

# Psychological Contract and its Implications on Faculty Retention in Uttarakhand Higher Education Sector

Shilpi Mittal & Dr. Amar Kumar Mishra

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## Abstract

*An organization comprises of a structure (division of work into units and foundation of linkages among units), frameworks (particular methods for dealing with the significant elements of the association) and standards (acknowledged examples of conduct), qualities, and conventions. Every organization functions for the survival, growth and prosperity. While the survival depends upon workforce and growth depends upon competent workforce; prosperity depends upon committed and competent workforce. The number of employees is the measure of workforce, number of employees working for long is the measure of committed workforce. Employees may be found working in the organization following the instructions and obeying rules and regulations; but that does not guarantee the engagement of the employees. Administration need to ensure that the adherence to instruction by employees is not coupled with resistance. Employees may be found to be working having grudges or grievance against the administration and ceteris paribus will always be looking after a new job. Adherence by employees can also be mere fulfillment of compliance in exchange of the salary. It is only when the employees are involved with commitment, we can say that organization has the engaged employee to steer the organization on the path of growth and prosperity.*

*The aim of this study was to gain insight into the relationship employee engagement has with the psychological contracts. The empirical results suggest that there is a statically significant relationship between psychological contract fulfillment and employee engagement . Based on insights generated from this research, it can be concluded that overreliance on explicit contracts and ignorance of implicit psychological contracts could lead to faulty decision-making by employers. Leaders would be well served to remember that employees are people, and not just members of their organizations. The administration has to ensure that the employees working in the organization are engaged i.e. working with commitment rather than merely fulfilling the compliance and / or resistance.*

**Keywords:** Psychological Contract, Employee Engagement.

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## Shilpi Mittal

Assistant Professor  
Graphic Era University  
Dehradun

## Dr. Amar Kumar Mishra

Associate Professor  
IMS Ghaziabad

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## INTRODUCTION

An organization comprises of a structure (division of work into units and foundation of linkages among units), frameworks (particular methods for dealing with the significant elements of the association) and standards (acknowledged examples of

conduct), qualities, and conventions. The faculty members in the association are its best pioneers; they and alternate workers have their own individual needs notwithstanding those of the association. These hierarchical segments – structures, frameworks, culture, pioneer conduct, and mental needs of representatives – collaborate with each other and make what can be called authoritative atmosphere. While accomplishment of an association relies upon many components, the perpetual accomplishment is the impression of its dynamic, sound and solid authoritative atmosphere portrayed by able and submitted faculty occupied with guiding the association for higher achievement. Among the different components that have contributed towards the amazing development of value instruction in this belt, one that obviously emerges is the contribution by academicians the Kupremacy of UK in maintainy legacy in education for 3 decades 1500/- just the consequence of vital areas, lovely climate or in-your-face advertising but the employees that have gone about as a mediating variable in instructive foundations in this belt. There are 300 establishments in Uttarakhand of advanced education. Considering the territory of the state (53,483 km<sup>2</sup>), rank nineteenth and foundation scarcely seventeen years back; the accomplishment is exemplary.

This research focuses on the very important key subtopics including Psychological contract, and employee engagement in higher academic institutions in Uttarakhand.

### CONCEPTUALIZING THE PSYCHOLOGICAL CONTRACT

The origins of the psychological contract construct dates back to the early 1960s. Argyris (1960) used the term *psychological work contract* to describe the mutual respect he observed between foremen and workers that he gathered from interview conversations. The foremen supported their employees' informal culture norms that they too had experienced before being promoted to their foremen positions. Around the same time, but independently, Levinson, Price, Munden, Mandl, and Solley

(1962) also used the term *psychological contract* to describe the observed relationship between employers and employees. Levinson and colleagues reported that employees perceived a number of implied and unspoken expectations from their employer. They defined psychological contracts as "a series of mutual expectations of which the parties to the relationship may not themselves be even dimly aware but which nonetheless govern their relationship to each other". In the late 1980s, Denise Rousseau (1989) described the psychological contract construct as underdeveloped and misunderstood. As a result, she attempted to provide clarity to the construct. A revitalized interest in psychological contracts at the time was also being credited to new people-focused management practices and an economy that was facing increased international competition (Anderson & Schalk, 1998; Cullinane&Dundon, 2006).

