

Psychological Contract and Employee Retention; A Survey Research

Paper Submission: 05/01/2021, Date of Acceptance: 23/01/2021, Date of Publication: 25/01/2021



Kashyap Rajput

Assistant Professor,
Dept. of Psychology,
The M.S. University of Baroda,
Vadodara, Gujarat, India



Kiransinh Rajput

Dept. of Psychology,
Assistant Professor,
Government Arts College Shahera,
Panchmahal, India

Abstract

The aim of the study is to investigate the correlation between Employee Retention and Psychological contract of the employees within the organization. Survey research technique was used and a hundred employees from different sectors namely Public service/manufacturing sector and Private service/manufacturing sector were taken as sample. Employee retention involves taking measures to encourage employees to remain in the organization for maximum period of time. Psychological contract is a perception of both the parties to the employment relationship, organization and individual, of the reciprocal promises and obligations implied in their relationship. For this Pearson's product moment was used to measure the correlation between employee retention and psychological contract. The result indicated that the employees who have high intention to retain with the organization, they will perceive high level of relational/transactional contract with the organization. Employees who have high commitment towards the organization, they have also high intention to retain with the organization.

Keywords: Employee Retention, Psychological Contract, Transactional Contract.

Introduction

Employee Retention means taking measures to encourage employees to remain and motivate employees in the organization for the longer period of time. It is a process in which the employees are motivated to remain with the organization for the longer period of time or until the completion of the project or achieve organizational goal. Employee retention is advantageous for the organization as well as the employees. Effective employee retention is a systematic attempt by organization to create and foster an environment that encourages current employees to stay employed, by having policies and practices in workplace that address their diverse needs and career development. It is a recognized fact that retaining the best employees ensures and increase customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning, and deeply embedded organizational knowledge and learning for organization effectiveness. Employee retention matters, as organizational issues namely training time and investment, lost knowledge, insecure employees, and a costly candidate search are concerned (Singh and Dixit, 2011). Researchers found that Psychological Contract enhances employees' sense of responsibility to the organization; as results strengthen their affective commitment and normative commitment to the organization (Wang et al., 2017) and intention to remain with such organization (Deas and Coetzee, 2020; Nwokocho, 2015; Milanovic et al., 2018; Nelesh and Sanjana, 2014). There is no single definition of employee retention (Bhatia, 2006).

Review of Literature

In today's environment it becomes very important for organizations to retain their employees. The top organizations are on the top because they value their employees and they know how to keep them glued to the organization. Intelligent employers always realize the importance of retaining the best talent. Employees stay and leave organizations for some reasons. The reason may be personal or professional. These reasons should be understood by the employer and should be taken care of. In fact the theory of employee retention arose in response to increasing number of employees leaving the organization due to various reasons. The organizations are becoming aware of these reasons and adopting many strategies for employee retention. A strong retention strategy, therefore,

E: ISSN No. 2349-9443

becomes a powerful recruitment tool (Singh and Dixit, 2011). Okolie and Umemezia (2017) noted that employees who are happy and satisfied with their jobs tend to be more dedicated and would always put in more efforts to improve their organizational customer's satisfaction and more likely to remain with the organization for a long time. OBAKPOLOR (2020) concluded that psychological contract has a positive and statistical effect on employee retention.

Employee retention is not only affected by the single factor but there are number of other host factors which are important for retaining the employees in an organization. Management have to be attentive towards the factors like compensation & rewards, job security, training & development, organizational justice etc. According to Osteraker (1999) the two important factors for the success of any organization are employee satisfaction and retention. Further the retention factor can be divided into three sub- factors i.e. social, mental and physical. The mental dimension of retention consist of work characteristics, employees always prefer flexible work tasks where they can use their knowledge and see the results of their efforts which, in turn, helps in retaining the valuable resources. The social dimension consists of the contacts that the employees have with other people, both internal and external. The physical dimension consists of working conditions and pay. According to Walker (2001), identified another seven factors to enrich the employee retention which are as follows:

1. Compensation and appreciation of the performed work.
2. Provision of challenging work.
3. Chances to be promoted and to learn.
4. Invitational atmosphere within the organization.
5. Positive relations with colleagues.
6. A healthy balance between the professional and personal life.
7. Good communications.

