	Managerial position	1	28.78	21.42	0.000
	2-way Interaction	2	1.49	1.11	0.33
	Residual	294	1.34		
Perceived participation in decision making	Privatisation	1	24.88	14.41	0.000
	Type of Organisation	2	5.06	2.93	0.06
	Managerial position	1	76.35	44.21	0.000
	2-way Interaction	2	1.44	0.42	0.66
	Residual	294	1.73		

APPENDIX 7H

ANCOVA with Union Membership as a Covariate

Dependent variable	Source of variation	D F	Mean Square	F	Significance of F.
Job Satisfaction 83	Union Membership	1	2.65	3.63	0.06
	Type of organisation	2	0.50	0.68	0.51
	Managerial position	1	2.41	3.31	0.07
	2-way interaction	2	0.79	1.08	0.34
	Residual	294	0.73		
Extrinsic Satisfaction 83	Union Membership	1	2.77	4.31	0.04
	Type of Organisation	2	1.31	2.04	0.13
	Managerial Position	1	0.67	1.04	0.31
	2-way interaction	2	1.58	2.46	0.09
	Residual	294	0.64		
Intrinsic Satisfaction 83	Union Membership	1	2.51	2.24	1.14
	Type of Organisation	2	0.20	0.18	0.84
	Managerial position	1	5.72	5.12	0.02
	2-way interaction	2	0.74	0.66	0.52
	Residual	294	1.12		
Commitment 83	Union Membership	1	3.47	4.05	0.05
	Type of Organisation	2	3.45	4.03	0.02
	Managerial position	1	13.13	15.32	0.000
	2-way interaction	2	1.10	1.29	0.29
	Residual	294	0.86		
Identification 83	Union Membership	1	5.85	4.13	0.004
	Type of Organisation	2	10.66	7.53	0.001
	Managerial position	1	29.83	21.07	0.000
	2-way Interaction	2	2.52	1.78	0.17
	Residual	294	1.42		

Loyalty 83	Union Membership	1	0.13	0.85	0.77
	Type of Organisation	2	3.80	2.45	0.09
	Managerial position	1	4.58	2.95	0.09
	2-way Interaction	2	1.71	1.11	0.33
	Residual	294	1.55		
Involvement 83	Union Membership	1	7.88	6.65	0.01
	Type of Organisation	2	0.59	0.50	0.61
	Managerial position	1	10.70	9.03	0.003
	2 way-Interaction	2	0.21	0.18	0.01
	Residual	294	1.19		
Job Satisfaction 88	Union Membership	1	12.88	15.52	0.000
	Type of Organisation	2	2.25	2.71	0.07
	Managerial position	1	16.08	19.37	0.000
	2-way Interaction	2	0.83	1.00	0.37
	Residual	294	0.83		
Extrinsic Satisfaction 88	Union Membership	1	12.54	17.38	0.000
	Type of Organisation	2	3.42	4.74	0.009
	Managerial position	1	8.74	12.10	0.001
	2-way Interaction	2	0.22	0.30	0.74
	Residual	294	0.72		
Intrinsic Satisfaction 88	Union Membership	1	13.28	10.38	0.001
	Type of Organisation	2	1.67	1.31	0.27
	Managerial position	1	27.19	21.27	0.000
	2-way Interaction	2	2.01	1.58	0.21
	Residual	294	1.28		
Commitment 88	Union Membership	1	6.66	5.95	0.02
	Type of Organisation	2	5.98	5.34	0.01
	Managerial position	1	34.83	31.11	0.000
	2-way Interaction	2	1.51	1.35	0.26
	Residual	294	1.12		

Identification 88	Union Membership	1	12.72	6.81	0.01
	Type of Organisation	2	12.41	6.64	0.002
	Managerial position	1	62.68	33.55	0.000
	2-way Interaction	2	1.54	0.82	0.44
	Residual	294	1.87		
Loyalty 88	Union Membership	1	3.11	1.54	0.22
	Type of Organisation	2	8.34	4.13	
	Managerial position	1	18.68	9.26	0.003
	2-way Interaction	2	2.71	1.34	0.26
	Residual	294	2.02		
Involvement 88	Union Membership	1	5.83	4.25	0.04
	Type of Organisation	2	2.91	2.13	0.12
	Managerial position	1	29.88	21.81	0.00
	2-way Interaction	2	1.54	1.12	0.33
	Residual	294	1.37		
Perceived participation in decision making	Union Membership	1	13.28	10.38	0.001
	Type of Organisation	2	1.67	1.31	0.27
	Managerial position	1	27.19	21.27	0.000
	2-way Interaction	2	2.01	1.58	0.21
	Residual	294	1.28		

7

APPENDIX 7I

ANCOVA with Union Membership and Attitude to Privatisation as a Covariates

Dependent variable	Source of variation	D F	Mean Square	F	Significance of F.
Job Satisfaction 83	Privatisation	1	6.92	9.79	.002
	Union Membership	1	0.78	1.11	0.29
	Type of organisation	2	0.26	0.36	0.70
	Managerial position	1	1.82	2.58	0.11
	2-way interaction	2	1.28	1.81	0.17
	Residual	293	0.71	2.86	
	Extrinsic Satisfaction 83	Privatisation	1	6.38	10.28
Union Membership		1	0.90	1.45	0.23
Type of Organisation		2	0.98	1.58	0.21
Managerial Position		1	0.39	0.63	0.42
2-way interaction		2	2.23	3.59	0.03
Residual		293	0.62		
Intrinsic Satisfaction 83		Privatisation	1	7.58	6.91
	Union Membership	1	0.60	0.60	.44
	Type of Organisation	2	0.06	0.06	.94
	Managerial position	1	4.74	4.32	.04
	2-way interaction	2	1.05	0.96	.39
	Residual	293	1.08		
	Commitment 83	Privatisation	1	2.35	2.75
Union Membership		1	1.95	2.29	.13
Type of Organisation		2	3.04	3.55	.03
Managerial position		1	12.45	14.56	.000
2-way interaction		2	1.34	1.57	.21
Residual		293	0.86		