### LITERATURE REVIEW

Understanding the individual and organizational consequences of breach or violation of psychological contract justifies continuing research into the phenomenon. There are two major reasons why understanding the consequences of the breach or violation is very important. Firstly, organizations are better positioned to manage the expectations employees have and secondly, organizations can implement management practices that will minimize the effect on the organization of breach or violation of psychological contract (Cable, 2008). Empirical studies and evidence suggest that contract breach results to reduced psychological well-being (Conway, et al 2002, 79). However, organizational breach of psychological contract is associated with reduction in job satisfaction (Johnson & O'Leary- Kelly, 2003, 627; Smithson & Lewis, 2004,7972; Knights & Barbara, 2005, 57; Bal & Dorien, 2011, 497; Bukhari, Saeed & Nisar, 2011, 8393; Ul-Haq, Jam, Azeem, Ali, & Fatima, 2011, 7980; Conway, Guest, & Trenberth, 2011, 79). When organization breaks their obligation of psychological contract trust is affected

negatively (Kingshott & Pecotich, 2007, 1053; Keth, 2011; Walker, 2013, 31). Failure to deliver obligations result to decrease of organizational commitment (Kingshott, et al, 2007, 1057; Battisti, Fraccaroli, Fasol & Depolo, 2007, 665; Cassar&Briner, 2011,283; Bukhari, et al, 2011, 8390; Ul-Haq, et al, 2011, 7988; Azim & Ahmad, 2011, 228; Lapointe, Vandenberghe & Boudrias, 2013, 1005; McCabe & Sambrook, 2013, 954). On the other hand when employee experienced breach of psychological contract or non-fulfillment of psychological contract their commitment to union or union activities normally increase (Bashir & Nasir, 2013, 61). Breach of psychological contract by organization lowers employees organizational citizenship behavior (Turnley, Bolino, Lester & Bloodgood, 2003, 187; Guest, 2004, 542; Restubug, Bodia & Tang, 2007, 376; Lub, Blomme, & Bal, 2011, 109). Also, previous research findings suggested that non-fulfillment of psychological contract is associated with counterproductive or deviant behavior and unethical behaviors by employees in workplace (Johnson et al, 2003, 627; Hill, Eckerd & Wilson, 2009, 281). In the same direction the study of Chill and Peng (2008, 230) explore the dimensions of deviant behavior in relation to psychological contract, the findings suggested that breach of psychological contract related positively to both interpersonal and organizational deviance. The study of Delcampo, Rogers and Jacobson (2010, 230) suggests that breach of psychological contract by employer is positively related to employee perception of discrimination in workplace.

The results of breach of psychological contract in behaviours, described by Rousseau (1995), are (a) the exit (termination of the relationship), (b) the voice (actions to remedy the violation), (c) the loyalty (silence, willingness to endure), and (d) the destruction (neglect, counterproductive behaviours). Herriot and Pemberton (1995) described those same behaviours as: 'get ahead' (voice), 'get safe' (loyalty), 'get even' (destruction), or 'get out' (exit). The psychological contract breach has influence on some variables. Guest (2004) categorized the outcomes of non-fulfilment

between attitudinal consequences and behavioural consequences. Attitudinal consequences include firstly, job satisfaction. When an employee experiences a breach of the psychological contract, the job satisfaction of the employee may be reduced (Robinson & Rousseau, 1994; Gakovic&Tetrick, 2003; Johnson & O'Leary-Kelly, 2003). Secondly, a psychological contract breach results in a negative influence on job attitudes as well as the job behaviour of employees (Robinson, 1996; Robinson & Morrison, 1995).

Behavioural consequences are turnover intentions which get greater when employees' recognition of unfairness gets larger and they feel that the organisation is not likely to keep up an employment relationship (Robinson & Rousseau, 1994; Robinson, 1996; Turnley & Feldman, 2000; Lo & Aryee, 2003) and actual turnover (Robinson & Rousseau, 1994; Robinson, 1996). Kotter (1973) defined the psychological contract as "an implicit contract between an individual and the organization which specifies what each expects to give and receive from each other in the relationship." For example, when a new hire expects to receive a promotion after one year on the job, and the employer is not prepared to give a promotion that quickly, there is a mismatch. When the employer can and does promote the new employee after a year, there is a match. Kotter's research confirmed what most of us would expect—that the greater the matching of mutual expectations, the greater the probability of job satisfaction, productivity, and reduced turnover.

