MASTERS DEGREE IN INDUSTRIAL PSYCHOLOGY

-DISSertation-

Leader Member Exchange as a moderating variable in the relationship between Job Security and Well-being

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Leader member exchange as a moderating variable in the relationship between Job security and Well-being

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ABSTRACT

The present research investigates the moderating effect of Leader-Member Exchange (LMX) between the well-established relationship between job security and well-being. Participants were e-mailed a web link to an online survey host in which a compilation of questionnaires was presented. The questionnaires included a self-constructed demographical questionnaire, the LMX-MDM (Liden & Maslyn, 1998), a job security questionnaire (Isaksson, Hellgren & Pettersson, 1998), as well as the General Health Questionnaire (Goldberg, 1992). The final sample (n=119) consisted of data from employees from two organisations. The statistical analysis indicated an association between job security and LMX ($r= .44$, $p< 0.0001$), job security and well-being ($r= .45$, $p< 0.0001$) as well as between LMX and well-being ($r= .35$, $p< 0.0001$). Furthermore, there was evidence suggesting that LMX moderates the relationship between job security and employee well-being (R-Squared = 0.3999). These findings are expected to contribute to a scope of research that is under-represented (with specific relation to job security and LMX) as well as to a scope of research adding to the fraternity of industrial psychology.
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This research report aims to provide the reader with an introduction to the study by introducing the literature that is currently available pertaining to job security, Leader member exchange (LMX) and employee well-being. The research report then aims to provide information regarding the methods used in order to conduct the current research, as well as an explanation and summary of the results obtained. Thereafter, the research report will enter into a discussion about the research findings, including issues regarding successful organisation development and fostering the prosperity of organisational functioning, the limitations of the current research, proposed directions for future research as well as a conclusion.

INTRODUCTION

Change in organisations has become endemic. The rhetoric of change incorporates the need for organisations to become more assertive in their global competitiveness (Jordan & Sheehan, 2000). Herein, as a topic relating to Industrial/ Organisational Psychology, it is important to recognise that the globalisation and competitive nature of the corporate world may invoke much job insecurity. In the context of the current global credit crunch, job insecurity may be further exacerbated, having ramifications that affect the well-being of employees. As posited in Sparks, Faragher and Cooper (2001), trends found within restructuring and downsizing in organisations has resulted in an increased perception of job insecurity, especially amongst white-collar workers. The job uncertainty that envelops employees through times of restructuring and downsizing may be compared with the job uncertainty that may affect employees during an (global) economic crisis. The organisational consequence, triggered by 'unwell' employees, may be damaging. It is for this reason that research in this area is pertinent, as the damaging effects of unwell and insecure employees may
affect the success and prosperity of organisations. The current research, therefore aims to establish whether Leader-Member exchange (LMX) functions as a moderator within the relationship between job security and employee well-being. Hence, LMX refers to the quality of the dyadic exchange that exists between managers/supervisors and subordinates, presenting itself in the form of clear division between relations that occur between in-group members (and out-group members) and their superiors.
RATIONALE

The rationale for this research is essentially aimed at empirically testing statements made about the effects of leadership with regard to its moderating effect on the outcome variable, well-being. Therefore, and more specifically, this research aims to investigate whether the well established link between job insecurity and well-being (Hellgren, Sverke & Isaksson, 1999; De Witte, 1999) may be moderated by Leader-Membership Exchange (LMX). This refers to the phenomenon of the effect on the outcome variable (i.e. well-being) based on the level/quality of the moderator variable (LMX). Within the present context, i.e. the credit crunch, or more comprehensively- globalization; organisations, as well as employees, are at risk of falling victim to reduced job satisfaction (Ashford, Lee & Bobko, 1989), decreased productivity (Probst, Stewart, Gruys, Tierney, 2007), decreased turnover (Hellgren, Sverke & Isaksson, 1999; Rosenblatt & Ruvio, 1996), decreased mental/emotional and physical well-being (Hellgren, Sverke & Isaksson, 1999), reduced organisational commitment, decreased perceived performance as well as reduced perceived organisational support (Rosenblatt & Ruvio, 1996) accompanied by withdrawal behaviours (Adkins, Werbel & Rarh, 2001). The aforementioned outcome variables have all been shown to have associations with a lack of employee well-being in addition to job insecurity. In order to ensure that turbulent times do not foster unproductive organisational behaviours and continue to cultivate them, it is important that mediators and moderators capable of breaking the link between job insecurity and decreased levels of well-being are determined. In line with this reasoning, the purpose of this study is to assess whether LMX is, in fact, a moderator variable within the relationship between job insecurity and employee well-being.
CHAPTER ONE: LITERATURE REVIEW

This chapter aims to provide the reader with an introductory overview of past research and literature that has assisted in moulding the current information that is available on the selected research topic. The information discussed below pertains to the current global economic crisis (the ‘Credit Crunch’), job security and LMX, as well as issues rendered important within the context of the variables under investigation.

THE “CREDIT CRUNCH”

The context of the current research was initiated by the present global economic climate, i.e. the “credit crunch” that the world is presently facing. Job insecurity is highly prevalent in organisations, both in South Africa and abroad. The current global climate has created a platform and popularised the long-existing concept of job insecurity in literature.

For the purposes of this research, job insecurity is not being examined exclusively based on the present economic state, but is to be applied to all instances in which job insecurity may be encountered, including, mergers, acquisitions, restructuring and down-sizing.

The global economic crisis, also referred to as the “credit crunch’ of 2007–2009,

“Began in July 2007 when a loss of confidence by investors in the value of securitized mortgages in the United States resulted in a liquidity crisis that prompted a substantial injection of capital into financial markets by the United States Federal Reserve, Bank of England and the European Central Bank…In September 2008, the crisis deepened, as stock markets worldwide crashed and entered a period of high volatility, and a
A considerable number of banks, mortgage lenders and insurance companies failed in the following weeks. 

(http://en.wikipedia.org/wiki/The_credit_crunch)

The global credit crunch has affected the South African market, considerably. The ramifications of this financial crisis have been reported to include a loss of between 207 000 and 304 000 jobs, as reported by economist Mike Schussler (Schussler, 06/05/09). There has been an increase in job loss in the first quarter of 2009, from 21.8% job loss to 23.5% within a matter of three months. Hence, the total tally of unemployment in South Africa rose from 3.87 million to 4.184 million (Schussler, 06/05/09) and included newspaper headlines that may frighten the public (evoking job insecurity), such as ‘180 000 jobs lost in bloody first quarter’ (Hazelhurst, 24/06/09).

Some industries have been worse off as they are experiencing a more harsh threat to job loss, for example, in 2008, some 1 400 restaurants closed down (Business report, 06/05/09), whilst the motor industry has reported job losses tallying 36 000 workers (Cokayne, Business Report 23/03/09).

As the tally continues to increase through the current economic crisis, the context for researching job insecurity and well-being has become essential. The credit crunch serves as a situation in which job insecurity is exacerbated, however, one may assume that similar feelings of disdain may present during times of, for example, mergers, acquisitions, restructuring and down-sizing, hence encouraging and advancing the need for research in this field.
JOB SECURITY

The term, job security, may, in itself, provide a definitive explanation to the concept of job security. One should note that implicit to the concept of job security is the inverse concept of job insecurity. As outlined by McDonough (2000), job insecurity should be differentiated according to (a) perceptual experiences of job insecurity, and (b) concrete incidence of job insecurity. Herein, it should be understood that the environment in which the employee is residing is central to the differential experiences relating to his / her feelings of job insecurity. In the first instance, an employee may experience job insecurity, regardless of an actual threat. In the latter instance, an employee may feel a threat due to circumstances such as overt plans for downsizing, restructuring, acquisitions, as well as in the instance of the context of this research, i.e. a global economic crisis/ credit crunch. Job security, as discussed by Rhoades and Eisenberger (2002) is the ‘Assurance that the organization wishes to maintain the employee’s future membership is expected to provide a strong indication of Perceived Organisational Support (POS), particularly in recent years, when downsizing has been prevalent (as cited in Allen, Shore & Griffith, 1999)’ (p. 700), whereby POS is a considered to be a concept that is related to LMX (Rhoades & Eisenberger, 2002).

As explained by Van Vuuren (1990), the feature of job security (or its converse, job insecurity) is comprised of three components. Firstly, Van Vuuren (1990) advises that job security is a subjective experience. He states that the perception of a certain situation may hold different truths for different individuals, and that certain circumstances may elicit diverse responses from each individual. In the instance in which one individual feels a threat to his / her job, another individual may anticipate an opportunity. Secondly, job insecurity implies a degree of uncertainty about the future in which the employee may feel threatened as he/she may be unsure of his/her possible redundancy. This situation is different from the knowledge or certainty than an individual is to be made redundant,
whereby he/she can prepare for future (un)employment (Van Vuuren, 1990). Lastly, job insecurity may fuel doubts about the continuation of a job as previously experienced, i.e., changes and modifications to the job that he/she was previously familiar (and comfortable) with. Consequently, this premise is based on a notion of fear of change.

In accordance with the final assertion relating to job insecurity as expressed by Van Vuuren (1990), Hellgren, Sverke and Isaksson (1999) posit a distinction between qualitative and quantitative job insecurity. Quantitative job insecurity refers to the concern about the future employment of the individual within their present job, whilst qualitative job insecurity pertains to ‘the perceived threats of impaired quality in the employment relationship, such as deterioration of working conditions, lack of career opportunities, and decreasing salary development’ (p. 182). Therefore, it is important to recognise and consider the multifaceted nature of job insecurity in terms of the conditions, and the quantitative/qualitative differentiation as expressed above.
WELL-BEING

Definitions relating to well-being that are provided in healthcare, psychology, philosophy, and sociology literature converge on three dimensions. Well-being is said to be comprised of psychological, physical and social well-being (Grant, Christianson & Price, 2007). Whilst healthcare defines well-being as ‘a state of complete physical, mental and social well-being and not merely the absence of disease and infirmity’ (World Health Organisation, 1946; as cited in Grant, Christianson & Price, 2007, p. 52), philosophers suggest that well-being is comprised of an individual's psychological, social, and physical functioning. More elaborately defined, within the psychological paradigm, the notion of well-being includes elements of self respect, agency, life satisfaction and embraced capabilities; whilst physical well-being dimensions include shelter, health, clothing, nourishment and mobility; and the social dimensions of well-being includes the ability to participate and interact with the community, assist others, and be accepted by the general public (Grant, Christianson & Price, 2007).