Identification 83	Privatisation	1	10.14	7.27	.007
	Union Membership	1	2.26	1.62	.20
	Type of Organisation	2	9.05	6.49	.002
	Managerial position	1	27.60	19.78	.000
	2-way Interaction	2	3.35	2.40	.09
	Residual	293	1.40		
Loyalty 83	Privatisation	1	0.00	0.00	.98
	Union Membership	1	0.12	0.08	.78
	Type of Organisation	2	3.86	2.48	.09
	Managerial position	1	4.66	3.00	.08
	2-way Interaction	2	1.66	1.07	.34
	Residual	293	1.55		
Involvement 83	Privatisation	1	1.93	1.63	.20
	Union Membership	1	5.51	4.65	.03
	Type of Organisation	2	0.45	0.38	.69
	Managerial position	1	10.05	8.49	.004
	2 way-Interaction	2	0.26	0.22	.80
	Residual	293	1.19		
Job Satisfaction 88	Privatisation	1	10.49	13.02	.000
	Union Membership	1	6.87	8.53	.004
	Type of Organisation	2	1.49	1.84	.16
	Managerial position	1	14.23	17.67	.000
	2-way Interaction	2	0.92	1.14	.32
	Residual	293	0.81		
Extrinsic Satisfaction 88	Privatisation	1	7.71	10.94	.001
	Union Membership	1	7.26	10.30	.001
	Type of Organisation	2	2.60	3.68	.03
	Managerial position	1	7.61	10.80	.001
	2-way Interaction	2	0.27	0.39	.68
	Residual	294	0.71		
Intrinsic Satisfaction 88	Privatisation	1	14.17	11.40	.001
	Union Membership	1	6.43	5.17	.02
	Type of Organisation	2	1.06	0.85	.43
	Managerial position	1	24.31	19.54	.000
	2-way Interaction	2	2.14	1.72	.18
	Residual	294	1.24		

Commitment 88	Privatisation	1	13.70	12.57	.000
	Union Membership	1	2.33	2.14	.14
	Type of				
	Organisation	2	4.59	4.21	.02
	Managerial				
	position	1	31.82	29.21	.000
	2-way Interaction	2	1.90	1.75	.18
	Residual	294	1.09		
Identification 88	Privatisation	1	30.91	17.20	.000
	Union Membership	1	3.96	2.21	.14
	Type of				
	Organisation	2	9.35	5.20	.006
	Managerial				
	position	1	56.58	31.49	.000
	2-way Interaction	2	2.28	1.27	.28
	Residual	294	1.80		
Loyalty 88	Privatisation	1	4.90	2.44	.12
	Union Membership	1	1.26	0.63	.43
	Type of				
	Organisation	2	7.39	3.67	.03
	Managerial				
	position	1	17.53	8.71	.003
	2-way Interaction	2	3.13	1.56	.21
	Residual	294	2.01		
Involvement 88	Privatisation	1	11.08	8.23	.004
	Union Membership	1	2.14	1.59	.21
	Type of				
	Organisation	2	2.49	1.85	.16
	Managerial				
	position	1	29.19	20.20	.00
	2-way Interaction	2	1.44	1.07	.35
	Residual	294	1.34		
Perceived participation in decision making	Privatisation	1	16.55	9.62	.002
	Union Membership	1	8.22	4.78	.03
	Type of				
	Organisation	2	3.82	2.22	.11
	Managerial				
	position	1	71.32	41.44	.000
	2-way Interaction	2	0.70	0.41	.67
	Residual	294	1.72		

APPENDIX 7K

Analysis and Variance table showing differences among the three groups on the 1983 job satisfaction items.

Dependent variable	Source of variation	D F	Mean Square	F	Significance of F.
Physical Working Conditions	Between Groups	2	3.53	2.39	.09
	Within Groups	298	1.48		
	Total	300			
Freedom to choose method of work	Between Groups	2	0.39	0.20	0.82
	Within Groups	298	1.93		
	Total	300			
Fellow workers	Between Groups	2	4.46	3.25	0.04
	Within Groups	298	1.37		
	Total	300			
Recognition for a good job done	Between Groups	2	3.12	1.37	0.26
	Within Groups	298	2.27		
	Total	300			
Your Immediate boss	Between Groups	2	0.52	0.22	0.80
	Within Groups	298	2.33		
	Total	300			
Amount of responsibility in your work	Between Groups	2	0.71	.34	.71
	Within Groups	298	2.10		
	Total	300			
Your pay	Between Groups	2	0.04	.02	0.98
	Within Groups	298	2.27		
	Total	300			
Opportunity to use your abilities	Between Groups	2	0.71	0.33	0.72
	Within Groups	298	2.16		
	Total	300			

Industrial Relations	Between Groups	2	2.70	1.47	0.24
	Within Groups	298	1.83		
	Total	300			
Promotional Opportunities	Between Groups	2	0.39	0.16	0.85
	Within Groups	298	2.50		
	Total	300			
How the Organisation is Managed	Between Groups	2	6.18	3.28	0.04
	Within Groups	298	1.88		
	Total	300			
Attention paid to suggestions you make	Between Groups	2	0.03	0.02	0.99
	Within Groups	298	2.11		
	Total	300			
Hours of work	Between Groups	2	6.94	4.55	0.01
	Within Groups	298	1.53		
	Total	300			
Amount of variety in your work	Between Groups	2	2.56	1.33	0.27
	Within Groups	298	1.92		
	Total	300			
Job Security	Between Groups	2	0.30	0.19	0.83
	Within Groups	298	1.61		
	Total	300			

APPENDIX 7L

ANOVA table showing differences among the three groups on the 1988 job satisfaction items.

Dependent variable	Source of variation	D F	Mean Square	F	Significance of F.
Physical Working Conditions	Between Groups	2	5.49	2.77	0.06
	Within Groups	298	1.98		
	Total	300			
Freedom to choose method of work	Between Groups	2	8.34	4.55	0.01
	Within Groups	298	1.83		
	Total	300			
Fellow workers	Between Groups	2	1.59	1.15	0.32
	Within Groups	298	1.38		
	Total	300			
Recognition for a good job done	Between Groups	2	6.01	2.08	0.13
	Within Groups	298	2.89		
	Total	300			
Your immediate boss	Between Groups	2	0.19	0.07	0.93
	Within Groups	298	2.62		
	Total	300			
Amount of responsibility in your work	Between Groups	2	0.07	0.03	0.97
	Within Groups	298	2.22		
	Total	300			
Your pay	Between Groups	2	14.30	5.79	.003
	Within Groups	298	2.47		
	Total	300			
Opportunity to use your abilities	Between Groups	2	2.39	0.98	0.38
	Within Groups	298	2.43		
	Total	300			
Industrial Relations	Between Groups	2	8.35	3.71	0.03
	Within Groups	298	2.25		
	Total	300			

Promotional Opportunities	Between Groups	2	6.25	1.96	0.14
	Within Groups	298	3.19		
	Total	300			
How the Organisation is Managed	Between Groups	2	3.45	1.38	0.25
	Within Groups	298	2.49		
	Total	300			
Attention paid to suggestions you make	Between Groups	2	3.45	1.38	0.25
	Within Groups	298	2.49		
	Total	300			
Hours of work	Between Groups	2	6.94	4.22	0.02
	Within Groups	298	1.64		
	Total	300			
Amount of variety in your work	Between Groups	2	1.42	0.64	0.53
	Within Groups	298	2.22		
	Total	300			
Job Security	Between Groups	2	10.14	4.58	0.01
	Within Groups	298	2.21		
	Total	300			