Psychological Contract

The concept of Psychological Contract underpins the employment relationship. A psychological contract is a set of unwritten expectations that exists between individual employees and their employers. Guest (2007) noted perception of both parties to the employment relationship, organization and individual, of the reciprocal promises and obligations implied in that relationship. The idea of Psychological contract is commonly tracked back to the early work of Argyris (1957) and to the social exchange theory (Blau, 1964). The latter explains social change and stability as a process of negotiated exchanges between parties. The notion of Psychological contract implies that there is an unwritten set of expectations operating at all times between every member of an organization and the various managers and other in that organization.

The psychological contract refers to implicit ideas about the employee-organization relationship. It can be described as the set of expectations held by the individual employee who specifies what the individual and the organization expect to give to and receive from each other in the course of their working

Asian Resonance

relationship (Sims, 1995). Bank's HR Managers must properly assess the state of psychological contract of employees so that they will be able to formulate retention strategies for those employees whose psychological contracts are being violated. This study enables the Banking HR professionals to understand the importance of psychological contact and its relevance in understanding employment relationships (Srilatha & Josh, 2011).

Maya Jose (2008), studied the Impact of Psychological contract on Organizational commitment among Temporary and permanent employees in the Organization. She focused impact of psychological contract on organizational commitment among permanent and temporary employees in five organizations belonging to the manufacturing industry. During the study the researcher found out that the level of psychological contract varied among the permanent and the temporary employees. But in context to the organizational commitment both the employees showed no significant difference. This resulted into the thinking that investment in temporary employees would prove to be advantageous, beyond economic benefits. One of the most important benefits was the retention of the employees. In order to improve the Psychological contract organizations must ensure that human resource strategies, policies and procedures are reflective of distributive, procedural and interactional justice, and that organizations communicate honestly and openly with employees (Jose, 2008).

Promila Agarwal (2011), studied the empirical relationship between Psychological Contract and Organizational Commitment in the Indian IT industry and found that money is not only the reason of high attrition but there are also other variables who affect the retention of the organization. The research argues that formation of healthy Psychological contract can ensure a stable employment relationship and enhance value commitment among employees and The study also highlights the importance of Psychological contract and its detrimental effects on human capital (Agrawal, 2011; OBAKPOLOR, 2020).

Thomas & Feldman (2009), studied the ways in which age and work experience affects the individuals experience psychological contract breaches. The study basically focuses on two concepts i.e. contract malleability - the degree to which individuals can tolerate deviations from contract expectations and contract replicability – the degree to which individuals believe that their psychological contract can be replicated elsewhere. Here it is discussed that how contract malleability and replicability become greater with age and experience and how contract malleability and replicability may temper negative reactions to psychological contract breaches.

Rationale

Employee Retention is the most important issue in the present era. Nowadays it is the key factor for organization success. It is a known fact that retaining the talented employee ensures customer satisfaction, increased sales, satisfied colleagues and reporting staff, effective succession planning, and

E: ISSN No. 2349-9443

deeply embedded organizational knowledge and learning. Hence failing to retain a key employee is a costly proposition of the organization.

Securing and retaining skilled employees plays an important role in this process, because employees' knowledge and skills are central to companies' ability to be economically competitive.

The psychological contract is the employee's perception of the mutual obligations existing with their employer. In today's competitive world, both employee and the employer have high level of expectation form each other. When these expectations are not fulfilled violation of the Psychological contract occurs. The present research studies the relationship among all the two variables. These variables play an important role in the organization success and the effectiveness. There are very few research has been done for understanding the relationship among Employee Retention and Psychological Contract. So this research will help the organization to formulate new retention polices.

Objective of the Study

1. To study the effect of Gender on Employee Retention and Psychological Contract.
2. To study the effect of Total work experience on Employee Retention and Psychological Contract.
3. To study the correlation between Employee Retention and Psychological Contract.