Job insecurity and its effects on employee and organisational well-being

The common approach to (lack of) well-being and prominence of stress is conceptualised as an inability to cope with the ‘dynamic interaction between person and their work environment’ (Nolan, Wichert & Burchell, 2000, p. 181). It is a commonly accepted notion that job insecurity negatively affects employee well-being (McDonough, 2000; Sparks, Faragher & Cooper, 2001; Worrall & Cooper, 1998). McDonough (2000), for example, ascertained perceived job insecurity to be associated with increased distress and use of medication, along with lower self-rated scores of general health and well-being. Furthermore, in a study conducted by Borg, Kristensen and Burr (2000) (as cited in Sparks, Faragher & Cooper, 2001), data from a sample of 5001 Danish employees indicated that high job insecurity was significantly associated with poor general health, over a 5-year period. According to Probst (2003), the experience of job
insecurity radically effects job satisfaction and therefore spills over to effect life satisfaction, increasing the likelihood of poor health conditions, increased psychological distress as well as greater levels of job related stress.

Most research investigating the link between job insecurity and well-being is based on a stressor-stress-strain model, in which job insecurity is modelled as a stressor, which necessitates the appraisal of stress, which in turn may precipitate strain outcomes (Nolan, Wichert & Burchell, 2000). There is an abundance of literature available on job insecurity and its effect on well-being, most of which (if not all) has posited that job insecurity adversely affects well-being.

Heaney, Israel and House (1994), conducted a longitudinal study on 207 automobile manufacturing workers and found that, ‘extended periods of job insecurity decreased job satisfaction and increased physical symptomolgy, over and above the effect of job insecurity at any single point in time’ (p. 1431). In considering the Physical well-being ramifications of job insecurity, researchers such as Ferrie, Shipley, Marmot, Stansfeld and Smith (1998a), found that symptomologies and psychosomatic symptoms such as longstanding illness, adverse sleep patterns, mean number of symptoms in the fortnight before questionnaire completion and minor psychiatric morbidity were prevalent with the exposure, or anticipation of exposure, of stress (as might be present with job insecurity). The study included a sample of 7419 civil servants within the United Kingdom, as a cohort study of the longitudinal Whitehall II study. Results of the research indicated that there was a significant relative increase in Body Mass Indices (BMI) accompanied by an increase in blood pressure amongst experimental subjects, as opposed to the control participants. Furthermore, significant relative increases in ischemia amongst women and mean number of symptoms were exhibited in the experimental group of individual who were anticipating stress exposure. Similar results have been established by Ferrie, Shipley, Marmot, Stansfeld and Smith (1998b) who studied 530 members of a department experiencing job threat and compared them to 19 other departments
who were seen to be ‘stable’. The results concluded that physiological risk factors were present with a greater increase amongst employees within the so-called “threatened” department. Results for both sexes presented significantly for (BMI) as well as for sleeping 9 or more hours per day (odds ratio [OR] = 1.88; 95% confidence interval [CI] = 1.3; 2.8; P<.01). Moreover, modest, but never-the-less significant increases were noted in ischemia (OR = 1.45, 95% CI = 1.0; 2.1) and cholesterol concentration (0.08 mmol/L; 95% CI = 0.01; 0.14). An increase in systolic and diastolic blood pressure, amongst women only, was also recorded to be statistically significant compared to the control group.

In research conducted by Vahtera, Kivimaki and Pentti (1997) the relationship between downsizing (i.e. the threat of redundancy and elevation of job insecurity) and medically certified sick leave was significant. Furthermore, symptoms such as burnout (Dekker & Schaufeli, 1995; Orpen, 1993), musculoskeletal disorders (Vahtera, Kivimaki & Pentti, 1997), self-reported poor health-status (Ferrie, Shipley, Marmot, Stansfeld, 1995; De Witte, 1999) and poor quality of sleep (Mattisson, Lindgarde, Nilsson & Theorell, 1990) are amongst the most common concerns reported.

Similarly, adverse results have been echoed in research relating to psychological well-being. In research conducted on British white-collar civil servants, subsequent to adjustments made for employment grade, age and health during a prior phase of job security, factors such as pessimism, primary deprivation, heightened vigilance, financial security, social support and job satisfaction explained 68% of the variance in self-rated health (dependent variable) of the female proportion of the sample, as well as 36% in the male sample. In addition, by factoring in job control, the combined factors were said to explain 60% of the total association between job insecurity and minor psychiatric morbidity, and accounted for just over 80% of the association between job insecurity and depression, in both sexes (Ferrie, Shipley, Newman, Stansfeld & Marmot, 2005).
Additionally, employee’s experiencing threats to their job security have been said to experience burnout, anxiety, depression (Dekker & Schaufeli, 1995; Orpen, 1993) and distress (De Witte, 1999; Hellgren, Sverke, Isaksson, 1999). As discussed within the study conducted by Hellgren, Sverke and Isaksson (1999), quantitative insecurity was pin-pointed to be the most important dimension that adversely affects well-being.

By creating healthy, or possibly healthier employees, organisations will obtain benefits from employees that include increased productivity, effort and contributions, increased morale, greater motivation and support of organisational goals, greater organisational attitudes (affecting the perception of organisational culture/brand of an organisation), enhanced mental acuity, decreased turnover, as well as an increase in organisational commitment and work engagement (Grant, Christianson & Price, 2007; Hellgren, Sverke & Isaksson, 1999; Sparks, Faragher & Cooper, 2001). Furthermore, Hellgren, Sverke and Isaksson (1999) point out that job security is highly associated with the perception of increased physical and psychological well-being (and visa versa). Thus, an increase in physical well-being infers decreased absenteeism and greater ability for performance, hence rendering increased productivity for organisations (Hellgren, Sverke & Isaksson, 1999), whilst an increase in psychological well-being may lend itself to increased job and life satisfaction; increasing factors such as increased support and co-operation, employee commitment and work engagement (Harter, Schmidt & Keyes, 2003; Sparks, Faragher & Cooper, 2001). Based on the above information, it is reasonable to assume that employee and organisational based benefits compliment each other.
LEADER MEMBER EXCHANGE (LMX)

Leader Member Exchange (LMX) is a concept that emerged in the 1970’s to act as an alternative to the long prevailing notion that managers have an ‘average leadership style’ (ALS) towards all subordinates (Vance, 2006). Furthermore, the concept of ALS appears to disregard the reciprocal relationships between leaders and followers, examining the interaction solely from the viewpoint of the subordinate (Notrica, 2000). The notion of ALS was echoed in many leadership theories, such as McGregor’s Theory Y (1957), Blake and Mouton’s Managerial grid (1964), Fiedlers Contingency Theory (1967) and Hersey and Blanchard’s Situational Leadership Theory (1982) (Blake & Mouton, 1968; Hersey & Blanchard, 1982; McGregor, 1957; Notrica, 2000).

As alluded to by Shreisheim, Castro and Cogliser (1999), studies involving LMX within the 1980’s provided highly differentiated definitions of LMX, including, opportunities for influence/control, leadership attention, negotiating latitude, role making, trust in supervisor, quality of exchange, leadership interpersonal sensitivity, leadership attention supervisory relations, non-contractual social exchange role latitude and leadership exchange.

The relationship-based LMX approach that originated over 40 decades ago has evolved into the concept of what is commonly accepted today. The rendition of LMX, as recently explained by Hooper and Martin (2008) explains that “high quality LMX relationships involve more tangible and intangible resources being exchanged within the leader–employee dyad, for example: respect, trust, obligation (Graen & Uhl-Bien, 1995), affect, loyalty, professional respect (Dienesch & Liden, 1986; Liden & Maslyn, 1998), information, influence, support (Dansereau et al., 1975), voice (Yrle, Hartman & Galle, 2002), positive performance appraisals (Duarte, Goodson & Klich, 1994), and career progress (Wakabayashi, Graen, Graen & Graen, 1988)” (p. 21). In addition, Dienesch and
Liden (1986) assert that the interpersonal exchange that occurs between managers and their subordinates is identified as one of the most crucial mechanisms affecting the role-type that the follower will eventually play.

Consequently, the quality of leadership relationship that develops between managers and each of his/her subordinates advances through the multifarious interactions that take place between the parties, and is referred to as the role-making process (Liden & Graen, 1980). This process involves implicit (and explicit) negotiations regarding certain relational criterion, such as authority, autonomy, the degree of information sharing, the decision latitude and control and task assignment and involvement (Duchon, Green & Tabor, 1986; Abrams, 1995).

The background of LMX

The backgrounds of the concepts surrounding LMX are rooted in the vertical dyad linkage theory (VDL) which was originally developed by Cashman, Dansereau, Graen and Haga (1976) and Dansereau, Graen and Haga (1975). The VDL theory advocates the basic premise that leaders collate between subordinates in the means in which they supervise them. This collation ensues such that certain relationships develop to amalgamate relations between leaders and their subordinates (i.e. in-group), whilst others dichotomize the relationship between leaders and their subordinates (i.e. out-group) (Brower, Schoorman & Tan, 2000; Cashman et al, 1976).

Out-group members are characterised by relationships based on employment contracts in which subordinates have a limited span of communication and influence over issues where the relationship operates within a highly role-defined parameter (Vance, 2006). In-group exchange, on the other hand, is representative of a high quality leader-member relationship. It is characterised by
a high degree of mutual support, information communication and sharing, informal influence, negotiating latitude as well as trust (Chen & Tjosvold, 2006). This view, however, vehemently contrasts the long standing and prevailing notion that leaders treat all their subordinates equally, according to an ‘average leadership style’ (Brower, Schoorman & Tan, 2000). It is from this perspective that there has been an integration of theories pertaining to leadership with theories of interpersonal trust (theories discussed below) (Brower, Schoorman & Tan, 2000).