APPENDIX 7M

A Summary of Responses of Private Sector Employees on the Follow-up Questionnaire*

QUESTION	RESPONSE	Has the Change been for better or worse?
<p>What has changed about the following aspects of your job between 1983 & 1988.</p>		
<p>Pay</p>	<ol style="list-style-type: none"> 1. Pay rises slightly ahead of inflation. 2. I have received annual increments and cost of living rises. Also I now receive an allowance (the South-east allowance). 3. Cost of living rises. 4. Increased. 5. Nothing much has changed. Annual increases of between 4 - 5%. 6. Not a lot - annual increases. 7. Purely cost of living increases. 	<p>Better.</p> <p>In real terms I feel for the worse (e.g. house purchase is no longer a possibility to start on whilst other major purchases have remained level.</p> <p>No change.</p> <p>Better.</p> <p>No difference.</p> <p>No difference.</p> <p>Better.</p>
<p>The way your organisation is managed</p>	<ol style="list-style-type: none"> 1. Re-organised into larger area. Also change of management staff. 2. Management has become a key part of the organisation. 	<p>Better.</p> <p>For the worse e.g. (1) There are more levels of management. The organiser has organiser etc. So much time is spent on this organising it leaves little time actually to do the work. i.e. We seem to have more middlemen.</p>

(2) Time and motion has reduced staff while work loads increase. These studies do not allow for the human element i.e. if the customer asks a question, time is allowed for the question and the answer only - no allowance is given to give the customer a full understanding of the answer.

- | | |
|---|--|
| 3. More technology. | Worse. |
| 4. New General Manager in 1986 who although fairly autocratic, has improved slightly the general openness throughout the company. | Better. |
| 5. Re-organisation in general of company. Three districts cut down to two. | Worse during the changes, but hopefully improving. |
| 6. Major re-organisation throughout company to bring it more up-to-date. | Meant for better, but at the moment seems for the worse. |
| 7. Slightly more open. | Marginally better. |

Chances for promotion.

- | | |
|---|----------------|
| 1. Nothing | --- |
| 2. None. | --- |
| 3. Nothing. | --- |
| 4. Up to August 1988 I felt I was in a deep rut, but now I hope to progress up the management tree. | Better. |
| 5. Nothing. | No difference. |
| 6. No change. | No difference. |
| 7. Nothing. | --- |

Job Security.

- | | |
|--|---------------------------|
| 1. Nothing. | --- |
| 2. Nothing. | --- |
| 3. Nothing. | --- |
| 4. I feel more secure being in operations with privatisation coming. | --- |
| 5. Nothing at present time, but privatisation of the industry in the not too distant future may change this. | No difference at present. |
| 6. All as previously, but future very uncertain due to privatisation in 1989. | No change. |
| 7. Becoming less secure with proposed restructuring. | --- |

Industrial Relations.

- | | |
|--|---------|
| 1. Improved. | Better. |
| 2. Industrial relations have always been on a "personal" level with morale rising and falling as inspired by the managers of the day. | --- |
| 3. No closed shop. | Better. |
| 4. Easier access to the General Manager. | Better. |
| 5. Changes towards more high-powered/financially orientated management. Certain amount of frustration amongst the workers; morale throughout very low. | Worse. |
| 6. There is no longer the family atmosphere - everything more highly concentrated and morale generally low. | Worse. |
| 7. Not a lot. | |

**Responsibility
on your job.**

- | | |
|---|---|
| 1. Increased | Better. |
| 2. It has drastically regressed (been reduced). | Worse - a simple decision may now need to be referred to a Supervisor, who still will not be allowed to make the decision. By the time it has been reported through the hierarchy up to 6 or 7 people may have been involved. |
| 3. Nothing. | --- |
| 4. Increased considerably. | Better. |
| 5. Nothing. | No difference. |
| 6. Nothing. | No change. |
| 7. Greater responsibility. | Better. |

**Freedom to
choose your
method of work.**

- | | |
|--|---|
| 1. More freedom due to change in management style. | Better. |
| 2. It has been removed. | Both - better and worse.
We now have clear procedures which are uniform in all branches - but the allowance for the human element has been lost. |
| 3. More freedom. | Better. |
| 4. Increased freedom. | Better. |
| 5. Computer and word processors now control methods of working. | Worse. Less job satisfaction, but this is progress. |
| 6. Now no scope for individuality concerning presentation of work - word processor now in use which takes away all job satisfaction. | Personally for the worse, but one must move with the times. |
| 7. Improved, more room for improvement. | Better. |

**Amount of
variety in
your work.**

- | | |
|--|--|
| 1. More installations to maintain. | Better. |
| 2. It has always been policy for as many people to know as much as possible, then in the event of illness anyone can fill in. However, with the reduction of staff due to "Time and Motion" studies, one person being away from their post may involve many people changing their tasks. | For worse - there is no continuity, and with a post only being temporary there is no time to adapt, and thus do the job in the time allotted and develop pride in your particular job. |
| 3. Nothing. | --- |
| 4. Considerably more varied. | Better. |
| 5. Nothing. | No change. |
| 6. Not a lot, but the word processor certainly takes the monotony away from the every day routine jobs. | Better. |
| 7. Changeable. Currently less variety. | Worse. |

**Physical working
conditions**

- | | |
|---|-----------------|
| 1. Nothing. | --- |
| 2. Not much - even though there has been a move to near premises. (Due to a tight | Not Applicable. |

budget, there is no air conditioning in the summer and for the winter there is a heating system with which you either freeze or boil).

3. Nothing. ---
4. I now have my own office. Better.
5. Have now moved to a 2 storey building from one of one level only. The actual office itself is more pleasant, but there is a considerable amount of time spent running up and down stairs to photocopiers, filing rooms etc., which can be very tiring. It is a more isolated environment. Worse.
6. Having previously worked in a compact small office, staff now work in large rambling premises which makes contact with other staff difficult, and Fax and photocopying machines are located down stairs which is very time consuming and tiring. Definitely worse.
7. Little change.

**Attention paid
to suggestions
you make.**

1. Nothing ---
2. We are now more greatly encouraged to make suggestions, but there has been no change in the response they receive (which is very little). Not applicable.
3. More notice now taken at higher level. Better.