## RESEARCH METHODOLOGY

### Objectives

The research study is an attempt to Study the Role of Psychological Contract in the Employees Engagement. The specific objectives of the proposed research study, which are based on the need, importance and scope of the research, are framed as under:

1. To study the role of psychological contract in the employees engagement.

2. To identify the various dimensions of Employee Engagement.
3. To study the impact of Psychological Contract on every dimension of Employee Engagement.
4. To study the impact of age, gender and tenure on Employee Engagement.

#### Formulation of Hypotheses

- Hypothesis 1 (H1): There is positive relationship between Psychological Contract and Employees Engagement.
- Hypothesis 2 (H2): There is positive relationship between Engagement factors and employee Engagement.
- Hypothesis 3 (H3): There is positive relationship between Engagement factors and PC.
- Hypothesis 4 (H4): Age plays a mediating role between Psychological Contract and employee Engagement.
- Hypothesis 5 (H5): Tenure plays a mediating role between Psychological Contract and employee Engagement.
- Hypothesis 6 (H6): Gender plays a mediating role between Psychological Contract and employee Engagement.

**Target population:** A population is a group whose members possess specific attributes that the researcher is interested in studying. Full-time Employees working in private higher education institutions in Uttarakhand was the population under study.

**Sampling Frame:** Employees working in Private institutions of Uttarakhand were the sample frame work of this study. Eighteen private institutions in the below listed towns were chosen randomly for data collection. a) Dehradun, b) Haridwar, c) Nainital, d) Kotdwar, e) Pithoragarh, f) Kashipur

**Sampling Technique:** In the present investigation, the sample is drawn from the population of employees of private institutions of higher education. The sample was drawn by stratified random sampling technique.

**Sampling criteria:** Following inclusion and exclusion, criteria were used for selecting the sample.

#### Inclusion Criteria

- employees who are working in academic institutions for a minimum period of six months.
- employees who are working in academic institutions as a full time staff .

#### Exclusion Criteria

- employees who are on contractual job or working on part time basis.
- employees who are new to the institution and have not completed six months in the present institution.

**Sample size:** There were 600 employees fulfilling criteria laid down above. The data such as age, gender, experience were collected from all these employees. The employees who did not meet inclusion criteria were not considered as a part of study sample.

**Response Rate:** Out of 600 questionnaires circulated; only 385 fully filled in questionnaires were received with a response rate of 64.2%.

**Data Collection Procedure:** The data collection process focused on private college employees working in institutions of higher education in Uttarakhand with a structured and self-administered questionnaire. Below sections provide the process of scale adoption.

**Survey Instrument:** Two structured and self-administered questionnaire were used for collecting data from the respondents. These questionnaires comprised questions that can be easily answered on five-point Likert scale. Part-A comprises of 11 (eleven) demographic related items; Part-B comprises of 20 items on psychological contract. Whereas, Part-C termed as outcomes of employee Engagement contains 20 questions. Total 51 items were mentioned in the instrument. Whereas, name of the respondent, name of the institution, e-mail address and contact number were omitted

from analyzing the data, as these items were sensitive and the respondents showed unwillingness to fill.

Both the questionnaires are structured questionnaires. Reliability of the questionnaires was checked using Cronbach Alpha. While the reliability of psychological contract questionnaire was 0.841; reliability of Employee Engagement questionnaire was .778. As alpha score for both questionnaires was satisfactory, it leads to the conclusion that the questionnaires are reliable.

**Normality Test:** To test normality, Shapiro-Wilks test was employed as the sample size was between 50 & 2000. The significant value was found to be 0.745 & .682 for the questionnaires on psychological contract and employee Engagement respectively, suggesting the normality of the data for both sets of questionnaire.

## Results

The twenty variables of EE (Employee Engagement) have been separately processed for inter-correlation and factor analysis to arrive at the cluster of factors.

KMO for the analysis was found to be 0.857 that suggested adequacy of the sample. Further Bartlett's Test of Sphericity was conducted to test the null hypothesis that the correlation matrix is an identity matrix. For these data, Bartlett test was found to be highly significant ( $p < 0.001$ ), rejecting the null hypothesis and therefore factor analysis was deemed appropriate.

The principal component factor analysis method was applied to the inter-correlation matrix of twenty variables of ER and the results are rotated using Kaiser's varimax criteria. Five-factor solutions emerged for the total respondents. The results of the eigen value and rotated factor analysis are presented in Table 4.