Accordingly, revolutionized from a dichotomous variable (i.e. in-group versus out-group), LMX has conceptually evolved to become a continuous variable that measures manager-subordinate relationships ranging from ‘low quality’ to ‘high quality’, representing a spectrum of ‘in-ness’ between the manager and his / her subordinates (Vance, 2006). At this point, however, it should be noted that Duchon, Green and Tabor (1986) assert that job satisfaction is not contingent upon high LMX exchanges. In other words, out-group members are not necessarily less satisfied with their super-ordinate.
Conceptual links and models pertaining to LMX

The implicit leadership theory

The concept of Implicit Leadership Theories (ILT) relates to the ‘cognitive structures or prototypes specifying the traits and abilities that characterise an ideal business leader’ (Epitropaki & Martin, 2005, p. 660). Leaders are categorised (i.e. as good or bad leaders) according to the perceived match between their character and / or behaviour in accordance with a pre-existing leader suppositions or prototypes that is maintained in a followers ‘memory’ or mental model (Epitropaki & Martin, 2005). These mental models are activated in instances in which interactions between the leader and follower occur, hence providing cognitive schemas that inform the subordinate-superordinate relationship and the interactional dimensions thereof (Epitropaki & Martin, 2004; Kenney, Schwartz-Kenney, & Blascovich, 1996). This, in essence, is the pivotal entry point or benchmark, establishing the acumen of quality of LMX. Whilst this variable is not being examined for the purposes of this research, it is important to affirm the understanding that LMX quality is subjective and informed only by the followers corresponding views and mental models of what an ideal leader ‘should be’. Additionally, Lord and Alliger (1985) explain that the ILT approach aims to investigate and reflect the resurgence of attention to leadership traits and places a great deal of emphasis on the perceptual process underpinning the process of leadership, as opposed to the actual leadership performance and / or effectiveness.
Graen and Scandura’s (1987) three-phase model

According to Graen and Scandura’s (1987) three-phase model, the means by which LMX and / or relational development is constructed is through three stages, namely, Role-Taking, Role-Making and Role Routinisation. Upon entering a new group environment, the leader ‘samples’ and evaluates the entrant and establishes the individuals motivations and behaviours. It is within this phase that the leader makes the quantitative, unconscious decision concerning the amount of time and effort that he / she will invest in the new-comer.

Following this stage, stage 2 is comprised of an unstructured ‘negotiation’ in which the role of the follower is created with the non-verbal, non-contractual and unspoken understanding that in return for benefits of power from the leader, the follower should, in return, devote and dedicate himself / herself, showing loyalty to the leader (Graen & Scandura’s, 1987).

The third and final stage of the three-phase model is referred to as Role Routinization. This phase is indicative of an ongoing or ‘routine’ social exchange that exists between the leader and his / her follower/s. Individuals who are similar and / or highly accepting and endorsing of the decisions / choices / behaviours of the leader will generally be accepted as an in-group member, and individuals who are dissimilar and share different / contradicting points of view regarding behaviours and / or core issues are commonly excluded and recalled as out-group members (Bauer & Green, 1996; Graen, & Scandura, 1987). Furthermore, it is reasonable to accept that movement (i.e. promotion or de-motion) of followers between in-groups and out-groups is possible, as relationships are to be seen as dynamic and ever evolving.
**LMX and Job Security**

Whilst the literature on the relationship between LMX and Job Security appears to be particularly scarce, there appears to be a generous amount of research conducted on Perceived organisational Support (POS), which has been found to be related to LMX and supervisor support (Rhoades & Eisenberger, 2002) as they involve processes of social exchange in the establishment as well as maintenance of subordinate-superordinate relationships (Aselage & Eisenberger, 2003). Research conducted by Masterson, Lewis, Goldman and Taylor (2000) and Wayne, Shore, Bommer and Tetrick (2002) has demonstrated that POS positively affects LMX. POS is said to be contingent upon perceived supervisor support (notionally similar to LMX) (Aselage & Eisenberger, 2003). Herein, support from supervisors, as denoted by POS, has proven to be related to measures involving job security (Hofmann & Morgeson, 1999). In research conducted by Rhoades and Eisenberger (2002), job security was found to be strongly correlated to POS (which is understood to be conceptually related to LMX), with an average weighted correlation of $r_+ = .37$.

As evident from the above discussion, it is due to the lack of academic research and information available on the topic of LMX and job security that the significance of the current research study becomes even more apparent.
LMX and employee well-being

A study conducted by Epitropaki and Martin (1999), on 245 administrative employees at a large academic institution, presented findings that provide evidence that LMX is positively related to well-being ($r=.64$, $p<.01$). Furthermore, it has been proposed that the quality of LMX affects subordinates perceptions of psychological well-being and stress at work, due to the fact that higher LMX quality is more likely associated with greater attention from supervisors, as well as greater resources, autonomy, and time and energy from the ‘leader’ than would be possible from individuals who share low LMX relations with their leaders (Nelson, Basu & Purdie, 1998). The investigators of this study revealed that quality of LMX was negatively associated with role conflict, low job scope, role ambiguity, lack of professional progress and lack of participation experienced by subordinates, all of which inevitably have an impact on the perception of well-being and life satisfaction (Nelson, Basu & Purdie, 1998).

Appropriate LMX (although considered non-linear by Harris and Kacmar (2006)) has been reported to reduce stress and its accompanying symptoms (Nahrgang, Morgeson & Ilies, 2008; Peiró & Rodríguez, 2008) and positively affect job satisfaction (Major, Kozlowski, Chao & Gardner, 1995; Nahrgang, Morgeson & Ilies, 2008), and over-all (physical, psychological and psychosocial) employee well-being (Epitropaki & Martin, 1999, Nelson, Basu & Purdie, 1998; Peiró & Rodríguez, 2008). Moreover, on a level pertaining to social well-being, Major, Kozlowski, Chao, and Gardner (1995) advocate that workplace relationships (as implicit to LMX relations) have been demonstrated to be important factors in the socialisation process of employees, into the organisational context, rendering a greater work-life well-being.
LMX and Trust

The engineered environment of organisational structures in which employees operate requires that leaders have sound relationships with their subordinates in order to achieve a healthy and productive working space. This relationship, and associate behaviours, will be differentially interpreted by various employees. Consequently, Tesluk and Gerstner (2002), propose that ‘LMX should be viewed as a system of interdependent dyads where the focus is on examining how differentiated dyadic relationships combine and interact to form larger systems and affect outcomes (Burke, Sims, Lazzara & Salas, 2007, p. 621). These different relationships are said to be the result of various dyadic interactions that occur between the leader and the subordinate/s (Burke, Sims, Lazzara & Salas, 2007). A forerunner of high-quality (as opposed to low-quality) LMX is expressed to be characterised by mutual respect, loyalty, trust and behaviours that surpass and extend beyond the employment contract (Burke, Sims, Lazzara & Salas, 2007, p. 621). As a result, it seems that the overarching theme of ‘trust in leadership’ is a great determinant of the quality of LMX relationship, between the leader and the subordinate/s. It is therefore evident, that issues surrounding leadership and trust are highly relevant. As posited by researchers such as Brower, Schoorman and Tan (2000), the LMX relationship is constructed through interpersonal exchanges. These interpersonal exchanges consist of the evaluation and appraisal pertaining to the relevant party’s ability, integrity and benevolence; accordingly influencing certain behaviours predicted by LMX.

Trust in leadership will facilitate a more open means of communication within the organisational context. This propensity to engage in more open communication directly affects organisational citizenship behaviour (Burke, Sims, Lazzara & Salas, 2007). Furthermore, as posited by Burke, Sims, Lazzara and Salas (2007), trust in leadership facilitates extra-role behaviours, individual and organisational learning, individual and organisational performance quality,
individual and organisational performance quantity, decreased turnover and increased followship.

In order to obtain trust from employees for their leader, it is important that the dyads have common and shared values as well as modes of transformational leadership, that is, a social exchange of psychological benefits (e.g. approval, support, consideration, esteem); as opposed to mere transactional leadership modes (which solely constitute material exchanges (i.e. compensation) (Graen & Uhl-Bien, 1995).
Organisational prosperity and business outcomes

This sub-section aims to provide a theoretical outline in order to highlight the essential nature of the variables selected for purposes of the current research, namely, job security, Leader-Member Exchange and employee well-being.

Job Security, LMX and organisational prosperity

In instances in which individuals feel more confident and secure within the workplace, they have been recorded to exert extra effort and display increased productivity (Delaney & Huselid, 1996). As cited in Delaney and Huselid (1996), Ichniowski, Shaw and Prennushi (1994) state, ‘workers will only expend extra effort…if they expect…a lower probability of future layoffs’ (p. 10). Thus, it seems eminent that in striving for organisational success and prosperity, organisations need to put people first.

The organisational findings relating to LMX have previously been positively associated with features that encourage organisational growth and prosperity. These features include, but are not limited to, organisational commitment (Green, Anderson & Shivers, 1996; Maram & Miller, 1998); work locus of control (Maram & Miller, 1998) employee productivity, employee and organisational performance, employee citizenship behaviour and turnover (Graen & Uhl-Bien, 1995; Nahrgang, Morgeson & Ilies, 2008). Furthermore, in supervisor-subordinate relationships where negotiating latitude is high (preceded and contingent upon high levels of LMX), there is a positive correlation with high levels of follower job satisfaction (r = .71) and increased employee performance (r = .76) (Graen, Novak, & Sommerkamp, 1982), as well as increased loyalty (r = .61) (Dansereau et al., 1975). Based on the complimentary nature of LMX and organisational functioning / maturity, it is reasonable to expect that increased LMX incites behaviours in employees that will be beneficial to the development, operations and possible financial performance of the organisation.
Employee well-being and business outcomes

As discussed by Harter, Schmidt and Keyes (2003), from a Positivist perspective, the effects of employee well-being presents itself as such an important component within the predetermination of organisational prosperity due to the notion that many business outcomes that may be affected by the presence of employees that present as ‘well’. Therefore, the well-being of employee’s is, in fact, in the best interests of both the community and organisations alike (Harter, Schmidt & Keyes, 2003).