- | | | |
|----|---------------------------------------|----------------|
| 4. | More notice now taken. | Better. |
| 5. | Nothing. | No difference. |
| 6. | No change - always willing to listen. | No change. |
| 7. | Generally more receptive | Better. |

Opportunities to use your abilities

- | | | |
|----|---|-----------------|
| 1. | Nothing. | Not applicable. |
| 2. | Refer to my response to responsibility and freedom. They have been reduced, so has opportunity to use my abilities. | Worse. |
| 3. | Nothing. | --- |
| 4. | Improved dramatically. | Better. |
| 5. | Nothing. | No. Difference. |
| 6. | No change. | '--- |
| 7. | Improved. | Better. |

Recognition you get for good work done

- | | | |
|----|---------|-----------------|
| 1. | Nothing | Not applicable. |
|----|---------|-----------------|

- | | | |
|----|--|--|
| 2. | <p>In order to do a good job more time is required. however, this extra time is now our own time as overtime is no longer paid to clear any backlog. All we receive are "empty thanks" rather than a material recognition. e.g. if overtime were paid then the need would be seen for extra staff instead of hiding this with an extra half hour at work everyday (average). P/S Strangely, our Union is unable to do anything on this last point. It can only help if a member of staff is officially disciplined. Obviously, such a staff member would be passed over for promotion many times before this stage was reached!!</p> | <p>Most certainly for the worse.</p> |
| 3. | <p>Very little.</p> | <p>---</p> |
| 4. | <p>Improved somewhat, but also if something goes wrong, I am now far more vulnerable.</p> | <p>Better.</p> |
| 5. | <p>Nothing.</p> | <p>No difference.</p> |
| 6. | <p>No change. Efforts have always been appreciated.</p> | <p>No change.</p> |
| 7. | <p>Very little.</p> | <p>Plenty of room for improvement.</p> |

* Personal characteristics of respondents are shown below

***PERSONAL CHARACTERISTICS OF PRIVATE SECTOR RESPONDENTS TO FOLLOW-UP QUESTIONNAIRE**

Respondent	Position	Personal	Characteristics
1.	Manager	Union Member	11 years of service
2.	Non-Manager	Union Member	12 years of service
3.	Manager	Union Member	34 years of service
4.	Manager	Non-Union Member	15 years of service
5.	Non-Manager	Union Member	12 years of service
6.	Non-Manager	Non-Union Member	15 years of service
7.	Manager	Union Member	22 years of service

APPENDIX 7N

A Summary of Responses of Privatised Sector Employees on the Follow-up Questionnaire*

QUESTION	RESPONSE	Has the change been for the better or worse?
What has changed about the following aspects of your job?		
Pay		
1.	Increases have been marginally better than inflation up to mid-1988.	Relative to the South East employment market marginally worse.
2.	Greatly increased from £4th to £14th p.a.	For better.
3.	It has increased greatly due to promotions and annual pay reviews which have covered the effects of inflation.	Better.
4.	Increased in line with inflation.	Worse - because with National wage agreement the South East is disadvantaged.
5.	Increased at rate marginally above inflation, but fallen from top quartile.	Worse.
6.	Increased by about £5 - £6000.	Better.
7.	Rises below Cost of Living Index.	Worse.
8.	It has improved in line with inflation, but has not kept pace with comparable companies elsewhere.	Worse.
9.	My pay has increased yearly at about or just below the annual rate of inflation.	Worse.

- | | | |
|-----|---|--|
| 10. | Ignoring inflation, my pay has increased due to:
(i) annual pay increases and
(ii) Incremental rises.
(iii) changed jobs leading to further series of increases. | My feeling is of steady improvement. |
| 11. | I think the increases have been about level with inflation. | Well, I 'm getting more money - What more can I say? |
| 12. | This has risen dramatically with inflation. The real value of the salary does not reflect the ever increasing demand within the South-East. | Better - an increase in credit within the family sphere. |
| 13. | It has improved dramatically through promotion, but actual pay awards have been only slightly better than inflation. | Better. |
| 14. | Change position from technical training to staff training. | Better. |
| 15. | Substantial increase. | Better. |
| 16. | Incremental increases, but pay increases have been low compared to other industries. | Worse. |

The way your organisation is managed.

- | | | |
|----|--|--|
| 1. | Broadly speaking, it has become much sharper in terms of profit/business orientation seeking clearer results from staff. | Broadly for the better, but it has increased demands (including work pressure on many members of staff to a very significant extent. |
| 2. | Changed several times from being localised to centralised to a current position of seemingly under-managed. | Of late, worse. |
| 3. | It has become more structured. | For better in most respects. |

- | | | |
|-----|---|---|
| 4. | Management more assertive. Better communication, less job security. | Better and should continue to be so. |
| 5. | Less authoritarian, increased managers' responsibility to manage. | Better. |
| 6. | Less higher managers. | Probably better. |
| 7. | Centralisation. | Worse. |
| 8. | Greater emphasis on cost centres devolving responsibility to local level, but at the same time becoming more centralised on certain aspects. | A step in the right direction, but not far enough. |
| 9. | There has been recent rational re-organisation in the way the industry is managed. While some new posts have been created, there has been recent dilution of over staffing on management side, as well as manual. This has had the effect of people taking on larger responsibilities, increasing workload and perhaps taking on larger areas and hence more men. | Generally there was more room for such change, although it has proved unpopular in certain cases. People do not like to take on more responsibilities for the same money etc., even if it is proved that there is room for this - and there has been in the name of efficiency. |
| 10. | I feel that the management style has remained the same. | The lack of change has been for the worse - as the environmental and objectives seem to have changed whilst management style has stood still. |
| 11. | We have been privatised. | Still early to tell but jobs are being cut. |
| 12. | The role of management has been given to people who have not come through the industry. This has led to an attitude of complacency among the lower ranks. | For the worse, there is no future in allegiance to an industry. A lot of mistrust now exists. |
| 13. | A level of management has been removed. Unfortunately service departments have grown - empire building. | First part better. Second part worse. |
| 14. | Changed to a very open style of management. | Better. |

- | | | |
|-----|--|---------------------------|
| 15. | Improved technology/improved management techniques/better communication to all levels of staff/enhanced training procedures. | Better - most definitely. |
| 16. | Management is more financially aware. | Better. |

Chances for promotion

- | | | |
|----|---|---|
| 1. | In general, with reduced manpower and a slimmer organisation, the chances of promotion have been reduced. | Worse - for personal motivation in career terms. |
| 2. | Reduced as expertise recruited from outside the organisation instead of in house training, but as the organisation has developed, so there are greater opportunities, but on shop floor we are unaware of them! | Both. |
| 3. | They have improved since privatisation with more opportunities available than before. | For better. |
| 4. | Personally O.K.
Generally not so good. | Worse - declining numbers offer less opportunity. |
| 5. | Reduced. | Worse. |
| 6. | Increased chances due to the changing departments, but generally in the industry - no change. | Better. |
| 7. | Less chance. | Worse. |
| 8. | Reduced due to contraction of the organisation, and therefore reduction in the number of opportunities available. | Worse. |