Hypothesis

1. There will no significant effect of gender on Employee Retention.
2. There will be no significant effect of gender on Psychological Contract.
3. There will be no significant effect of Total Work Experience on Employee Retention.
4. There will be no significant effect of Total Work Experience on Psychological Contract.
5. There will be no significant correlation between Employee Retention and Psychological Contract.

Method

Sample

Total 100 employees were taken as sample from different organizational sectors namely Private service/manufacturing & Public service/manufacturing.

There were inclusive and exclusive criteria which are as follows:

Inclusive Criteria

The employee should have the Basic English knowledge, and should have completed 1 year or more than 1 year with the current organization.

Exclusive Criteria

The employee should not be on the contractual basis, should not be a part time employee and should not have served the current organization for less than 1 year.

Out of 100 samples 55% were in the age group of 18-30 years, 28% were in the age group of 31- 40 years, 8% were in the age group of 41-50 years and 9% of the employees were in the age group of 51& above. Out of 100 samples 65% were the male employees while 35% were the female employees. Out of 100 samples 51% of the employees were belonging to Public service sector, 27% of the

Asian Resonance

employees were belonging to Public manufacturing sector, 11% employees were from Private service sector and 11% of the employees were from Private manufacturing sector. Out of the 100 samples 47 % of the employees were belonging to Executive level, 33% of the employees were in the category of Managers and above manager's level while 20% of the employee was in the category of others. Out of the 100 samples 50% of the employees were Graduates, 43% of the employees were post-graduates and 7% of the employees came under the category of 12th, ITI and below 12th. Out of 100 samples 45% of the employees were in the category of 1-5 years of total experience, 33% of the employees were in the category of 5-10 years of total experience while 22% employees were belonging in 10 & above 10 years of total experience. Out of 100 samples 64% of the employees had 1-5 years of the experience with the current organization, 22% of employees had more than 10 years of experience with the current organization while 14% of the employees had 5-10 years of experience with the current organization.

Research Design

A Survey questionnaire was used for data collection. The survey research is primarily interested in assessing the characteristics of the whole population. It may be defined as the technique whereby the researcher studies the whole population with respect to certain sociological and psychological variables (Singh, 2010). The survey questionnaire was given to the employee and was instructed to fill the questionnaire carefully.

Tools

Employee Retention

There are 23 items for measuring Employee retention. Employee Retention has 2 dimensions namely Employee's intention to retain and Perceived organizational policy of Retention. 11 items were constructed by Egan et al. (2004) which measure employee's intention to stay within the organization and 12 items investigated the perceived organization's policy of Retention.

Psychological Contract

Psychological contract, 52 items are there. The first two part in the section measures (i) strength of relational contract, and (ii) strength of transactional contract which was developed by Millward and Hopkins (1998). The remaining part measures (i) employer's commitment/obligation to employee, (ii) employee's commitment/obligation to employer, (iii) employer's relationship with employee, and (iv) employee's relationship with employer ,which was developed by Rousseau (1995) .

Procedure

Questionnaire was borrowed and modified in Indian context and was given to Expert for Face validation. Once the questionnaire was developed, permission was taken from the different organizational sectors such as Public manufacturing sector, Private manufacturing sector, Public service sector and Private Service sector. After the permission was granted, the questionnaire was given to those employees who fall in the research criteria and the

data was collected. Based on their responses the data was analyzed.

Asian Resonance

Results

To study the effect of Gender on Employee retention and Psychological Contract t-test was used and the result is shown below:

Dimension	Gender	N	Mean (SD)	T	DF	Significance
Organizational Policy	Male	65	41.00 (7.74)	1.33	98	0.186
	Female	35	39.00 (5.90)			
Employee Intention	Male	65	37.36 (4.29)	1.28	98	0.202
	Female	35	36.31 (3.08)			
Transactional Contract	Male	65	59.67 (9.64)	1.28	98	0.203
	Female	35	57.37 (6.06)			
Organizational commitment to employee	Male	65	46.75 (9.04)	1.63	98	0.105
	Female	35	43.65 (9.01)			
Employee commitment to organization	Male	65	27.58 (4.06)	0.52	98	0.604
	Female	35	27.17 (3.18)			
Organizational relation with employee	Male	65	26.66 (4.11)	0.84	98	0.399
	Female	35	25.97 (3.41)			
Employee relation with Organization	Male	65	17.15 (3.41)	0.28	98	0.708
	Female	35	16.97 (2.41)			