Whilst the aforementioned proposed outcomes are highly dependant upon the person-environment fit (P-E fit), the focus of this research is aimed at the direct exploration of the concept of well-being as moderated by LMX. The significance of well-being, from a business and Industrial Psychology perspective is necessitated by the abundance of research that supports the notion that employee well-being is a highly facilitative factor affecting organisational well-being. As expressed by Harter, Schmidt and Keyes (2003), ‘positive workplace perceptions and feelings are associated with higher business-unit customer loyalty, higher profitability, higher productivity, and lower rates of turnover’ (p. 205). Much literature outlines well-being as a predecessor that affects the primary variable of job satisfaction. It is relevant to note, in this regard, that job satisfaction has been associated with higher individual level performance (hence affecting the overall team, and hence business performance) (Judge, Thoresen, Bono & Patton, 2001). Harter, Schmidt and Keyes (2003) asserts that positive associations between job satisfaction and individual levels of performance are present when, in particular, facets of satisfaction with ones’ supervisor (and satisfaction with ones’ work) is present. Furthermore, the absence of health and well-being may have negative effects such as lower productivity, decreased decision making capacities, greater absenteeism as well as consistently diminished general organisational contributions (Price & Hooijberg, 1992).
Bolon (2008) illustrates the importance that the concept of well-being has occupied within the organisational context by highlighting that many organisations have resorted to constructing and generating health and wellness initiatives in order to ensure greater levels of employee well-being is obtained. These schemes may include, but are not limited to, counselling, gym facilities, team building initiatives, coping-skills training, financial education programmes and relaxation classes. The outcomes of these health and wellness program initiatives have rendered fortuitous organisational benefits such as reduced absenteeism, employee turnover and healthcare costs, as well as an increase in employee and organisational productivity (O'Rourke & Sullivan, 2003; Thompson, Smith & Bybee, 2005; Shepard, 1999). Moreover, research proposes that effective health and wellness programs increase job performance (Thompson, Smith, Bybee, 2005), increase recruitment potential (O'Rourke & Sullivan, 2003), decreased employee turnover (Noblet, 2003; Shepard, 1999), as well as assist in creating a greater organisational image and capacity for the attraction of potential staff (Harden, Peersman, Oliver, Mauthner & Oakley, 1999; O'Rourke & Sullivan, 2003).

Furthermore, Cooper and Cartwright (1994), affirm that the effect of employee health and well-being has a direct impact upon the financial health as well as the prosperity of the organisation. As discussed by Bolon (2008), the vast financial gains obtained from health and wellness initiative implementation has been demonstrated by many large international organisations. For example, subsequent to the implementation of Motorola’s wellness strategy and support for disease management, cancer screenings, flu vaccines, on-site wellness centres, and the like, Motorola’s financial benefits resulted in a $3.93 savings on medical expenses for every dollar that was spent. This translated to a $6.5 million saving in 2000, in the United States of America, alone (O’Rourke & Sullivan, 2003). Additionally, as a result of their employee wellness strategy, within a period of six years, FedEx documented savings in the region of approximately $600 million in their projected health benefits costs, in addition to a further $500 million in
cumulative lost productivity costs (O’Rourke & Sullivan, 2003). Furthermore, leave of absence at FedEx had been reduced by 28.4 days (per every one hundred employee’s) since 1997, whilst disability claims had been severely decreased and injury rates had said to have been halved (O’Rourke & Sullivan, 2003).
In providing a theoretical framework, the premise of the current research is based on the following diagram:

**Figure 1: Theoretical framework**

The diagram represents previous research findings that have created the foundation for the context in which the current research is set. The current research aims to investigate the exhibited link (indicated within the red circle above). This link has been noted, by the current study, to be insufficiently investigated and explored. The research questions associated with the study are presented below.
RESEARCH QUESTIONS

1) Will Job security correlate with Well-Being?

2) Will Job security correlate with LMX?

    Contingent upon the relationships in Q's 1 and 2 being demonstrated:

3) Will LMX moderate the relationship between Job Security and employee Well-Being?
CHAPTER TWO: METHODS

This chapter aims to provide a description of the methodology employed for the current research study. This includes the research design, measuring instrumentation, data acquisition and sampling procedures (with a summary of the sample acquired) and security (anonymity and confidentiality), ethical considerations and statistical analyses conducted.

RESEARCH DESIGN

Data collection for the study involved no random assignment, no manipulation of variables and no control group. Therefore, the research was designed as a, non-probability-based strategy, quantitatively based form of research, with a cross-sectional moderator design. Furthermore, the non-experimental nature of the design infers that whilst causality cannot be rendered, associations may be drawn. Measures were applied to a set of two sample groups from two independent organisations, with no repeated measures.

Within the present research study, there is one independent variable presented, namely, job security, as well as one moderator variable, namely, Leader-Member Exchange, and one dependant variable, namely, (employee) well-being. Statistical moderation measures were carried out in line with the procedures outlined by Baron and Kenny (1986).
MEASURING INSTRUMENTATION

The following instrumentation were used in order to collect the relevant data to conduct the current research (refer to appendices).

1) Self constructed demographics questionnaire
2) LMX: LMX-MDM (12 items) Liden & Maslyn (1998)
3) Job security: (7 items) Isaksson, Hellgren & Pettersson (1998)

1. The demographic questionnaire was used for the purposes of obtaining information to accurately summarise the sample that was obtained, providing descriptive statistics. Questions were intended to elicit descriptive information pertaining to age, gender, race, level of education and individual hierarchical organisational position.

2. The moderator variable, LMX was assessed by means of the instrument, LMX-MDM. This instrument is a 12-item scale. The sub-scales of the LMX-MDM include, Affect, Loyalty, Perceived Contribution, as well as Professional Respect. Examples of the items asked include: “I like my supervisor very much as a person”, “I think my supervisor would defend me if I were ‘attacked’ by others”. The scale is comprised of a 5-point likert response format in which 1= strongly disagree, 5= strongly agree. Cronbach alpha coefficients of between .80 and .92 were reported for this instrument (Maslyn & Uhl-Bien, 2001).
3. Job security, the independent variable within the current research study, was assessed by a scale developed by Isakson, Hellgren and Pettersson (1998). This questionnaire is a 7-item questionnaire and includes questions such as, “I am worried about having to leave my job before I would like to”, “I am feeling uneasy about losing my job in the near future”. The scale is comprised of a 5-point likert response format in which 1= strongly disagree, 5= strongly agree. Cronbach alpha coefficients are reported between .75 and .79 (Hellgren, Sverke & Isaksson, 1999).

4. Employee Well-being, the dependant or outcome variable within the present research study, was assessed by the commonly used GHQ-12 questionnaire, answered in a 4-point likert scale. This scale was originally designed to measure non-psychiatric mental illness/ well-being. A Cronbach alpha coefficient of .81 is reported by Politi, Pinccinelli and Wilkinson, (2007). Examples of the GHQ-12 include: “Have you been feeling unhappy or depressed?”, “Have you felt capable of making decisions about things?”
DATA ACQUISITION AND SAMPLING PROCEDURE

The research was conducted with the voluntary participation of two consenting organisations. With the gatekeepers’ permission, in Organisation A, an e-mail was sent by the researcher to all employees’ within one building inviting them to participate in the research; in Organisation B, the HR management disseminated an e-mail, on behalf of the researcher, informing employees of the research. This e-mail included the aims, purpose, ethical considerations and details of the research as well as a web link to an online questionnaire. Each organisation was sent a different web link address, ensuring no data was disturbed and contaminated by the other organisation.

The online questionnaire was aimed at collecting quantitative data through the dispersion of an on-line Internet host website (SurveyMonkey.com) which provided access to the questionnaires.

An approximation of time taken to complete the questionnaire was provided (approximately 10 minutes) and instructions pertaining to the means of accessing the Internet link hosting the questionnaire were clearly explained. Completion instructions were also stated on the cover page of the on-line questionnaire. All participants were informed that they would be allowed to withdraw their information at anytime, before actual submission of the questionnaire (as one would not be able to determine which questionnaire belongs to whom, ad hoc), without any sort of repercussion for the participant.

On a voluntary basis, employees were requested to complete the online questionnaire. The questionnaire contained likert-scale type questions (pertaining to job security, well-being as well as leader membership exchange).
The questionnaire was hosted on-line for a period of 2 months at a cost of $29.95 per month (i.e. two distinct and separate questionnaire links were created for Organisation A and Organisation B, respectively). All costs were borne by the researcher.

SECURITY: ANONYMITY AND CONFIDENTIALITY

Participants were guaranteed anonymity through the on-line questionnaires security functions as well as confidentiality if correspondence between the researcher and any potential participant occurred. Anonymity was secured due to the fact that the data collected through the on-line questionnaire was protected by a Secure Sockets Layer (SSL) encryption which is a protocol used for transmitting private documents / information via the Internet. It functions through a cryptographic system that ensures a secure connection between a client and the server. Survey Monkey.com claims a Verisign certificate version 3 with 128 bit level of encryption. This information was briefly explained in the introductory e-mail sent by the gatekeepers to their employees, and again mentioned within the introductory letter hosted on-line.
SAMPLE

The total research population comprised members of two independent organisations and was in the region of about 450 individuals across the two organisations. All individuals within each organisation received an invitation to participate in the current research via e-mail. Whilst 158 employees accessed the questionnaire, only 119 complete data sets were obtained.

ETHICAL CONSIDERATIONS

Participants willing to participate in this research were informed of the primary researchers’ name in addition to the name of the supervisor. Readers were informed of the researcher and supervisors respective qualifications and contact details and encouraged to initiate contact if there were any questions or concerns regarding the research. The participants were made aware that this research was conducted as a requirement for the partial fulfilment for a Master’s degree in Industrial Psychology, at the University of the Witwatersrand, Johannesburg, South Africa. Furthermore, participants were informed of the aims and purpose of the research and invited to participate, on a voluntary basis. Participation in this research was guaranteed to be non-prejudicial and that participation would not lead to any advantages or disadvantages for the individual. Moreover, as stated above (within Security: Anonymity and Confidentiality), the SLS encryption ensures that ethical considerations such as anonymity and confidentiality are responsibly adhered to. Hence, with the advantage of the SLS encryption, it was believed that respondents may have been urged to answer the questionnaire in an honest means.
STATISTICAL ANALYSIS

Reliability

Reliability refers to the dependability of the instrumentation being used (Terreblanche & Durrheim, 1999). Reliability is the means by which a scale is evaluated, and rendered sufficiently reliable for use. A perfect reliability score amounts to 1, hence the closer the reliability for the scale is to 1 the more reliable the scale (Huck, 2004). Scores above 0.70 are generally deemed acceptable. In order to ensure reliability of the instrumentation used, Cronbach Alpha analyses will be conducted.