- | | | |
|-----|---|---|
| 9. | Very little - except to say that if there are fewer managerial positions available resulting from re-organisation, then chances of promotion are naturally reduced. For the high fliers', promotion, chances have probably increased. | While I recognise the place for "high fliers", I believe we have to be careful to ensure that the knowledge and practical experience of manual workers and many staff is not forgotten. Many are very intelligent and have good academic records and are just as capable of applying themselves to managerial posts as outsiders and high fliers. This must not be forgotten, but sadly, if anything, their position has slightly worsened. |
| 10. | I think they have stayed the same. | Worse - for lack of change. |
| 11. | There are now fewer chiefs. | Better - there were too many chiefs. |
| 12. | It is no longer what you know, but who you know. | Worse. |
| 13. | Less opportunity due to structural changes. | Worse. |
| 14. | Nothing. | --- |
| 15. | Due to new staff structuring and branch gradings, I am now optimistic about promotions, although I feel I should have been promoted a year ago. | Better, but only just. |
| 16. | Remained the same. | --- |

Job Security

- | | | |
|----|---|------------------------------|
| 1. | Little - in general, though the company is no longer seen as a job for life organisation. | Neutral. |
| 2. | Recent introduction of performance related pay reduces salary security and possibly job security. | Better for the organisation. |

- | | | |
|-----|--|---|
| 3. | It has not really changed, it has always been fairly secure. | No change. |
| 4. | Declining number of employees. | Better increased efficiency, more chances of redundancy. |
| 5. | Reduced. | Worse. |
| 6. | Nothing. | --- |
| 7. | Less secure through cutbacks. | Worse. |
| 8. | Nothing in perceived terms, but greater emphasis on success and therefore more pressure on those that don't succeed. | Better. |
| 9. | Job security is certainly not guaranteed like it was a few years ago, but I do not believe this to be a result of privatisation. No one is indispensable now! If you can save money in certain areas and are a genius on the computer, however, my last statement may not apply! | For the better - it makes people less complacent about their jobs and encourages them to do well, even if it is not readily acknowledged. The industry is beginning to be run as a business rather than a charity to its workforce as tended to be the case prior to privatisation. |
| 10. | No significant change. If anything, there is a hint that there will be more demand for training/staff skills in the organisation. | Possibly a hint of better to come. |
| 11. | The computer age has destroyed a lot of job security, so has privatisation. | Worse from the point of view of staff. |
| 12. | Security is virtually non-existent. | Worse. |
| 13. | No change. | Worse. |
| 14. | At this time there has been no real change in job security. | --- |
| 15. | We are fortunate not to have had redundancies and, in fact I feel that my position is even more secure now due to the company's need for word processing experience. | Better most definitely. |
| 16. | I notice that more people close to my own eyes have been offered redundancy. | Worse. |

**Industrial
Relations**

- | | | |
|-----|---|---|
| 1. | Management now tend to make decisions more rapidly, and with a tendency to consult on certain issues rather than negotiate. The formal I.R. machinery is rather changed. | For the better, but future and continuing changes need to be handled with care. |
| 2. | Probably less close links as growth has meant less you appeal for average member of staff. | Better for organisation. |
| 3. | They are slowly becoming more strained. | Worse. |
| 4. | More assertive management. | Better - Dead wood being removed. |
| 5. | Greater honesty, harder line by management and unions. | Better. |
| 6. | Nothing. | --- |
| 7. | These are poor at present. | Worse. |
| 8. | Stronger management up front but still inadequate backing when it comes to the crunch. | Getting better. |
| 9. | There has been some hostility recently between management and workers. This is due to the changes in working practices and wage restructuring, including changing working hours and overtime hours. The majority however, realise that change must come, all be it slow, and it is after all a British disease to resist change at all cost, unfortunately. | As people begin to see and realise that everyone has a job to do, and that in today's economic and there is a general urgency industrial climate to perform well, particularly financially as almost all employees have a few shares in the company, I genuinely believe that some are beginning to take interest in what goes on, and this can only be good for the future as hopefully it snowballs on to other employees. Despite early difficulties at present. |
| 10. | No significant change. Perhaps an underlying feeling (with no real data) that there is less management concern for I.R. on a formal TUC level. | Worse. |

- | | | |
|-----|--|--|
| 11. | The fact that everyone's job could be at risk has probably improved relations, but if one side says it's black by nature the other side will say it's white. | Who can say, but I think it will always be us and them. |
| 12. | With the change in Union powers the relationship between the two has drifted apart. | In some respects, relations have improved. The use of Christian names instead of Surnames for example. Unfortunately, this is only a small part, and I feel at present that things could not be any worse. |
| 13. | Very little. | Not applicable. |
| 14. | The open style of management has improved the industrial relations. | Better. |
| 15. | Much closer network now with management and staff being able to communicate on the same level, but with management retaining respect. | Better. |
| 16. | There have been problems regarding job structure. | Worse. |

Responsibility on your job.

- | | | |
|----|---|---|
| 1. | The level of responsibility is unchanged. There is, however, a greater expectation to achieve results, and over a slightly wider area and under greater pressure. | Mostly better, though perhaps too much own time is at present required as routine demand. |
| 2. | Greatly increased. | Worse- imposed targets without sufficient "how". |
| 3. | It has increased considerably mainly due to promotion, but also as the organisation has grown. | Better, because I enjoy responsibility. |
| 4. | Increased. | Better - Greater variation. |

- | | | |
|-----|--|---|
| 5. | Increased freedom, greater accountability. | Better. |
| 6. | Responsibility now of a different kind | Better. |
| 7. | More responsibility being delegated. | Worse. |
| 8. | No change. | --- |
| 9. | As I have recently been promoted into a position which nobody else has done before. I cannot really comment on this. | Speaking of what I have seen from other jobs, I have to say that there is room for people to take on more departments to occupy one's time more fully. However, as we are a safety conscious industry, it is important not to reduce in number, and increase responsibilities on those who are left too much as this could lead to risks and accidents unnecessarily. |
| 10. | Significantly more responsibility. | Better. |
| 11. | With computer systems we have more access to a lot of confidential information, but no other responsibilities. | With knowledge, anyone can gain access to this information. |
| 12. | My responsibilities have increased due to decline in the number of higher management. | The change has led to one's original job now being completely different, You don't know what is expected of you. If something goes wrong you are responsible. |
| 13. | Slightly more responsibility. | Better. |
| 14. | The responsibility on the employee to do a good job. | Better. |
| 15. | My job now requires great accuracy and confidentiality. | Better. |
| 16. | Management responsibility has increased, financial accountability has increased. | Better. |