Table 1 indicates the effect of Gender on Employee Retention and Psychological Contract

There is no significant difference between male employees and female employees in terms of Organizational policy to retain employees ($t= 1.33$ $p<0.05$) and mean of male employees is 41.00 and mean of female employees is 39.00. There is no significant difference between male employees and female employees in terms of intention to retain in the organization ($t=1.28$ $p<0.05$) and mean of male employees is 37.36 and mean of the female employees is 36.31. There is no significant difference between male employees and the female employees in terms of Relational/ Transactional contract ($t= 1.28$ $p<0.05$) and the mean of male employees is 59.67 and mean of female employees is 57.37. There is no significant difference between male employees and female employees in terms of Organizational commitment towards employees ($t=1.63$ $p<0.05$) and the mean of the male employees is 46.75 and mean of female employees is 43.65. There

is no significant difference between male employees and female employees is term of Employee commitment towards the organization ($t=0.52$ $p<0.05$) and the mean of the male employees is 27.58 and mean of female employees is 27.17. There is no significant difference between male employees and female employees in term of Organizational relationship towards employees ($t=0.84$ $p<0.05$) and the mean of male employees is 26.66 and the mean of female employees is 25.97. There is no significant difference between me employees and female employees in terms of Employee relation towards the organization ($t=0.28$ $p<0.05$) and mean of male employees is 17.15 and the mean of female employees is 16.97.

To study the effect of Total work experience on Employee Retention and Psychological Contract one way. ANOVA was used and results are shown below:

Dimension	Total Experience	Mean (SD)	F	Df	Significance
Org policy to retain employees	1-5 years	40.08 (5.84)	0.76	2,97	0.92
	5-10 years	40.24 (5.97)			
	10 & above	40.81 (10.81)			
Emp intention to retain	1-5 years	36.17 (3.88)	2.24	2,97	0.11
	5-10 years	38.06 (3.88)			
	10 & above	37.09 (3.89)			
Relational/Transactional contract	1-5 years	59.08 (8.28)	0.18	2,97	0.83
	5-10 years	58.15 (9.03)			
	10 & above	59.50 (8.89)			
	Org commit to employee	1-5 years	44.66 (8.16)		

	5-10 years	45.84 (9.11)	0.69	2,97	0.5
	10 & above	47.45 (10.93)			
Employee commit to org	1-5 years	27.11 (3.61)	0.31	2,97	0.73
	5-10 years	27.75 (4.50)			
	10 & above	27.63 (2.87)			
Org relation towards employee	1-5 years	25.08 ^a (3.56)	9.15	2,97	0.01
	5-10 years	26.45 ^a (3.80)			
	10 & above	29.09 ^b (3.30)			
employee commit towards org	1-5 years	16.62 ^a (2.90)	4.46	2,97	0.01
	5-10 years	16.60 ^a (3.27)			
	10 & above	18.77 ^b (2.70)			

Table 2 indicates the effect of Total work Experience of the employees on Employee Retention and Psychological Contract. There is no significant difference among employees who have 1-5 years of experience, 5-10 years of experience and 10 & above years of experience in terms of Organizational policy of Retention ($f=0.76$, $p<0.05$) and the mean of employees with 1-5 years of experience is 40.08 (5.84), the mean of employees with 5-10 years of experience is 40.24 (5.97) and the mean of employee with experience of above 10 years is 40.81(10.81). There is no significant difference among employees who have 1-5 years of experience, 5-10 years of experience and 10 & above years of experience in terms of Employ intention to retain ($f=2.24$, $p<0.05$) and the mean of employees with 1-5 years of experience is 36.17 (3.88), the mean of employees with 5-10 years of experience is 38.06 (3.88) and the mean of employee with experience of above 10 years is (3.89). There is no significant difference among the employees who have 1-5 years of experience, 5-10 years of experience and 10 & above years of experience in terms of Relational/Transactional contract ($f=0.18$, $p<0.05$) and the mean of the employees with work experience of 1-5 years is 59.08 (8.28), the mean of the employees with the work experience of 5-10 years is 58.15 (9.03) and the mean of the employees with the work experience of 10 and above 10 years is 59.50 (8.89). There is no significant difference among the employees who have 1-5 years of experience, 5-10 years of experience and 10 & above years of experience in terms Organizational commitment towards employees ($f=0.69$, $p<0.05$) and the mean of the