Descriptive and Analytical Statistics

Descriptive statistics were employed to calculate the biographical properties of the sample, as well as the mean, standard deviation. Dummy variables were created in order to successfully conduct statistical analyses on descriptive-type variables.

The following variables were re-structured into a dummy variable format: Gender, race (previously advantaged and previously disadvantaged), and marital status (married and other).

Correlational statistics were employed in order to assess the potential links between job insecurity and well being; and between job insecurity and LMX (and to assess for multicollinearity).

Due to the fact that the study examines a moderating effect, multiple regression analyses were conducted in order to establish whether LMX serves as a moderating variable between the relationship of job insecurity and well being (Baron & Kenny, 1986).
In order to cater for the effects of possible multicollinearity (as commonly obtained within regression analyses), total scores for each data set were centred. The data is centred by calculation of the mean score of the totals for each entry and subtracting this calculation from each entries' total. This practice renders a centred score for each data entry set. Centred scores replaced the original data, hence, negating the effect of multi-collinearity.
Calculating Moderated Multiple Regression (MMR)

As outlined by Aguinis (1995), the moderated relationship equation shows a sample-based ordinary least squares regression (OLS) that is aimed at testing the primary (additive) model of the main effects within the process of predicting Y from X and Z, such that,

\[ Y = a + b_1X + b_2Z + e \]

Where

- \( a \) = the least-squares estimate of the intercept
- \( b_1 \) = the least-squares estimate of the population regression coefficient for X
- \( b_2 \) = the least-squares estimate of the population regression coefficient for Z
- \( e \) = a residual term

The above model rests on the assumption that the population data set adhere’s to the following five characteristic features of MMR:

1. The expected value of the residual term is zero \( (E(e)= 0) \);
2. Residuals are not correlated;
3. Residuals exhibit constant variance (homoscedasticity) across values of each predictor
4. Covariance between the residual term and the predictors is zero; and
5. There is less than complete multicollinearity

(Jaccard, Turrisi & Wan, 1990, p15-16)
The second equation outlined by Aguinis (1995) that is utilised in order to complete the Moderated Multiple Regression is constructed by forming a new variable (i.e. X*Z), and including this variable as a third term within the regression, such that:

\[ Y = a + b_1X + b_2Z + b_3X^*Z + e \]

(Where \( b_3 \) represents the product term of the IV * moderator term).

Statistical significance for the moderating effect becomes evident if the coefficients of determination (i.e. squared multiple correlation coefficients or R-Squared) are compared for Equation 1 and Equation 2, as well as interpretation of the F-statistic (wherein a significant F-statistic indicates the presence of an interaction between X and Z) (Aguinis, 1995).

Herein, ‘the linear hypothesis is tested by adding the product of the moderator and the dichotomous independent variable to the regression equation...So if the independent variable is denoted as \( X \), the moderator as \( Z \), and the dependent variable as \( Y \), \( Y \) is regressed on \( X \), \( Z \), and \( XZ \). Moderator effects are indicated by the significant effect of \( XZ \) while \( X \) and \( Z \) are controlled’ (Baron & Kenny, 1986, p. 1175; Cohen & Cohen, 1983; Cleary & Kessler, 1982).
CHAPTER THREE: RESULTS

The following section aims to provide a concise rendition of the statistical results that were obtained. Statistics were produced by SAS Enterprise Guide 4.0.

Information pertaining to Cronbach Alpha coefficients, intercorrelational Matrices, normality and Moderated Multiple Regression (MMR) will be presented and discussed below.

In order to ensure minimal error, Cronbach alpha coefficients were established in order to ensure reliability of the instrumentation used.

The following Cronbach alpha coefficients were obtained:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Items</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job security</td>
<td>7 Items</td>
<td>0.72</td>
</tr>
<tr>
<td>LMX LMX-MDM</td>
<td>12 Items</td>
<td>0.92</td>
</tr>
<tr>
<td>Well-being</td>
<td>12 Items</td>
<td>0.80</td>
</tr>
</tbody>
</table>
SAMPLE

The total sample comprised 119 individuals, of which 57% were female (n=68) and 43% were male (n=51). The majority of respondents were white (n= 75) followed by blacks (n= 17), Indians (n= 14), coloureds (n=8) and 5 individuals within the final data set opted to omit this information. The mean age of respondents was calculated to be 35, 53 (S.D. 9, 8), whilst the average tenure was calculated to be 6, 99 years (S.D. 6, 99). The average frequency of exercise was reported to be 2, 6 days per week. A detailed outline of the biographical features of the sample is provided below.
**BIOGRAPHICAL REPRESENTATION OF SAMPLE:**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>Mean</td>
<td>35.35</td>
</tr>
<tr>
<td></td>
<td>SD</td>
<td>9.86</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Male</td>
<td>51</td>
<td>42, 86</td>
</tr>
<tr>
<td>Female</td>
<td>68</td>
<td>57, 14</td>
</tr>
<tr>
<td><strong>Race</strong></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>White</td>
<td>75</td>
<td>63, 56</td>
</tr>
<tr>
<td>Black</td>
<td>17</td>
<td>14, 41</td>
</tr>
<tr>
<td>Indian</td>
<td>14</td>
<td>11, 86</td>
</tr>
<tr>
<td>Coloured</td>
<td>8</td>
<td>6, 78</td>
</tr>
<tr>
<td>Omitted</td>
<td>4</td>
<td>3, 39</td>
</tr>
<tr>
<td><strong>Tenure</strong></td>
<td>Mean</td>
<td>6, 99</td>
</tr>
<tr>
<td></td>
<td>SD</td>
<td>7, 49</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Single</td>
<td>37</td>
<td>31, 09</td>
</tr>
<tr>
<td>Married</td>
<td>67</td>
<td>56, 30</td>
</tr>
<tr>
<td>Divorced</td>
<td>6</td>
<td>5, 04</td>
</tr>
<tr>
<td>Widowed</td>
<td>1</td>
<td>0, 84</td>
</tr>
<tr>
<td>Living together</td>
<td>8</td>
<td>6, 72</td>
</tr>
</tbody>
</table>
### Management level position

<table>
<thead>
<tr>
<th>Position</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management Level</td>
<td>2</td>
<td>1.69</td>
</tr>
<tr>
<td>Senior Management Level</td>
<td>5</td>
<td>4.24</td>
</tr>
<tr>
<td>Middle Management Level</td>
<td>25</td>
<td>21.19</td>
</tr>
<tr>
<td>First Management Level</td>
<td>32</td>
<td>27.12</td>
</tr>
<tr>
<td>Non-Management Level</td>
<td>54</td>
<td>45.76</td>
</tr>
</tbody>
</table>

### Highest Level of Education

<table>
<thead>
<tr>
<th>Education</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Matric</td>
<td>17</td>
<td>14.41</td>
</tr>
<tr>
<td>Matric</td>
<td>39</td>
<td>33.05</td>
</tr>
<tr>
<td>Diploma</td>
<td>28</td>
<td>23.73</td>
</tr>
<tr>
<td>Degree</td>
<td>22</td>
<td>18.64</td>
</tr>
<tr>
<td>Honours Degree</td>
<td>10</td>
<td>8.40</td>
</tr>
<tr>
<td>Masters Degree</td>
<td>2</td>
<td>1.68</td>
</tr>
<tr>
<td>PhD</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
DESCRIPTIVE STATISTICS

Descriptive statistics were established as follows:

Table 2: Descriptive Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std Dev</th>
<th>Sum</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>119</td>
<td>35.3529</td>
<td>9.78115</td>
<td>4207</td>
<td>20</td>
<td>62</td>
</tr>
<tr>
<td>Tenure</td>
<td>119</td>
<td>6.9916</td>
<td>7.49406</td>
<td>832</td>
<td>1</td>
<td>32</td>
</tr>
<tr>
<td>*Job Security Total (Centered)</td>
<td>119</td>
<td>3.03E-10</td>
<td>4.38839</td>
<td>3.60E-08</td>
<td>-9.7479</td>
<td>10.2521</td>
</tr>
<tr>
<td>*LMX Total (Centered)</td>
<td>119</td>
<td>9.50E-10</td>
<td>8.62593</td>
<td>1.13E-07</td>
<td>-27.0924</td>
<td>13.90756</td>
</tr>
<tr>
<td>*GHQ Total</td>
<td>119</td>
<td>24.1849</td>
<td>5.30584</td>
<td>2878</td>
<td>15</td>
<td>39</td>
</tr>
</tbody>
</table>

* represent the primary variables
NORMALITY

The following graphs diagrammatically illustrate the distribution of the sample. Furthermore, the degree of normality of the sample obtained was utilised to direct the research with regard to the means of analysis (parametric or non-parametric) that should be used.

Whilst visual representation of the graph is important in order to establish whether the sample is normally distributed, the following test assist in demonstrating whether normality is established.

The Kolmogorov-Smirnov (K-S) test assesses goodness of fit, hence testing whether a given data set is synonymous with a hypothesized continuous distribution (Heckert, 2003). The general guidelines are as follows:

Where HO= The distribution fits the data, and
H1= The distribution does not fit the data

<table>
<thead>
<tr>
<th>ALPHA LEVEL</th>
<th>CUTOFF</th>
<th>CONCLUSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>0.08737</td>
<td><strong>Accept H0 (utilized for current research)</strong></td>
</tr>
<tr>
<td>5%</td>
<td>0.09739</td>
<td>Accept H0</td>
</tr>
<tr>
<td>1%</td>
<td>0.11673</td>
<td>Accept H0</td>
</tr>
</tbody>
</table>

(Heckert, 2003)

Skewness values indicate the symmetry of the distribution curve (compared with a completely symmetrical / normal distribution). Skewness values are within acceptable range when in the region of between -1 and +1 (Huck, 2004)

Kurtosis indicates the flatness or peakedness of the graph. Thus positive values indicate a peaked distribution, whilst negative values indicate a more flat distribution curve (Huck, 2004).
In assessing LMX, the following normality measures were obtained:

Kolmogorov-Smirnov: 0.09
Skewness: -0.47
Kurtosis: -0.25
In assessing Job Security, the following normality measures were obtained:

Kolmogorov-Smirnov: 0.1
Skewness: -0.05
Kurtosis: -0.49
In assessing well-being, the following normality measures were obtained:

Kolmogorov-Smirnov: 0.12
Skewness: 0.48
Kurtosis: -0.47

Due to the fact that complete normality was not established within the current sample, non-parametric statistics were used. Whilst the non-parametric equivalent of the Pearson’s correlation was utilized (the Spearman’s correlation coefficient) there is no non-parametric equivalent that exists in order to conduct regression analyses. Hence, regression analyses were conducted with knowledge that the sample does not meet parametric (normality) requirements.
The following table illustrates the parameter estimates as well as the Degree's of Freedom (DF), Standard Error, t-value, p-value, Standardized estimates as well as the Variance Inflation Factor (VIF).