It is observed that variables V8, V4, V7, V15, V3 and V6 are loading high on Factor I. Dimensions V1, V2, V5 and V18 show high loading on Factor II. V14, V10, V9 and V17 have

high loading on Factor III. The V11, V12 and V13 have high loading on Factor IV. The variables in questionnaire are given separately in Table 4.

Thus, by using inter-correlation matrix and factor analysis the twenty dimensions of psychological contract have been grouped into FOUR different factors (F1, F2, F3, F4) for the total respondents and from the contribution of the variables (also called a "loading") we can name these factors (i) Pride, (ii) Employee commitment, (iii) advocacy, (iv) and satisfaction.

As the first six variables in the first factor express high degree of pride in the institution, this factor has been named 'Pride'. The next five variables under second factor refer to the willingness to work for the organization. Accordingly it has been named 'employee commitment'. Third factor is being labeled as 'advocacy' as the three items under it are related to positive things being talked about of the organization by the employees. Items under factor four refer to the case of overall feelings for the organization and accordingly has been labeled 'satisfaction'.

The different factors and the variables within a factor with their corresponding loading scores are presented in Tables 5B.

To test the other hypotheses the assumption of normality was tested for each variable under study (ER, PC, Pride, Employee Commitment, Advocacy And Satisfaction). Review of the normality test using Shapiro-Wilks test suggested normality was a reasonable assumption. The result is contained in Table 2.

Subsequently an attempt was made to study whether PC has any influence on the ER. "Pearson's correlation coefficient was computed to assess the relationship between PC and various dimensions of ER. There was a positive correlation between the two variables,  $r = .717$ ,  $n = 385$ ,  $p = 0.000$ . ER was positively correlated with PC score and the degree was significant i.e. overall, there was a significant positive correlation between ER

and PC score.” Further the r-score was calculated between ER and each dimension of PC and all coefficients were found to be positive.

A simple linear regression was conducted to determine if ER could be predicted from PC score.

The linear regression established that psychological contract could statistically significantly predict employee Engagement  $F(1, 383) = 115.19, p = .000$  and psychological contract accounted for 51.4 % of the explained variability in employee Engagement. Additionally it was found that the un standardized slope(.848) and standardized slope(.717) are statistically different from 0 ( $t=10.7 ; df=383 ; p= .000$ ); with every one point increase (improvement) in the score of psychological contract; employee Engagement will increase by 0.848 point.

The regression equation was: predicted ee =  $\{-14.433 + 0.848 \times (pc)\}$ . Results are contained in Table 8.

Further attempt was made to study whether

the faculty members’ perception differs on PC and ER based on gender. “An independent-sample t-test was conducted to compare score of PC for male and female respondents. There was no significant difference in the scores for male ( $M=62.78, SD=9.03$ ) and female ( $M=64.52, SD=8.07$ );  $t(383) = -2.24, p = 0.270$ .

Further the independent-sample t-test was conducted (Table 9) to compare every dimension of PC for male and female respondents. There was no significant difference in the scores on any dimension for male and female as given in table. The results accordingly suggest that gender really does not have a significant effect on ER. Both male and female perceive the ER in the same way.

The data were further analyzed using ANOVA as test statistics to check where employee Engagement is different for employees of different age groups as well as having various years of experience (tenure). Result are contained in Tables 10A & 10B . The result shows no significant difference in the average score in various age groups and various tenures.

**List of Tables**

**Table 1: Demographic Data**

	Survey %	Numbers
<b>Age Groups</b>		
25-34	22.2	85.47
35-44	30.3	116.65
45-54	26.4	101.64
55-64	21.1	81.23
<b>Tenure</b>		
Less than 2 years	5.1	19.63
2 - 5 years	28.2	108.57
5- 8 years	38.5	148.22
8- 11 years	16.4	63.14
11- 14 years	11.8	45.43

**Table 2. Normality Test (Shapiro-wilks)**

Variables	Statistics	Df	Sig.
PC	.992	385	.732
ER	.949	385	.412
Pride	.982	385	.444
Employee Engagement	.977	385	.516
Advocacy	.972	385	.319
Satisfaction	.959	385	.202

**Table 3: Reliability Analysis:  
Crone Bach Alpha**

	Survey %	Numbers
Variable	N	Alpha
PC	20	0.859
ER	20	0.814
Pride	6	0.842
Employee Commitment	5	0.837
Advocay	5	0.871
Satisfaction	4	0.883