employees with work experience of 1-5 years is 44.66 (8.16), the mean of the employees with work experience with 5-10 years is 45.84 (9.11) and the mean of the employees with the work experience of 10 and above 10 years is 47.45 (10.93). There is no significant difference among the employees who have 1-5 years of experience, 5-10 years of experience and 10 & above years of experience in terms Employee commitment towards organization ($f=0.31$, $p<0.05$) and the mean of the employee with the work experience of 1-5 years is 27.11 (3.61), the mean of the employees with the work experience of 5-10 years is 27.75 (4.50) and the mean of the employees with the work experience of 10 and above 10 years is 27.63 (2.87). There is significant difference among the employees who have 1-5 years of experience, 5-10 years of experience and 10 & above years of experience in terms Organizational relationship with employee ($f=9.15$, $p>0.05$) and the mean of the employees with work experience of 1-5 years is 25.08 (3.56), the mean of the employees with work experience of 5-10 years is 26.45 (3.80) and the mean of the employees with work experience of 10 and above 10 years is 29.09 (3.03). For further understanding Tucky HSD test was used. The results indicates that there is a significant difference among the employees who have worked for 1-5 years and more than 10 years and there is also significant difference among the employees who have worked for 5-10 years and above 10 years. There is significant difference among the employees who have 1-5 years of experience, 5-10 years of experience and 10 & above years of experience in terms of Employee relationship with employer ($f=4.46$,

$p > 0.05$) and the mean of the employees with work experience of 1-5 years is 16.62 (2.90), the mean of employees with the work experience of 5-10 years is 16.60 (3.27) and the mean of employees with work experience of 10 and above is 18.77 (2.70). For further understanding Tucky HSD test was used. The result indicates that there is a significant difference among the employees who have

worked for 1-5 years and more than 10 years and there is also significant difference among the employees who have worked for 5-10 years and above 10 years.

To study the correlation between Employee Retention and Psychological Contract, Pearson product moment correlation was used and the results are shown below:

Correlations							
	Organizational Policy	Employee intention to retain	Transactional contract	Org commit to Employee	Employee commit to org	Org relation towards Employee	Employee relation towards org
Organizational Policy	1						
Employee Intention to retain	.373**	1					
Transactional contract	.335**	.235*	1				
Org commit towards employee	.558**	.476**	.460**	1			
Employee commit towards org	.373**	.210*	.540**	.388**	1		
Org relation towards employee	.192	.360**	.282**	.569**	.186	1	
Employee relation towards org	.105	.173	.021	.244*	-.117	.510**	1

** . Correlation is significant at the 0.01 level (2-tailed)
 * . Correlation is significant at the 0.05 level (2-tailed)

Table 3 indicates the correlation between Employee retention and Psychological Contract.

There is a positive significant correlation between perceived Organizational policy of retention and Employees intention to retain ($r=0.373$, $p > 0.01$) that means when the Organizational policy of retention are effective, employee has positive intention to retain with the organization. There is a significant positive correlation between Transactional/Relational contract and perceived Organizational policy of Retention ($r=0.335$, $P > 0.01$) that means when the organizational policies are effective, employee perceive positive relational/transactional contract with the employer. There is a positive significant correlation between Relational/transactional contract and Employee intention to retain ($r=0.235$, $p > 0.05$) that means when the employee perceive a positive relational/transactional contract with the employer, employee have positive intention to retain with the organization. There is a positive significant correlation between Organizational commitment towards employee and Organizational policy of retention ($r=0.558$, $p > 0.05$) that means when there is effective organizational policies of retention, employees

perceive positive commitment of organization towards them.