**Freedom to
choose your
method of work**

- | | | |
|-----|--|---|
| 1. | If anything, this has marginally improved. | Better. |
| 2. | Greatly improved. I can do as I please provided I follow procedure and achieve results. | Better. |
| 3. | Little has changed. | Not applicable. |
| 4. | Nothing - non assertive boss. Do what I like within reason. | --- |
| 5. | Little change. | Neutral. |
| 6. | About the same - maybe less freedom. | Better. |
| 7. | More dictatorial. | Worse. |
| 8. | I have always had large areas of freedom in how I work, and the methods adopted. | No change. |
| 9. | Very little except to say as people are beginning to take more responsibility and more work, there is possibly more scope to choose your own method of work. | Providing that you achieve results and meet your targets satisfactorily, it must be better to work by your own methods. |
| 10. | No significant change | Better. |
| 11. | Far less choice. | There is no longer challenge when all you have to do is press buttons. |
| 12. | It has been removed through higher management's fear of your knowing too much. | Worse |
| 13. | Little change. | Not applicable. |
| 14. | With obvious constraints I am now free to choose my own method of work. | Better |
| 15. | I am free to choose my own method by which to complete work-load within a given time. I work entirely under my own initiative now. | Better - more responsibility to show initiative and enterprise, and management of junior staff. |
| 16. | Freedom of choice is less due to tighter financial control. | Worse. |

**Amount of
variety in
your work.**

- | | | |
|-----|--|---|
| 1. | More variety | Better. |
| 2. | Much less, most days are similar. | Worse. |
| 3. | Much more variety, mainly due to promotion and increased responsibility. | Better. |
| 4. | More varied. | Better. |
| 5. | Wider span, more capital available to utilise information technology. | Better. |
| 6. | Nothing. | --- |
| 7. | Has not changed. Responsibilities have. | Worse. |
| 8. | Variety has changed only in the detail and method. | Better. |
| 9. | Very little. | Better. |
| 10. | If anything, there has been an increase in the range of work - but less resource to meet demand. | Good for interest. Not so good for my time management. |
| 11. | There hasn't been a lot of change in the work, just the method of doing it. | Has improved things in some respects, but has created problems in others. |
| 12. | Far more paper work. The variety has gone. | Worse. |
| 13. | Little change. | Not applicable. |
| 14. | I am now involved in a much wider scope of work. | Better. |
| 15. | 75% change in variety - now almost totally "corporate" range of work. | Definitely 100% better. |
| 16. | Increased enormously. | Worse. |

**Physical
Working
Conditions**

- | | | |
|-----|---|---------------------------------------|
| 1. | Nothing | --- |
| 2. | Greatly enhanced, plush modern surroundings. | Better. |
| 3. | Improved due to better premises. | Better. |
| 4. | Location changed. | Worse - more travel to and from work. |
| 5. | Greatly improved. | Much better. |
| 6. | Nothing. | --- |
| 7. | Cut back less space. | Worse. |
| 8. | No change. | --- |
| 9. | Not much, they remain very good. | --- |
| 10. | We have moved office with better furniture, but with rather less space for conventional training - although room for open learning. | On balance - better. |
| 11. | We have moved offices a couple of times, but the working conditions have not really changed. | --- |
| 12. | I am now desk bound. | Worse. |
| 13. | No change. | --- |
| 14. | Very little. | --- |
| 15. | 100% improvement. New light, modern and spacious office, whereas 12 months ago I worked in a dark, dingy, overcrowded and unhealthy small room. | 100% better. |
| 16. | Improved, moved to new office. | Better. |

**Attention paid
to suggestions
you make.**

- | | | |
|-----|--|---|
| 1. | Possibly they are listened to a little more closely at one level, but there is a greater tendency for major policy issues to be decided centrally. | 1st point better.
2nd point worse. |
| 2. | Noted and acted upon. | Better. |
| 3. | There is now a staff suggestion scheme established. | Better. |
| 4. | Nothing. | --- |
| 5. | Not much. | Neutral. |
| 6. | It is still up to me to ?
them. | --- |
| 7. | Nothing. | Worse. |
| 8. | Head Office more receptive to suggestions and willing to ask for opinions. | Better. |
| 9. | No change. Attention to suggestions from wherever they may come is very poor and always has been. This is one area where I would like to see substantial work carried out. It would encourage employees, particularly manual employees to feel a real part of the action and very often they have very good and very many suggestions which may not otherwise be realised. | Although no change in either direction, substantial room for improvement. This is difficult as we are part of a very very large organisation and achievers tend to get passed by. |
| 10. | I think more attention is paid to my suggestions, largely because of my change in role. | Better. |
| 11. | Well, at least these are noted. | Slightly better. |
| 12. | You must be joking! | Worse. |
| 13. | No change. | Not applicable. |
| 14. | Nothing. | --- |
| 15. | Notice always taken and they are generally effected. | Better. |
| 16. | As a Manager, I have more chances of making suggestions. | Better. |

**Opportunity
to Use Your
Abilities.**

- | | | |
|-----|--|--|
| 1. | Generally increased and virtually unlimited. | Better. |
| 2. | Improved, although greater responsibility reduces time available, reduces my ability to pass on skills. | Better and worse. |
| 3. | They have improved, many people are not able to specialise. | Better. |
| 4. | Nothing. | --- |
| 5. | Little, I have now been constrained. | Neutral. |
| 6. | More opportunities. | Better. |
| 7. | None. | Worse. |
| 8. | This has not changed. | --- |
| 9. | I am lucky to be part of an organisation which has consistently encouraged to push for something big whether it be training/college or jobs themselves. I have always been encouraged to do so for which I am grateful. This was probably because I joined as an apprentice at 16. However, it is much more difficult to get people in the 20-30 year age bracket to be allowed to do likewise. This could be a gross waste of talent. | Again, there has been little change, but would like to see the chances which I was offered to a larger section of the workforce. |
| 10. | With my new job I have more opportunities to use my abilities. | Better. |
| 11. | Unfortunately, we have now to think like computers and all the jobs have had to change accordingly. | Now we have to think like a computer. |
| 12. | Fifty - fifty. | Average. |
| 13. | No change. | Not applicable. |

- | | | |
|-----|--|---|
| 14. | Nothing. | --- |
| 15. | I am now giving a full Secretarial service to my Managers whereas there always used to be obstacles. I have full word-processing knowledge which is applied daily, and have increased my speed considerably. Shorthand standards however, have deteriorated through lack of use. | 100% better- a new position within an organisation which has vastly grown in assets and statue over the past few years. |
| 16. | Wider responsibilities have given me greater opportunity to use my abilities. | Better |

Recognition for good work done.