Table 3: Parameter Estimate

| Variable                  | DF | Parameter Estimates | Standard Error | t value | Pr > |t| | Standardized Estimate | Variance Inflation |
|---------------------------|----|---------------------|----------------|---------|------|---|-----------------------|-------------------|
| Intercept                 | 1  | 24.57288            | 2.08727        | 11.77   | <.0001 | 0 | 0                     |                   |
| Age                       | 1  | -0.01917            | 0.06124        | -0.31   | 0.7549 | -0.03602 | 2.31673               |
| Gender                    | 1  | -1.49589            | 0.9175         | -1.63   | 0.106  | -0.14166 | 1.32094               |
| Race                      | 1  | 3.22728             | 0.93888        | 3.44    | 0.0008 | 0.29787 | 1.31388               |
| Marital status            | 1  | -0.35283            | 0.88558        | -0.4    | 0.6911 | -0.03349 | 1.23652               |
| Education                 | 1  | -0.50287            | 0.38051        | -1.32   | 0.1892 | -0.1163 | 1.35507               |
| Exercise                  | 1  | -0.34679            | 0.24617        | -1.41   | 0.1619 | -0.11232 | 1.11234               |
| Position                  | 1  | 0.83222             | 0.48927        | 1.7     | 0.0919 | 0.15833 | 1.51604               |
| Tenure                    | 1  | -0.0881             | 0.07831        | -1.13   | 0.2631 | -0.12674 | 2.22043               |
| Job Security Total (Centered) | 1  | 0.47804             | 0.10451        | 4.57    | <.0001 | 0.40034 | 1.34037               |
| LMX Total (Centered)      | 1  | 0.15039             | 0.05405        | 2.78    | 0.0064 | 0.24485 | 1.35511               |
| job security x LMX        | 1  | 0.02252             | 0.01058        | 2.13    | 0.0357 | 0.17184 | 1.14066               |

Whilst the Variance Inflation Factor (VIF) is not a commonly reported estimate, the purpose of its inclusion is to illustrate that the centering of the variables (LMX and job security) resulted in the elimination of multicollinearity that was otherwise present. The presence of multicollinearity is indicated by large VIF values (a typical threshold is 10.0, which in turn corresponds to a tolerance of .10) (Hair, Anderson, Tatham, & Black, 1998).
The following table presents a matrix of correlational statistics which is aimed at presenting the key associations / correlations obtained through the analysis of the data.

### Table 4: Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Job Security Total (Centered)</th>
<th>LMX Total (Centered)</th>
<th>GHQ Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Security Total</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (Centered)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LMX Total (Centered)</td>
<td>0.444 &lt;.0001</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>GHQ Total</td>
<td>0.4461 &lt;.0001</td>
<td>0.353 &lt;.0001</td>
<td>1</td>
</tr>
</tbody>
</table>

From the correlation matrix above, it is evident that there is a significant correlation / association (without the inclusion of the moderating effect of LMX) between job security and employee well-being ($r=0.4461$, $p < .0001$).

Furthermore, there is a significant association between job security and LMX ($r=0.444$, $p < .0001$) as well as a significant association between LMX and employee well-being ($r=0.353$, $p < .0001$). Consequently, all the main variables display positive associations.
MULTIPLE MODERATED REGRESSIONS

In order to determine whether a statistically significant moderating effect was present, a Multiple Moderated Regression (MMR) was employed.

Multiple Moderated Regression (MMR) requires that three steps be carried out (discussed in detail within the Methods section):

Step 1: A regression analysis is completed with inclusion of the IV and the DV

Step 2: A regression analysis is completed with the inclusion of the moderator (M) variable and the IV

Step 3: A regression analysis is completed with the inclusion of the moderator and the interaction variable of IV x M
MULTICOLLINEARITY

The IV (job security) and moderator (LMX) terms were centred in that non-centred variables initially entered into the MMR regression yielded high degree’s of multicollinearity, hence negating the presence of any moderating effect.

The presence of Multicollinearity can result in the detrimental output of results with regard to regression analyses (Hair, Anderson, Tatham & Black, 1998). Multicollinearity refers to the correlation that is present between two or more independent variables. Multicollinearity, as obtained within the current research study, occurs in the instance in which an IV presents as highly correlative with other (independent) variables (Hair, Anderson, Tatham & Black, 1998).

In order to negate the effects of multicollinearity, for the reasons mentioned above, the IV and moderator terms where centred by calculation of the mean score of the totals for each entry and subtracting this calculated value from each entries’ total. This practice renders a centred score for each data entry set. Centred scores replaced the original data, hence, negating the effect of multicollinearity.
REGRESSION ANALYSIS

Step 1:

Table 5: Regression Analysis- Step 1

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F Value</th>
<th>Pr &gt; F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>11</td>
<td>1276.68567</td>
<td>116.06</td>
<td>6.36</td>
<td>&lt;.0001</td>
</tr>
<tr>
<td>Error</td>
<td>105</td>
<td>1915.89553</td>
<td>18.247</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>116</td>
<td>3192.5812</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This interaction is significant as $F=6.36$, $p > .0001$ ($\alpha = .05$).

Moreover, $R^2$ is equal to 0.3999.
This infers that 39.9% of the variance in the dependent variable (Well-being) is explained by the independent variable (Job security).

Step 2

Table 6: Regression Analysis- Step 2

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F Value</th>
<th>Pr &gt; F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>9</td>
<td>1031.29273</td>
<td>114.59</td>
<td>5.67</td>
<td>&lt;.0001</td>
</tr>
<tr>
<td>Error</td>
<td>107</td>
<td>2161.28847</td>
<td>20.199</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>116</td>
<td>3192.5812</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This interaction is significant as $F=5.67$, $p > .0001$ ($\alpha = .05$).

Moreover, $R^2$ is equal to 0.3230.
This infers that 32.3% of the variance explained is with inclusion of the selected variables (Job Security, LMX).
Step 3

Table 7: Regression Analysis- Step 3

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F Value</th>
<th>Pr &gt; F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>11</td>
<td>1276.68567</td>
<td>116.06</td>
<td>6.36</td>
<td>&lt;.0001</td>
</tr>
<tr>
<td>Error</td>
<td>105</td>
<td>1915.89553</td>
<td>18.247</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>116</td>
<td>3192.5812</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This interaction is significant as $F=6.36$, $p > .0001$ ($\alpha = .05$).

Moreover, $R^2$ equal to 0.3999.
This infers that 39.9% of the variance explained is with inclusion of the selected variables (LMX, Job Security x LMX)

Hence, in summary

IV (job security) x DV (well-being) : $R^2 = 0.3999$
M (LMX) x IV (job security) : $R^2 = 0.3230$
M (LMX) x M*IV (LMX x job security) : $R^2 = 0.3999$
In order to illustrate the effects of LMX as a moderating variable within the relationship between job security and employee well-being, the following plot figure represents the cross-level interaction in its representation of the relationship between Job security and well-being as well as its changes as a function of the moderating effect of LMX.

Figure 5: The graphical representation of the moderating effect of LMX

The slope coefficients were obtained through the use of the parameter estimates (i.e. intercept = 24.572, IV slope = 0.478, moderator (M) slope = -0.150, and Interaction (IV x M) slope= -0.022 (see parameter estimates table above)). Data points were established by utilising the high and low scores from the IV term, as well as the low, medium (mean score) and high scores obtained from the moderator term.

Plotted above is the relationship between job security (X-axis) and well-being (Y-axis), with three different levels of LMX (high, medium (the mean score of LMX) and low) indicating the moderating effect on the relationship between job security and well-being, hence affirming the hypothesis that LMX has a moderating effect within the interactional relationship between job security and well-being.
CHAPTER 4: DISCUSSION AND CONCLUSION

The present study aimed to assess the relationship between job security and employee well-being, as moderated by Leader-Member Exchange, within the context of the credit crunch. Herein, this chapter presents the organisational context in which this research was conducted and then enters into a discussion of the results obtained from this study. Thereafter, the research report will delve into a general discussion related to the context of the current research, including a discussion of the organisational benefits of job security amongst employees, the organisational benefits of LMX, and the organisational Benefits of Increased Employee Well-being The implementation of systems in the sphere of organisational development, aimed at building and fuelling prosperous organisations will be discussed. This section will also outline possible directions for future research and provide a conclusion.

ORGANISATIONAL CONTEXT

It is important that the organisational context of the research is made apparent in order for a broader understanding of the context in which the findings were obtained. The current research was conducted at two organisations. Whilst neither of the organisations that had agreed to participate had encountered or planned any form of downsizing or organisational restructuring (that may prompt job insecurity), the general context of the credit crunch was assumed to affect employee’s perceptions regarding their job security during the global economic crisis.

Organisation A is a large construction-based company based in Johannesburg, South Africa. The research questionnaires were disseminated via the internet to one building of employees, comprising approximately 300 employees. Organisation B is a large payroll organisation with branches around South Africa. The research questionnaires were disseminated via the internet to all employees
within South Africa. Organisation B, thus provided access to a sample of approximately 150 employees. A total sample size, between the two organisations, totalled approximately 450 individuals, ranging from Non-Management to Top-Management level employees.

RESEARCH AND DISCUSSION

The following discussion will provide an explanation of the research findings obtained from a compilation of results from organisation A and B, as analysed by the statistical programme, Enterprise Guide 4.0, in terms of the research questions that were originally posed.

ANSWERING THE RESEARCH QUESTIONS

1) Will job security correlate with well-being?