There is a positive significant correlation between Organization commitment towards employee and Employee intention to retain ($r=0.476$, $p > 0.05$) that means when employees perceives positive organizational commitment towards them, employee is intended to retain with the organization. There is a positive significant correlation between Organizational commitment towards employee and Transactional/relational contract ($r=0.460$, $p > 0.05$) that means when the employees perceive that there is good organizational commitment towards them, employees will have positive relational/transactional contract with the employer. There is a positive significant correlation between Employee commitment towards organization and Organizational policy of retention ($r=0.373$, $p > 0.05$) that means when organizational policies are effective, employees have a positive commitment towards organization.

There is a positive significant correlation between Employee commitment towards organization and Relational/Transactional

E: ISSN No. 2349-9443

contract ($r=0.540$, $p>0.05$) that means when the employee perceive positive commitment towards organization, their relational/transactional relation with the employer will be effective. There is a positive significant correlation between Employee commitment towards organization and organization commitment towards employee ($r=0.388$, $p>0.05$) that means both employee and the employer has a positive and a balanced relationship with each other. There is a positive significant correlation between Organizational relation towards employee and Employee intention to retain ($r=0.360$, $p>0.05$) that means when employee perceive positive relationship with the organization, employee is positively intended to retain with the organization. There is a positive significant correlation between Organizational relationship towards employee and Relational/Transactional contract ($r=0.282$, $p>0.05$) that means when employee perceive that there is positive relationship of organization towards them, they also perceive positive relational/transactional contract with each other. There is a positive significant correlation between organizational relation towards employee and Employee commitment towards organization ($r=0.569$, $p>0.05$) that means when employee perceives that there is a positive relation between organization and employee then employee is positively committed towards the organization. There is positive significant correlation between Employee relation towards Organization and Organizational commitment towards employee ($r=0.244$, $p>0.01$) that means when employee has positive relationship with organization, employee perceive positive commitment of organization towards them. There is positive significant correlation between Employee relation towards organization and Organization relation towards employee ($r=0.510$, $p>0.01$) that means employee and employer both have smooth and positive relationship with each other.

Discussion

The aim of the present research is to study the correlation between Employee Retention and Psychological Contract. Survey research design was used for collecting the data. For the study 100 samples were taken from all the four sectors namely Private Service sector, Public service sector, Private manufacturing sector and Public manufacturing sector. Based on the data the analysis was done.

The fourth hypothesis assumes that there will be no significant difference of Total work experience on Employee retention. The result indicates that there is no significant difference between male employees and female employees in terms of Employee Retention in both the dimensions. Thus the fourth hypothesis is proved. The fifth hypothesis assumes that there is no significant difference of work experience on Psychological contract. The result indicates that that there is significant difference among Organizational

Asian Resonance

relationship towards employee and Employee's relationship towards organizational. Thus fifth hypothesis is partially proved.

The seventh hypothesis assumes that there will no significant correlation between Employee Retention and Psychological Contract. The result indicates that there is a positive significant correlation between Organizational policy to retain and Relational/Transactional contract. There is positive significant correlation between Organization policy to retain and Organizational commitment to employee. However, Mehta, Dhankar and Kurbetti (2014) found that if organization want to retain employees, the organization should maintain higher employee commitment. There is positive significant correlation between Organization policy to retain and Employee commitment to organization. There is no significant correlation between Organization policies to retain and Organization relationship with employee. There is no significant correlation between Organization policies to retain and Employee relationship to organization. There is positive significant correlation between Employee intention to retain and Relational/Transactional contract. There is positive significant correlation between Employee intention to retain and Organizational commitment to employee. There is positive significant correlation between Employee intention to retain and Employee commitment to organization. Agarwal (2011), found that there is positive significant correlation between employee's intention to stay and Value commitment of the employee. Mechanic, A. M (2014), found out that there is fairly high relationship between Employee commitment and employee performance and also there is high relationship between Employee commitment and Employee turnover. However Maluti, Warent and Shivndu (2011) found out that there is no significant impact of employee commitment on employee retention. There is positive significant correlation between Employee intentions to retain and Organizational relationship with employees. There is no significant correlation between Employee intention to retain and Employee relationship with organization. Thus the seventh hypothesis is partially accepted. Previous researches supports the current founding that Psychological Contract enhances employees' affective commitment and normative commitment to the organization (Wang et al., 2017) and intention to remain with such organization (Deas and Coetzee, 2020; Nwokocho, 2015; Milanovic et al., 2018; Nelesh and Sanjana, 2014).