- | | | |
|----|--|--|
| 1. | Nothing | --- |
| 2. | Much less, in fact very little recognition is received. | Worse. |
| 3. | It is not so apparent now due to the hierarchy of the organisation being more removed from the general staff. | Worse. |
| 4. | Nothing. | Worse. |
| 5. | Less financial rewards - bonus etc. | Worse. |
| 6. | Nothing. | --- |
| 7. | Less. | Worse. |
| 8. | This has changed in line with the pressure to succeed, i.e. do well and you will get recognised. | Better. |
| 9. | Not much and remains very poor. Once again, as with the question on suggestions - the same applies. We are such a large organisation - around 75,000 employees nationally, it is easy to loose track of individuals. | Once again recognition is very poor - substantial room for improvement, but no change in the last 5 or 10 years. |

- | | | |
|-----|---|-----------------|
| 10. | I get more recognition from one level of management. | Better. |
| 11. | No change - the immediate management show appreciation but above that they just think you are a number. | No change. |
| 12. | That has gone out of the window. | Worse. |
| 13. | No change. | Not applicable. |
| 14. | I feel that I am appreciated far more. | Better. |
| 15. | I always receive praise and thanks. | Better. |
| 16. | People now know who I am. | Better. |

* Personal Characteristics of Participants are shown below.

PERSONAL CHARACTERISTICS OF PRIVATISED SECTOR TO THE FOLLOW-UP QUESTIONNAIRE

Respondent Number	Position	Personal Characteristics	
1.	Manager	Non-Union Member	14 years of service
2.	Manager	Union Member	10 years of service
3.	Manager	Union Member	10 years of service
4.	Manager	Union Member	20 years of service
5.	Manager	Non-Union Member	12 years of service
6.	Non-Manager	Union Member	18 years of service
7.	Manager	Union Member	42 years of service
8.	Manager	Non-Union Member	21 years of service
9.	Manager	Union Member	9 years of service
10.	Manager	Union Member	10 years of service
11.	Non-Manager	Union Member	16 years of service
12.	Manager	Non-Union Member	32 years of services
13.	Manager	Non-Union Member	13 years of service
14.	Non-Manager	Union Member	35 years of service
15.	Non-Manager	Union Member	20 years of service
16.	Manager	Non-Union Member	12 years of service

APPENDIX 70

A Summary of Responses of Public Sector Employees on the Follow-up Questionnaire*

QUESTION	RESPONSE	Has the change been for the better or worse?
-----------------	-----------------	---

What has changed about the following aspects of your job?

Pay

- | | | |
|--|---------|--|
| 1. Productivity scheme started. | Better. | |
| 2. Kept pace with inflation. | Better. | |
| 3. Increased due to annual increments. | Better. | |
| 4. Increased due to upgrading. | Better. | |
| 5. It has increased | Better. | |
| 6. Increased - by promotion, annual increments and cost of living increases. | Better. | |
| 7. It has increased in line with local government pay awards. | Better. | |
| 8. Increased through promotion, job move. | Better. | |

The way your organisation is managed.

- | | | |
|---|-----------------------------|--|
| 1. The organisation has been split into 3 separate businesses. | Worse. | |
| 2. Management has become more remote. | Worse. | |
| 3. More attention now paid to fine detail and definitely more emphasis on profits. | Worse. | |
| 4. New ideas are being introduced, there is more contact with management and more questioning of why certain procedures are necessary. A re-assessment of procedures. | A beginning for the better. | |

- | | | |
|----|---|---------|
| 5. | The Management structure has been developed to deal with Government legislation (1985 Act). | Better. |
| 6. | New management team, use of management consultants. | Better. |
| 7. | More professional. | ? |
| 8. | More positive - top drivers - clear objectives but freedom within them. | Better. |

Job Security

- | | | |
|----|--|---|
| 1. | Very little. | No. change. |
| 2. | Nothing. | Neither. |
| 3. | Increased as my knowledge and job grade have increased. | Better. |
| 4. | This is rather grim. Privatisation is about to strike, I am sure there will be plenty of other staff from other areas capable of my type of work. There cannot be any guarantee of job security at the moment. | Worse.
I am narrow minded and cannot envisage working elsewhere. |
| 5. | The job has now the same security as the private sector. | From a job security position, it is obviously worse. |
| 6. | Nothing. | ? |
| 7. | Nothing - We are not secure. | Worse. |
| 8. | Probably declined - Local authority subject to compulsory competitive tendering - lose the tender due to wrong price = lose the job. | It concentrates the mind. A drop in job security has been balanced by increased remuneration. It also makes the job more exciting, although worrying at times. In general for the better in changing old set ideas in other people in the organisation. |

Chances for promotion

- | | | |
|----|---|---|
| 1. | Much harder to achieve. | Worse. |
| 2. | Decreased. | Worse. |
| 3. | Increased with exams and more acceptance with females as managerial staff. | Better. |
| 4. | I don't consider my post as a position that can lead to more senior posts although I believe any qualities I have are now being used and even expanded. | Could help me when looking for another job. |
| 5. | Nothing. | --- |
| 6. | Nothing. | --- |
| 7. | They are now limited | ? |
| 8. | 1987 - Internally promoted. Also commenced post good management course DMS due to complete in 1989 therefore chances of promotion (probably external) are good. | Better - given more career choice. |

Industrial Relations

- | | | |
|----|---|----------------------------------|
| 1. | Very unsettled. | Worse. |
| 2. | Deteriorated through lack of union strength. | Worse. |
| 3. | I feel that management now has become more involved with workers and are more approachable. | Better. |
| 4. | I believe new management try to establish a good working relationship and would not be unreasonable to be trusting and acquire high output in return. | Neither. |
| 5. | Both sides! are aware of the problems and are working together to ensure work is kept in house. | Better. |
| 6. | Closer working relationships to ensure departments survival. | Better. |
| 7. | Nothing. | --- |
| 8. | Increase in management control. Industrial relations still very important for co-operation in facing competitive tendering. | Managers need to manage. Better. |

Responsibility on your job.