**Table.4: KMO and Bartlett’s Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.857
Bartlett’s Test of Sphericity	Approx. Chi-Square	963.510
	Df	385
	Sig.	.000

**Communalities**

	Initial	Extraction
Q1	1.000	.616
Q2	1.000	.495
Q3	1.000	.566
Q4	1.000	.584
Q5	1.000	.615
Q6	1.000	.693
Q7	1.000	.737
Q8	1.000	.728
Q9	1.000	.575
Q10	1.000	.544
Q11	1.000	.485

Q12	1.000	.821
Q13	1.000	.768
Q14	1.000	.651
Q15	1.000	.627
Q16	1.000	.593
Q17	1.000	.719
Q18	1.000	.573
Q19	1.000	.559
Q20	1.000	.534

**Component Matrix**  
**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.18	35.93	35.939	7.18	35.939	35.939	3.64	18.216	18.216
2	1.87	9.36	45.303	1.87	9.365	45.303	2.41	12.096	30.311
3	1.26	6.34	51.650	1.26	6.346	51.650	2.33	11.678	41.989
4	1.11	5.56	57.218	1.11	5.569	57.218	2.23	11.172	53.162
5	1.04	5.20	62.422						
6	.896	4.47	66.901						
7	.864	4.32	71.222						
8	.814	4.06	75.290						
9	.736	3.68	78.970						
10	.684	3.41	82.390						
11	.591	2.95	85.347						
12	.521	2.60	87.952						
13	.465	2.32	90.278						
14	.428	2.13	92.416						
15	.414	2.07	94.488						
16	.273	1.36	95.854						
17	.270	1.34	97.202						
18	.200	1.00	98.203						
19	.195	.97	99.177						
20	.165	.82	100.000						

Extraction Method: Principal Component Analysis.

	1	2	3	4
Q8	.759			
Q4	.728			
Q7	.708			
Q15	.617			
Q3	.578			
Q6	.539			
Q1		.749		
Q2		.652		
Q5		.492		
Q18		.432		
Q14			.801	
Q10			.641	
Q9			.568	
Q17			.470	
Q12				.864
Q13				.754
Q11				.412
Q20				
Q16				
Q19				

Component	1	2	3	4
1	.647	.455	.387	.410
2	.189	.197	.566	.406
3	.006	.394	.678	.158
4	.201	.728	.231	.506

**Table 5A: Correlation Between PC & EE**

		PC	EE
PC	Pearson Correlation	1	.717**
	Sig. (2-tailed)		.000
	N		385
ER	Pearson Correlation	.717**	1
	Sig. (2-tailed)	.000	
	N	385	

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

**Table 5B: Descriptive Statistics and Correlations for Study Variables****Correlations**

		EE	PC	Gender	Age	Tenure
EE	Pearson Correlation	1	.717	-.001	-.062	.046
	Sig. (2-tailed)		.000	.991	.540	.649
	N	385	385	385	385	385
PC	Pearson Correlation	.717	1	.066	-.093	.116
	Sig. (2-tailed)	.000		.516	.356	.250
	N	385	385	385	385	385
Gender	Pearson Correlation	-.001	.066	1	-.210*	.061
	Sig. (2-tailed)	.991	.516		.036	.549
	N	385	385	385	385	385
Age	Pearson Correlation	-.062	-.093	-.210*	1	.054
	Sig. (2-tailed)	.540	.356	.036		.590
	N	385	385	385	385	385
Tenure	Pearson Correlation	.046	.116	.061	.054	1
	Sig. (2-tailed)	.649	.250	.549	.590	
	N	385	385	385	385	385

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

**Table 5C: PC & Dimensions**

		PC	PRIDE	Commitment	Advocacy	Satisfaction
PC	Pearson Correlation	1	.871**	.760**	.771**	.754**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	385	385	385	385	385
Pride	Pearson Correlation	.871**	1	.625**	.468**	.625**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	385	385	385	385	385
Commitment	Pearson Correlation	.760**	.625**	1	.313**	.547**
	Sig. (2-tailed)	.000	.000		.001	.000
	N	385	385	385	385	385
Advocacy	Pearson Correlation	.771**	.468**	.313**	1	.422**
	Sig. (2-tailed)	.000	.000	.001		.000
	N	385	385	385	385	385
Satisfaction	Pearson Correlation	.754**	.625**	.547**	.422**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	385	385	385	385	385
	Sig. (2-tailed)	.016	.000	.000	.120	.000
	N	385	385	385	385	385