Limitation

1. The sample size was small (N=100)
2. There is no equal number of male employees and female employees for the study.
3. There are no equal number of employees from four different sectors namely Private service/manufacturing and Public service/

manufacturing.

Implications

1. Results can be applied to enhance the organizational commitment by making effective Employee Retention policies.
2. The research also helps to bring the transparency in the organization which will automatically lead to the Psychological Contract.
3. The research imply to reduce employee turnover by maximizing employee's commitment towards the organization and also Exit interviews of the former employees should be conducted so that the organization can make certain effective changes in the Retention policies in order to reduce employee turnover.

Future Recommendations

1. New study can be done by taking larger sample population.
2. The research can also be conducted by adding other variables like Experience with current organization, Effect of different sector, effect of working hours etc.
3. Equal number of male and female employees should be taken for the new study.

Conclusion

Employees who perceive organizational policy of retention to be effective, those employees have high intention to retain with the organization. Perceived psychological contracts have positive effect on employee retention.

References

1. Agarwal, P. (2011). *Relationship between Psychological Contract & Organizational Commitment in Indian IT Industry*. 47(2). 290-305.
2. Bankins, S. (2012). *Investigating the dynamics of the psychological contract: How and why individual's contracts' beliefs change*. Queensland University of Technology, Brisbane, Australia.
3. Carney, Karen (1998, November). *How businesses can reduce high employee turnover*. Inc, 47.
4. Christian, J. S. & Ellis, P. J. (2013). *The Crucial Role of Turnover Intentions in Transforming Moral Disengagement into Deviant Behavior at Work*. *Journal of Business and Ethics*. 119-193. Doi 10.1007/s10551-013-1631-4.
5. Crocker, R. M. (2005). *Employee perceptions of managerial civility: Development and validation of a measurement scale*. Unpublished Doctoral Dissertation, Auburn University, USA. Retrieved from http://etd.auburn.edu/etd/bitstream/handle/10415/707/CROCKER_ROBERT_29.pdf?sequence=1 on 2/04/2013.
6. Cullinane, N. & Dundon, T. (2006). *The psychological contract: a critical review*. *International Journal of Management Reviews*. 8(2). 113-129.
7. Das, L. B. & Baruah, M. (2013). *Employee Retention: A Review of literature*. *Journal of Business and Management*. 14(2), 8-16.
7. Deas, A., Coetzee, M. (2020). *Psychological contract, career concerns, and retention practices*