- | | | |
|----|---|---|
| 1. | Far more responsibility. | Better. |
| 2. | Nothing. | Worse. |
| 3. | Tremendous change from accountability to just balancing one till, to accountability of effective branch management, all tills, results and staff. | Better. |
| 4. | I am made to feel more responsible and directly accountable for my output. This has changed drastically. Five years ago, although I believed myself capable, I had no responsibility at all. Gradually through changing jobs within the company and proving my ability to understand, I have been dealt with more directly by management. | Better. |
| 5. | Nothing. | --- |
| 6. | Has increased. | Better. |
| 7. | Increased. | Better. |
| 8. | I have increased responsibility to run and manage my business unit. | Better - I have greater ability to make decisions without referral. |

Freedom to choose your method of work

- | | | |
|----|---|----------|
| 1. | All methods and new ideas are discussed. | Better. |
| 2. | Time restraints:- Increased workload, no increase in time allowed. | Worse. |
| 3. | Become restricted via organisation and method studies still fairly varied with freedom in many areas. | Neither. |
| 4. | Recently I have been left to develop my own methods within my personal computer and having done that it will be difficult to implement other methods. | Better. |
| 5. | Nothing. | --- |

- | | | |
|----|--|---------|
| 6. | Nothing - already have total freedom. | --- |
| 7. | More restricted. | Better. |
| 8. | I am generally free to choose within limits of the norms of the organisation. No longer do I have to await for decisions to be made by others. | Better. |

Amount of variety in your work.

- | | | |
|----|---|--|
| 1. | I am now associated with only one type of work. | Better. |
| 2. | Reduced. More specialisation, no opportunities to liaise with other departments in any depth. | Worse. |
| 3. | As I have progressed through management, each post has become more and more varied. | Better. |
| 4. | A great deal. It is only computer work but I have been given an enormous variety of subjects to adapt for use on computers so while learning the manual method of a job I have also been able to develop my computer skills. Each day seems to be full of learning new things as there is always something new to tackle. | <i>Better. Previous knowledge is still used and brushed on in others. It is good to concentrate on one subject for several days to totally get to grips with a system and it can be a drawback to be called on for other duties when in full flow.</i> |
| 5. | Nothing. | --- |
| 6. | Nothing - already have considerable variety. | --- |
| 7. | Different level of responsibility. | Better. |
| 8. | The scope and breadth of variety has increased, the core work remains the same. Also I am involved at a higher plane. | Better, but there is not enough time to do it all. |

**Physical
working
conditions.**

- | | | |
|----|---|--|
| 1. | Work in a much smaller, lower, darker, stuffy office. | Worse. |
| 2. | Newer Building, less space, heating and lighting inadequate, windows smaller so artificial light is used all day. | Worse. |
| 3. | Extremely varied - some branches are still very cramped and under undesirable working conditions, but my present branch is a luxury. | Neither. |
| 4. | I have moved from being available to the public to being in a general office to being in a smaller office, I now have a screen constantly in front of me and my back to the door. | It is a relief not to have to jump to a response at any moment. The room I am in at present is rather exposed. My seat is an empty seat that anybody may use at any time. I have consciously placed my personal possession on my desk as a statement that it is my desk. Should that be necessary? It is because other people need access to my equipment. |
| 5. | Nothing. | --- |
| 6. | Some cosmetic improvements made. Health and Safety standards already good. | Better. |
| 7. | Changed office. | Better. |
| 8. | Improved - my own office. | Better. |

**Attention
paid to
suggestions
you make.**

- | | | |
|----|------------------------------------|---------|
| 1. | Discussed at management level. | Better. |
| 2. | Attention paid but not acted upon. | Worse. |

- | | | |
|----|---|----------------|
| 3. | Vast improvement! Ideas from management and staff alike are now taken seriously to the extent that competitions are set. | Better. |
| 4. | About 5 years ago, it was relatively pointless making a suggestion. Now the opportunity to do so is far more frequent and one could guarantee some consideration being given to the suggestion or a valid reason why this could be carried out. | Better. |
| 5. | Nothing. | --- |
| 6. | Nothing - Good attention already given. | --- |
| 7. | More notice taken. | Better. |
| 8. | They get greater consideration. In many cases I am able to act on my suggestions | Better. |

Opportunity to use your abilities.

- | | | |
|----|--|---|
| 1. | Non existent. | Worse. |
| 2. | No time to be able to discuss any abilities one might want to utilise. Initiative stifled. | Better. |
| 3. | I am finding that as I progress through the grades, more opportunities arise. | Better. |
| 4. | I often question things but miss out the most obvious. I am now sure how much a failing this is. Taking that into account within the bounds that I can be used, I am used to my full potential. I welcome being pushed a little bit further each time but I do feel I am not hiding any dazzling skills. | I had a great sense of frustration when I was considered wonderful at answering a telephone and the company would not move me elsewhere because until they needed me elsewhere, I was perfectly placed. That did not take into account my feelings at all and I was very offended by this but totally ignored when I tried to express myself and have a change of position. I believe I have more than proved myself since moving. |

- | | | |
|----|---|---------|
| 5. | I am very fortunate in that from day one I have enjoyed the freedom to grasp each opportunity as it has arisen. | Better. |
| 6. | Nothing - ample opportunity given. | --- |
| 7. | More opportunity. | --- |
| 8. | My abilities are now fully used - often stretched. There is not enough time to do everything. | Better. |

Recognition for good work done.

- | | | |
|----|---|--|
| 1. | There is no recognition any longer. | Worse. |
| 2. | No recognition received. | Worse. |
| 3. | Has reduced You are now expected to produce good work! As you progress through the grades it is taken for granted that you know what you are doing with less recognition for good work. | To be expected! |
| 4. | I did get recognition for good work five years ago. It supposedly kept me happy doing something that I didn't want to do. I get less recognition these days although I know my output is of a higher standard. I am not concerned or offended that I get less flattery these days. I believe it is an indication that I am being taken seriously. | Compared with other members of staff my standard of work is not recognised. Unfortunately I know there should be a general drop in salaries, not that I am worth more as an unqualified clerk. |
| 5. | Nothing. | --- |
| 6. | Nothing - Regular reviews already due and praise/rewards given when due. | --- |
| 7. | Not much. | --- |
| 8. | In my new post I am given adequate recognition for my work (a pleasant change from pre 1986). With recognition was promotion plus pay increase, plus car. | Better. |

* Personal characteristics of respondents are shown below.

*** PERSONAL CHARACTERISTICS OF PUBLIC SECTOR RESPONDENTS TO THE FOLLOW-UP QUESTIONNAIRE**

Respondent	Position	Personal Characteristics	
1.	Non-Manager	Non-Union Member	21 years of service
2.	Non-Manager	Non-Union Member	10 years of service
3.	Manager	Union Member	6 years of service
4.	Non-Manager	Union Member	12 years of service
5.	Manager	Non-Union Member	5 years of service
6.	Manager	Union Member	5 years of service
7.	Manager	Union Member	8 years of service
8.	Manager	Non-Union Member	10 years of Service.

