

Impact of Employee Psychological Contract on Job Satisfaction: A Study in a Leading Pharmaceutical Products Marketing and Distribution Company in Sri Lanka

Premathilaka, A. M. H. K. and Wijewantha, P.

The problem addressed through this study is, ‘why non-managerial employees at the selected Pharmaceutical Products Marketing and Distribution Company are not satisfied with their jobs?’ Over the past few years, the concepts of psychological contract and job satisfaction have gained considerable attention among both practitioners and academics. Accordingly, the purpose of this study, based on literature is to examine the impact of employee psychological contract on job satisfaction. As such, this study has one hypothesis, which checks the direct effect of psychological contract of employees on their job satisfaction. The population of the study is non-managerial workers in the selected organization. Since it is not practically possible to deal with the whole population, a sample of 88 employees was selected using the convenience sampling technique to conduct the survey. This quantitative study follows the deductive approach. The survey instrument was a self-administered anonymous questionnaire developed using standard measures available for variables and it is in English language. The measure for job satisfaction was adopted from the validated Minnesota Job Satisfaction Questionnaire (Short version of the MSQ) and Psychological Contract Inventory (PCI) developed by Rousseau was used to measure that variable. The data collected were analyzed using the Statistical Package for Social Sciences (SPSS) 20.0. The findings show a significant, positive impact of employee psychological contract on job satisfaction. This study has three limitations such as single source bias, examines limited factors affecting job satisfaction, and focuses on a small sample.

Keywords: *Job Satisfaction, Psychological Contract, Sri Lanka*