From statistical analyses conducted on the sample collected, it is evident that job security is associated with employee well-being. Statistically, this is apparent in that a Spearman’s correlation coefficient of $r = 0.4461$, $p < .0001$ was obtained when correlating job security with employee well-being.

2) Will Job security correlate with LMX?

From statistical analyses conducted on the sample collected, it is evident that job security is associated with Leader-Member Exchange. Statistically, this is apparent in that a Spearman’s correlation coefficient of $r = 0.444$, $p < .0001$ was obtained when correlating job security with Leader-Member Exchange.
Contingent upon obtaining relationships within the above research questions, the following question was explored:

3) Will LMX moderate the relationship between Job Insecurity and Well-Being?

In order to negate the effect of multi-collinearity (which was obtained upon initial statistical analysis) the raw data from the two variable sets, namely, job security and LMX, were centred and then statistically processed. The Variance Inflation Factor (VIF) was thus reduced significantly, to a value of 1.34 and 1.36 for job security and LMX, respectively.

Step 1 of the Multiple Moderated Regression regressed job security on well-being. The regression was significant at $\alpha = .05$ (F= 6.36, p > .0001) and yielded an R-Squared value of 0.3999, hence inferring 39.9% of the variance of the dependent variable is explained by this interaction.

Step 2 of the Multiple Moderated Regression regressed job Security on LMX. The regression was significant at $\alpha = .05$ (F= 5.67, p > .0001) and yielded an R-Squared value of 0.3230, hence inferring 32.3% of the variance of the dependent variable is explained by this interaction.

Step 3 of the Multiple Moderated Regression regressed LMX on job security x LMX. The regression was significant at $\alpha = .05$ (F= 6.36, p > .0001) and yielded an R-Squared value of 0.3999, hence inferring 39.9% of the variance of the dependent variable is explained by this interaction.

The R-squared value demonstrates that a significant proportion of the interactional affects can be attributed to the moderation effect of job security x LMX. Therefore, the results of the research indicate that LMX has a moderating effect within the relationship between job security and employee well-being.
This moderating effect suggests that the quality of leadership (denoted within the concept of LMX) is able to affect the well-being outcome of employee's, even in circumstances of job insecurity in which employee's perceive themselves as ‘healthy’ or ‘well’. Conversely, in circumstances in which employee’s might feel secure in their jobs (removing this concept from security provided by superiors), he / she may suffer from a lack of well-being due to poor Leader-Member exchange relationship (or deficient quality of leadership).
GENERAL DISCUSSION

The study intended to investigate whether the well-established link between job security and well-being (Hellgren, Sverke & Isaksson, 1999; De Witte, 1999) is moderated by Leader-Membership Exchange. In establishing the moderating effect of LMX, the study assessed the overall effect on the outcome variable (i.e. well-being) based on the level/quality of the moderator variable (LMX), in terms of varying levels of job security or job insecurity.

The link between job security and LMX has been scarcely recorded in past research and literature. Preferred variables in this realm of enquiry appear to be that of job security and perceived organisational support (POS). Whilst independent of LMX, POS, as discussed by Hofmann and Morgeson (1999), and Rhoades and Eisenberger (2002), is said to be related to LMX, research performed by Masterson, Lewis, Goldman and Taylor (2000), Wayne, Shore, Bommer and Tetrick (2002) demonstrated that POS positively affects LMX. These research findings echo those of past research conducted on job security and POS, as demonstrated by Hofmann and Morgeson (1999) and Rhoades & Eisenberger (2002).

In terms of the current research findings, job security is said to promote a positive relationship with employee well-being. Conversely, job insecurity has a negative relationship with the well-being of individuals experiencing the negative effects of job insecurity. This finding has been supported by, but not limited to, McDonough (2000); Sparks, Faragher and Cooper (2001); and Worrall and Cooper (1998).

Employee well-being has been linked to many organisational benefits such as organisational commitment (Ho, 1997) and increased productivity (Makrides, Heath, Farquharson & Veinot, 2007) amongst other benefits that will be discussed later. Whilst job insecurity, a stressor in the stressor-strain model, may be understood as a fundamental facilitating factor that may initiate a lack of
employee well-being, resulting in strain (Lazarus & Folkman, 1984), in the presence of positive support from a superior, as implicit within the notion of LMX, the negative effects of job insecurity on employee well-being may be reduced. However, previous studies investigating the effects of LMX in this context appear to be sparse.

Organisational Benefits of Job security amongst employees

Job security and its consequences have been researched in depth. Whilst the current research indicates an association between job security and well-being, there are many other benefits that assist in overseeing the prosperity of organisations and their employees. As similarly deduced from the current research, Sverke, Hellgren and Naswall (2002) have also explained that job insecurity leads to reduced well-being as well as initiates a negative perception regarding the source of stress. It is suggested that job insecurity is especially burdensome due to the fact that it is inherently characterised by prolonged uncertainty (Joelson & Wahlquist, 1987) and worsened by a hampered ability to utilise effective coping strategies (Lazarus & Folkman, 1984). As discussed by Sverke, Hellgren and Naswall (2002), job insecurity has been found to be negatively associated with organisational commitment and organisational trust, as well as work performance.

Whilst the current research has revealed a moderating effect through the variable LMX between job security and well-being, other moderating effects, including job security as an IV and are reported to include variables such as social support (Lim, 1996), occupational status (De Witte, 1999), and perceived control (Barling & Kelloway, 1996). Herein, the impact of job insecurity is evident both within the current research as well as within past research studies. Hence, the importance of fostering an environment in order to eradicate and/or minimize feelings of job insecurity is nothing less than pertinent.
Organisational benefits of LMX

Whilst the aim of the current study was directed at assessing the moderating affect of LMX on employee well-being, LMX, as an independent variable, has been seen to be associated with many organisational benefits including that of job performance (r = .90), satisfaction with supervision (r = .82), overall satisfaction (r = .84), commitment (r = .84), role conflict (r = .86), role clarity (r = .86), member competence (r = .84), turnover intentions (r = .82) and tenure (r = .52) (Gerstner & Day, 1997; Maslyn & Uhl-Bien, 2001). As asserted by Gerstner and Day (1997), ‘having a high-quality relationship with one's supervisor can affect the entire work experience in a positive manner, including performance and affective outcomes’ (p. 835). Therefore, it is evident that employee’s place more effort and display more positive citizenship behaviours in instances in which LMX is high (Townsend, Phillips, Elkins, 2000). Moreover, other researchers have found that high-quality exchange relationships (i.e. dyadic relationships) have been associated with an increase in attendance (Eisenberger, Huntington, Hutchison, & Sowa, 1986) task performance (Wayne, Shore, Liden, 1997) citizenship behaviour (1996; Wayne & Green, 1993; Wayne et al., 1997) and safety-conscious behaviour (Hofmann & Morgeson, 1999). Whilst not exhaustive in-text, the many benefits that can be obtained from creating high-quality LMX environments should provide additive encouragement for organisations to develop and implement strategies that foster higher quality of LMX.

As documented by Townsend, Phillips and Elkins (2000), subordinates within low-quality LMX relationships are more likely to involve themselves in retaliation behaviours that may have negative effects on many of the aforementioned benefits obtained through high-quality LMX.
Organisational Benefits of Increased Employee Well-being

As previously discussed, the benefits of healthy employees resounds far beyond that of altruistic intentions and penetrates the sphere of good Human Resource Management practices, in which organisational benefits can be attested to. The promotion of a healthier lifestyle within and through the organisational environment has been linked to positive outcomes within the organisational context, which includes, but are not limited to, greater group cohesiveness, more efficient teamwork, higher levels of employee job satisfaction, lower levels of stress (Zoller, 2004), as well as a boost in employee morale and organisational commitment (Ho, 1997). Furthermore, improved employee health has a positive influence on self-discipline and overall healthy lifestyle changes- all of which have been demonstrated to be financially beneficial to organisations (Lee, Lee & Lum, 2008).

The Implementation of systems in the sphere of organisational development, aimed at building and fuelling prosperous organisations

Organisations of the 21st century exist within an environment in which an accelerated pattern of change is constantly a moderating factor affecting organisational development, success and prosperity. Whilst turbulence and change is not a concept that is new to organisations; globalisation, modernisation and the effects of technology have opened organisations to greater abilities to expand and ultimately reign as more competitive within the working world (Nel, 2006).

Contemporary organisations are considered to be ‘social interventions instituted for the accomplishment of common goals through group efforts’ (Johns & Saks, 2001; as cited in Nel, 2006, p. 171). Therefore, it is to be understood that it is the human factor that drives, influences and essentially dictates the degree of growth and success of the organisation.
Human Resource Management (HRM) factors that are able to affect issues relating to job security, quality of leadership (LMX) and employee well-being are factors that should be accommodated for, through systems and strategies such as adequate HRM management and Change Management.

As discussed by Cameron and Green (2004), Hiatt and Creasey (2003), and Larkin and Larkin (1994), change management is essentially conveyed as a process that is operationalised by ensuring that the relevant and required changes are implemented within the organisational context in a manner that is systematic and controlled for the purposes of being able to manage and advance the dynamics of organisational functioning.

Suggested means of managing change is through strategic management, learning and development, HRM and coaching and mentoring as well as open door policies and transparent and honest communications between subordinates and super-ordinates (Cameron & Green, 2004, Hiatt & Creasey, 2003, Larkin & Larkin, 1994). These strategies have been used in organisations and have been able to contend with and combat issues relating to environmental difficulties, turbulence and change.

In order to ensure organisational success, it is the responsibility of Senior and Top Level Management as well as divisions such as Organisational Development units (OD), Learning and Development units, and the Human Resources Department to ensure that there are strategies implemented in order to ensure that superiors equip and lead subordinates in a manner in which they feel secure, as well as the opportunity for subordinates to be lead by competent, trustworthy super-ordinates which, in effect has been demonstrated to lead to healthy employees and thus, healthy, thriving organisations (Cameron & Green, 2004, Hiatt & Creasey, 2003, Larkin & Larkin, 1994).
LIMITATIONS

Whilst there were significant findings / associations obtained through statistical analyses, it is important to identify the possible limitations of this research and thus view the research findings with prudence. The first limitation that threatens the research is the fact that there was a limited sample size (n=119). Whilst Hair, Anderson, Tatham and Black (1998) maintain that an acceptable sample size should be between 15 and 20 observations per independent variable; the larger the sample size the greater the power of the statistical findings (until a threshold). Therefore, whilst within the guidelines as stipulated by Hair, Anderson, Tatham and Black (1998), a greater sample size would have been beneficial to the current research.