**Table 6: Regression  
Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.717 <sup>a</sup>	.514	.509	7.302	.945

a. Predictors: (Constant), PC

b. Dependent Variable: ER

**Table 7: Model Fit  
ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6141.112	1	6141.112	115.190	.000 <sup>b</sup>
	Residual	5811.122	109	53.313		
	Total	11952.234	110			

a. Dependent Variable: ER

b. Predictors: (Constant), PC

**Table 8: Equation Between PC & EE  
Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-14.433	5.130		-2.813	.006
	PC	.848	.079	.717	10.733	.000

a. Dependent Variable: ER

**Table.9: Impact of Gender on EE  
Mean Differences Between Male and Female Respondents**

Variable	F	sig.	T	d.f.	sig (2 tailed)	Mean dff	SE diff	Decision
PC	.309	.579	-2.24	383	.270	-3.737	1.667	ACCEPT
EE	.002	.966	-1.20	383	.230	-2.420	2.004	ACCEPT
Pride	.267	.606	-2.01	383	.057	-1.628	.810	ACCEPT
Employee Commitment	.314	.577	-1.28	383	.202	-.781	.608	ACCEPT
Advocacy	.154	.696	-.50	383	.611	-.232	.456	ACCEPT
Satisfaction	.093	.761	-3.6	383	.600	-1.466	.405	ACCEPT

**Table 10A: Impact of Age on EE**  
ANOVA  
ER

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1485.957	2	742.978	2.520	.082
Within Groups	131186.463	383	294.801		
Total	132672.420	385			

**Multiple Comparisons**  
Dependent Variable: ER  
Tukey HSD

(I) aged	(J) age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1.00	2.00	1.183	2.063	.834	-3.67	6.03
	3.00	4.352	1.943	.066	-.22	8.92
2.00	1.00	-1.183	2.063	.834	-6.03	3.67
	3.00	3.169	2.340	.366	-2.33	8.67
3.00	1.00	-4.352	1.943	.066	-8.92	.22
	2.00	-3.169	2.340	.366	-8.67	2.33

**Table 10B: Impact of Tenure on EE**  
ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1780.921	3	593.640	2.028	.109
Within Groups	122664.857	382	292.756		
Total	124445.778	385			

**Multiple Comparisons**  
Dependent Variable: ER  
Tukey HSD

(I) tenu	(J) tenu	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1.00	2.00	2.431	2.766	.816	-4.70	9.56
	3.00	6.307	2.915	.135	-1.21	13.83
	4.00	4.777	2.827	.330	-2.51	12.07
2.00	1.00	-2.431	2.766	.816	-9.56	4.70
	3.00	3.876	2.211	.298	-1.83	9.58
	4.00	2.346	2.093	.677	-3.05	7.74
3.00	1.00	-6.307	2.915	.135	-13.83	1.21
	2.00	-3.876	2.211	.298	-9.58	1.83
	4.00	-1.530	2.287	.909	-7.43	4.37
4.00	1.00	-4.777	2.827	.330	-12.07	2.51
	2.00	-2.346	2.093	.677	-7.74	3.05
	3.00	1.530	2.287	.909	-4.37	7.43

**Table 11: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.724 <sup>a</sup>	0.524	0.50120	.000

a. Predictors: (Constant), Zscore(PC), ADV, PRI, SAT, COMM

**Model Fit**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6104.112	1	6107.112	126.407	.000 <sup>b</sup>
	Residual	5714.122	383	48.313		
	Total	11855.234	384			