Asian Resonance

- satisfaction of employees: Exploring interaction effects*. *Curr Psychol*, 39, 1990-1998 <https://doi.org/10.1007/s12144-020-00660-0>
8. Jose, M. (2008). *A study of the impact of Psychological contract on Organizational commitment among Temporary and Permanent Employees in Organizations*. *Journal of Contemporary research in Management*. Pp. 1-12.
 9. Kyndt, E., Dochy, F., Michielsens, M. & Moeyaert, B. (2009). *Employee Retention: Organizational and Personal Perspectives*. *Journal of Vocational and Learning*. DOI 10.1007/s12186-009-9024-7.
 10. Lester, S. W., Kickul, J. R. & Bergman, T. J. (2007). *Managing employee perceptions of the Psychological contract over time: the role of employer social accounts and contract fulfillment*. *Journal of Organizational Behavior*. 28(2). 191-208. Doi 10.1002/job.4.
 11. Malik, S.Z., & Khalid, N. (2016). *Psychological contract breach, work engagement and turnover intention*, *Pakistan Economic and Social Review*, 54 (1), 37-54.
 12. Maluti, V. L., Warentho, O. J. & Shivndu, O. J. (2012). *Impact of Employee Commitment on Retention in State in Financial Corporation in Kenya*. *Journal of Business and Public management*. 2 (2). 30-38.
 13. Marx, Mary (1995, December). *Keeping your best employees*. *Journal of Property Management*, 26-29.
 14. Mathur, A. & Agarwal, P. K. (2013). *A study on Impact of Employee Retention in Private Sector Sugar Mill*. *International Journal of Emerging Research in Management & Technology*. Pp. 43-45.
 15. Mechanic, A. M. & Irefin, P. (2014). *Effect of Employee commitment on organizational performance in Coca cola Nigeria Limited*. *Journal of Humanities and Social Science*. 19 (3). Pp. 33-41.
 16. Mehta. M., Kurbetti, A. & Dhankar, R. (2014). *Review paper – Study on Employee Retention and Commitment*. *International Journal of Advance research in Computer Science and Management Studies*, 2(2), 1-11.
 17. Milanovic, S., Dokic, M., & Dordevic, B. (2018). *The influence of psychological contract breach on job satisfaction*, *Economics and Organization*, 25 (3) 203-215.
 18. Misganu, G., & Zewdie, S. (2018). *Psychological contract fulfillment and employee relationship: A review article*, *Journal of Business Management & Social Science Research*, 7 (6), 1-7.
 19. Mitchell, R. T., Holtom, B. C. & Lee, T. W. (2001). *How to keep your best employees: Developing an effective retention policy*. *The Academy of Management Executive*. 15(4). 96-109.
 20. Nelesh, D. and Sanjana, B.P (2014). *Re-establishing the Psychological Contract as a Precursor to Employee Retention*. *Problems and Perspectives in Management*, Volume 12, Issue 4, 2014
 21. Nwokocho, I. (2015). *Linkage between*

E: ISSN No. 2349-9443

- psychological contract and employee, retention, performance and productivity in organizations in Nigeria, International Journal of Development and Management Review, 10, 30-38.*
22. OBAKPOLOR, I.E. (2020). *Psychological Contract and Employee Retention: Evidence from Uyi Grand Hotel, Benin City, Edo State, Annals of Spiru Haret University. Economic Series, 20(1), 67-80, doi: <https://doi.org/10.26458/2013>*
 23. Okolie, U.C., & Umemezia, E. (2017). *Employee retention: A systematic review, African Journal of Management, 2(3), 105-122.*
 24. *Role of The Psychological Contract in Employee Retention For Local Authorities in Zimbabwe .(2016). Journal of Research in Business and Management, 4 (8), p. 30-36*
 25. Sims, R.R. (1995), 'Human resource management's role in clarifying the new Psychological contract', *Human Resource Management, 33(3), pp.373-382.*
 26. Singh, S. & Dixit, P. K. (2011), *Employee Retention: The art of keeping People who keeps you in Business. VSRD international Journal of Business & Management Research, 1(7), 441-4.*
 27. Sinha, D. & Shukla, S. K. (2013). *A Study of Employee Retention in the Pharmaceuticals Sector in Dehradun city. International Journal of Education and Psychological Research. 2(1). 30-39.*
 28. Taylor, Susan L. & Cosenza, Robert M. (1997, December). *Internal marketing can reduce Employee turnover. Supervision, 3-5.*
 29. Thomas, P., Wolper, P., Scott, K. S. & Jones, D. (2001). *The Relationship between Immediate Turnover and Employee Theft in the Restaurant Industry. Journal of Business and Psychology. 15(4).561-577.*
 30. Thomas, W. H. & Feldman, D. C. (2009). *Age, Work experience, and the psychological contract. Journal of Organizational Behavior. 30(8). 1053-1075. Doi 10.1002/job.5.*
 31. Wang, Y., Li, Z., Wang, Y., & Gao, F. (2017). *Psychological contract and turnover intention: The mediating role of organizational commitment, Journal of Human Resource and Sustainability Studies, 5, 21-25.*
 32. Zachariah, M. & Roopa, T. N. (2012). *A Study on Employee Retention Factors Influencing IT Professionals on Indian IT companies and Multinational Companies in India. Interdisciplinary Journal of Contemporary Research in Business. 45(7). 449-466*

Asian Resonance