A second limitation with the current research is that the data used within the study was collected from two organisations and thus it may have been beneficial to compare the data between the organisations and not merely merge the samples. However, the divided sample size was as such that the power of the analysis may have been inconsiderable due to an even smaller (divided) sample size.

The fact that multicollinearity was present is not merely a limitation of the current research, but is said to occur frequently in research involving MMR analyses. As commonly managed, the data was centred and thus the problem of multicollinearity eradicated. Whilst the multicollinearity may not have necessarily been avoided, and was dealt with in a commonly (and statistically) acceptable means, it is a limitation of the current research study, none-the-less.

Furthermore, due to the fact that the research was cross-sectional in nature, the current research is unable to posit any degree of causality, hence the research findings rest on the assumption of association.
Moreover, due to the fact that there was a great deal of personal (and possibly identifiable) information asked (e.g. age, race, tenure, hierarchical position), many employee’s may have been hesitant in offering information on a topic that is as sensitive as this (involving questions relating to job security, LMX and well-being), even though anonymity was guaranteed. Thus, individuals who felt great job insecurity and/or did not share high-quality LMX relations may have opted to decline completion of the questionnaire, or may have answered it unfaithfully. Conversely, employees who were not anxious over issues relating to job insecurity and leader-member exchanges may have been more willing to participate, and thus may comprise a higher majority of the sample.
DIRECTIONS FOR FUTURE RESEARCH

Whilst the questionnaires on job security and LMX are seen to be completely independent with no overlapping features in terms of the questions posed, it should be highlighted that the effects of multicollinearity were particularly significant within the current research. Herein, benefits for future research may lie in an enquiry around the investigation of the interaction between job security and LMX.

The above may be achieved through a qualitative (or mixed methods) approach in which the nominal question of whether there is an association between X and Y, is transformed into a question regarding how and why there is an association between X and Y. This means of research will allow for a more in-depth interrogation of the subject matter and allow for a greater opportunity for employers to implement, revise and/or modify current practices that may present as not entirely successful.

The current research utilised the General Health Questionnaire (GHQ), in which general health presented as the dependant variable. Future research may investigate different types of well-being, not merely general well-being.

Moreover, the moderating effect of LMX may be explored within the relationship between job security and other dependant variables (e.g. intention to turnover, employee engagement, organisational commitment), as well other independent variables (e.g. job satisfaction, tenure, gender). Additionally, it may be beneficial for future research to create enquiry around the relationship between job security and LMX (as much has been researched on job security and POS, but not job security and LMX).
Lastly, future research may wish to replicate elements of the current research in order to reinforce the current findings and create a stronger platform that provides organisations with greater quantities of research that indicate the links and benefits for implementing and developing some of the strategies that have been suggested above.
CONCLUSION

In summation, as analysis of the data revealed, the hazardous effects caused by a lack of employee well-being, stemming from a lack of job security, can be moderated by LMX. Therefore, within times of economic crisis, such as the current global economic crisis of 2009, whilst job insecurity may be occupying the minds of employee’s; ensuring that there is a system fostering positive Leader-Member Exchange presents as a relatively inexpensive means of avoiding the burdensome effects associated with the lack of job security and lack of employee well-being. Whilst the current research was conducted within the context of the credit crunch, the premise associated with the current research findings may very well be applied to organisations in general, as well as during times of organisational restructuring and downsizing. On a final note, it is imperative that all organisations bear in mind that in order to have a healthy functioning, successful and prosperous organisation, ones’ employees should be tended to and put first.
REFERENCE LIST


Appendix A: Cover Letter

1. COVER LETTER

This ENTIRE survey should take you NO LONGER THAN 10 MINUTES to complete.

Please consider completing this survey truthfully, in its entirety

Dear Sir / Madam

My name is Stacey-Lee Bolon, and I am presently completing my Masters degree in Industrial Psychology at the University of the Witwatersrand. As part of my Masters degree I am required to complete this research and present a thesis on the information obtained. The more responses I receive, the greater the strength of my research. Herein, you are invited and greatly encouraged to participate.

Please note your organisation has granted me access and allowed me to present this survey to you. However, please be assured that the data collected will solely be used for academic purposes and will in no way be accessed by the management of your organisation. Your organisation will only receive a summary of the overall results and a copy of my thesis which they may disseminate to your organisation, at will. Herein, you are GUARANTEED ANONYMITY AND CONFIDENTIALITY at all times. Furthermore, this questionnaire has an SLS lock and encryption, ensuring there are no means of tracing your response to you.

My selected area of research is designed to investigate the moderating effect of leader member exchange (i.e. the quality of leadership) between the relationship of job insecurity (within the context of the current credit crunch) and employee well-being.

Participants are able to withdraw from the study until such time as they submit the on-line questionnaire.

Your participation in this study would be greatly appreciated. This research will contribute both to a larger body of knowledge on leadership styles, as well as to your organisation’s understanding of your workplace dynamics. This can help to assist the development of your organisations management techniques in dealing with employee uncertainty during change and the current credit crunch.

The research study is an independent study which will be conducted under the supervision of a registered Industrial Psychologist at the University of the Witwatersrand.

Please contact me or my supervisor should you have any questions.

Kind Regards

STACEY-LEE BOLON
Appendix B: Demographics

1. Please enter your age
   Age

2. Please enter your gender
   - Male
   - Female

3. Please enter your race
   - Black
   - White
   - Indian
   - Coloured
   - I prefer not to say

4. Please enter your marital status
   - Single
   - Married
   - Divorced
   - Widowed
   - Living together

5. Please enter your highest educational qualification
   - Matric
   - Diploma
   - Degree
   - Honours degree
   - Masters degree
   - PhD
6. How many days per week do you exercise, on average
   - 0 - I do not exercise
   - 1
   - 2
   - 3
   - 4
   - 5
   - 6
   - 7 (Everyday)

7. Please select your current business unit
   - Cement Operations
   - Aggregate & Readymix Business Unit
   - Commercial Business Unit
   - Shared Services Centre

8. Please enter your current corporate position
   - TML - Top Management Level
   - SML - Senior Management Level
   - MML - Middle Management Level
   - FML - First Management Level
   - NML - Non-management Level

9. Please enter the length of your service at this organisation (i.e. organisational tenure)
   Years: ___________________________
Appendix C: Job Security

### 3. Job security

Please note that your individual responses will not be made available to your organisation. (Your organisation will only receive summary statistics)

Please answer truthfully.

**1. Please select one answer per row**

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am worried about having to leave my job before I would like to</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>There is a risk that I will have to leave my present job in the year to come</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I feel uneasy about losing my job in the near future</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>My future career opportunities in this organisation are favourable</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I feel that my organisation can provide me with a stimulating job content in the near future</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I feel that the organisation will need my competence in the near future</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>My pay development in this organisation is promising</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>
## Appendix D: LMX

### 4. Leader member exchange

Please note that your individual responses will not be made available to your organisation. (Your organisation will only receive summary statistics)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I like my supervisor/superior very much as a person</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>I think my supervisor/superior is the kind of person I would like to have as a friend</td>
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<tr>
<td>I think my supervisor/superior is a lot of fun to work with</td>
<td></td>
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<tr>
<td>I think my supervisor/superior defends my work actions to his/her superior, even without complete knowledge of the issue in question</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>I think my supervisor/superior will defend me if I were ‘attacked’ by others</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>I think my supervisor/superior would defend me to others in the organisation if I made an honest mistake</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>I carry out work tasks for my supervisor/superior that go beyond what is specified in my job description</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>I am willing to apply extra effort, beyond that which is normally required, to further the interest of my work group</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>I do not mind working my hardest for my supervisor/superior</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am impressed with my supervisors/superiors knowledge of his/her job</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I respect my supervisors/superiors knowledge of and competency on the job</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I admire my supervisors/superiors professional skill</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 5. Employee well-being

This is the final page - Thank you for completing the survey thus far.

Please note that your individual responses will not be made available to your organisation. (Your organisation will only receive summary statistics)

Please answer truthfully

* **1. Have you been able to concentrate on what you’re doing?**
  - Better than usual
  - The same as usual
  - Less than usual
  - Much less than usual

* **2. Have you lost much sleep over worry?**
  - Not at all
  - No more than usual
  - Rather more than usual
  - Much more than usual

* **3. Have you felt that you are playing a useful part in things?**
  - More so than usual
  - The same as usual
  - Less so than usual
  - More than usual
  - The same as usual
  - Less so than usual
  - Much less than usual
5. Do you feel constantly under strain?
- Not at all
- No more than usual
- Rather more than usual
- Much more than usual

6. Have you felt you couldn’t overcome your difficulties?
- Not at all
- No more than usual
- Rather more than usual
- Much more than usual

7. Have you been able to enjoy your normal day activities?
- More so than usual
- The same as usual
- Less so than usual
- Much less than usual

8. Have you been able to face up to your problems?
- More so than usual
- The same as usual
- Less so than usual
- Much less than usual

9. Have you been feeling unhappy or depressed?
- Not at all
- No more than usual
- Rather more than usual
- Much more than usual
**10. Have you been losing confidence in yourself?**

- [ ] Not at all
- [ ] No more than usual
- [ ] Rather more than usual
- [ ] Much more than usual

**11. Have you been thinking of yourself as a worthless person?**

- [ ] Not at all
- [ ] No more than usual
- [ ] Rather more than usual
- [ ] Much more than usual

**12. Have you been feeling reasonably happy, all things considered?**

- [ ] More so than usual
- [ ] The same as usual
- [ ] Less so than usual
- [ ] Much less than usual

Thank you for your participation.

Your response has been invaluable.

If you have any queries, questions or concerns, please do not hesitate to contact me:

Stacey-Lee Bolon
sbolon@gmail.com
083 378 6265

Again, please note that your individual responses will not be made available to your organisation. (Your organisation will only receive summary statistics)

Please select done (below) if you consent to the submission of your response