a. Dependent Variable: ER

b. Predictors: (Constant), PC

**Findings**

- 1) A Pearson product-moment correlation was run to determine the relationship between psychological contract fulfillment and employee Engagement. There was a strong, positive correlation between psychological contract fulfillment and employee Engagement, which was statistically significant ( $r = .717, n = 385, p = .005$ ). Table 5A.
  - o Thus, it could be interpreted that perception of psychological fulfillment is independent of age, gender and tenure.
- 2) Pearson product-moment correlation was run to determine the relationship between perception of psychological contract fulfillment and moderating variables age, gender and tenure. All the relationships were found to be statistically insignificant ( $r = .013, 0 .006, 0 .116; n = 385, p > .005$  for each relations). Table 5B.
  - o Thus, it could be interpreted that perception of psychological fulfillment is independent of age, gender and tenure.
- 3) Pearson product-moment correlation was again run to determine the relationship between Employee Engagement and moderating variables age, gender and tenure. All the relationships were found to be statistically insignificant ( $r = -0.062, -0.001, 0.649; n = 385, p > .005$  for each relations). Table 5B.
  - o Thus, it could be interpreted that employee Engagement is independent of age, gender and tenure.
- 4) Pearson product-moment correlation was again run to determine the relationship between Psychological Contract and various factors of employee Engagement namely pride, commitment, advocacy and satisfaction. All the relationships were found to be statistically significant ( $r = -0.871, 0.760, 0.771$  and  $0.754; n = 385, p < .005$  for each relations). Table 5B.
  - o Thus, it could be interpreted that psychological contract is strongly related to every factor of employee Engagement. Table 5C.
- 5) Coefficient of determination between psychological contract fulfillment and employee Engagement was found to be 0.514 which is sufficiently high. Table 6.
  - o Thus, it could be interpreted that psychological contract explains 51.4 % variation in employee Engagement.
- 6) The significant value in ANOVA is less than 0.05. This explains how best

regression is fit for finding relation between psychological contract fulfillment and employee Engagement. Table 7.

- 7) A simple linear regression was conducted to determine if ER could be predicted from PC score. The linear regression established that psychological contract could statistically significantly predict employee Engagement  $F(1, 383) = 115.19$ ,  $p = .000$  and psychological contract accounted for 51.4 % of the explained variability in employee Engagement . Additionally it was found that the unstandardized slope(.848) and standardized slope(.717) are statistically different from 0 ( $t=10.7$  ;  $df=383$  ;  $p=.000$ ); with every one point increase (improvement) in the score of psychological contract ;employee Engagement will increase by 0.848 point.
- 8) The regression equation was: predicted ee =  $\{-14.433 + 0.848 \times (pc)\}$ . Results are contained in Table 8.
- 9) An independent sample t test was conducted to study whether the employee Engagement is different for different gender. This study found the absence of any significant difference in the scores of male and female participants, leading to interpret that that male participants do not have statistically significantly score compared to female participants  $t(383) = -0.120$ ,  $p = 0.966$ . Table 9.
- 10) A one way ANOVA test was conducted to study whether the employee Engagement is different for different age group. There was no statistically significant difference between groups as determined by one-way ANOVA ( $F= 2.520$ ,  $p = .0.082$ ). A Tukey post hoc test revealed that the score on employee Engagement was not statistically significantly different for any age group. Table 10 A.
  - o Thus it could be stated that age really does not matter in employee Engagement.

11) A one way ANOVA test was conducted again to study whether the employee Engagement is different for participants having different tenure in the same organization. There was no statistically significant difference between groups as determined by one-way ANOVA ( $F= 2.028$ ,  $p = .0.109$ ). A Tukey post hoc test revealed that the score on employee Engagement was not statistically significantly different for any group based on tenure. Table 10 B.

- o Thus it could be stated that tenure really does not matter in employee Engagement.

## CONCLUSIONS

Every organization functions for the survival, growth and prosperity. While the survival depends upon workforce, growth depends upon competent workforce; prosperity depends upon committed and competent workforce. The number of employees is the measure of workforce, number of employees working for long is the measure of committed workforce. Employees may be found working in the organization following the instructions and obeying rules and regulations; but that does not guarantee the engagement of the employees. Administration needs to ensure that the adherence to instruction by employees is not coupled with resistance. Employees may be found to be working having grudges or grievance against the administration and *ceteris paribus* will always be looking after a new job. Adherence by employees can also be mere fulfillment of compliance in exchange of the salary. It is only when the employees are involved with commitment, we can say that organization has the engaged employee to steer the organization on the path of growth and prosperity.

The aim of this study was to gain insight into the relationship employee engagement has with the psychological contracts. The empirical results suggest that there is a statically significant relationship to the psychological contract fulfillment and employee engagement relationship. Organizations and their leaders

will face many challenges in the coming years. One of the most important challenges will be hiring, training, managing and retaining millennial employees.

Based on insights generated from this research, it can be concluded that overreliance on explicit contracts and ignorance of implicit

psychological contracts could lead to faulty decision-making by employers. Leaders would be well served to remember that employees are people, and not just members of their organizations. The administration has to ensure that the employees working in the organization are engaged i.e. working with commitment rather than merely fulfilling the compliance and / or resistance.

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