

## **A Study of Employee Perception towards Psychological Contract and Employee Job Engagement**

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Employees are one of the most important assets of an organization. In order to retain and engage them, it is important to evaluate and analyze the exchange relationship of the employees and the organization, known as psychological contract. The current study attempts to examine the relationship between employee perception towards psychological contract fulfillment and the employees' job engagement at the selected apparel sector organization in Sri Lanka. The study was quantitative and a cross-sectional survey design. Deductive approach was used in a non-contrived setting. Based on the previous literature reviewed, the researcher developed a conceptual framework for the study using the selected variables. Four non-directional hypotheses were developed for this study. Data was collected through a structured questionnaire. Random sampling technique was applied to select the sample, and the final sample consisted of 132 executive-level employees from selected apparel sector organizations in Sri Lanka. Pearson's correlation and simple regression was performed using SPSS version 26.0 to test the research hypotheses of the study.

It was found that perception towards psychological contract has a significant impact on employee job engagement and a positive relationship between these two variables. The researcher has studied most of the literature sources for this study and compared them with company background. It is suggested that improvements in the psychological contract in the existing context for increasing employee job engagement. Cross-validation of the findings of this study to be done in different industries and different cultures comparatively among a bigger sample in subsequent studies is recommended, which will add more insights to the substance of the present study. Finally, it is concluded that employee perception towards psychological contract impacts employee job engagement and there is a positive relationship between these two variables.

**Keywords:** *Psychological Contract, Employee Job Engagement, Employer Obligations, Employee Obligations*

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