



**IMPACT OF PSYCHOLOGICAL CONTRACT ON EMPLOYEE
RETENTION OF NOR LANKA MANUFACTURING COLOMBO
LTD.**

BY

H.A.S.PERERA

FGS/MHRM/2014/33

ප්‍රවේශ අංකය:	1367
වර්ග අංකය:	

**THESIS SUBMITTED TO THE FACULTY OF GRADUATE STUDIES,
UNIVERSITY OF KELANIYA SRI LANKA,
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE
DEGREE OF
MASTERS OF HUMAN RESOURCE MANAGEMENT**

SEPTEMBER 2016



ABSTRACT

Introduction

Psychological contract is an essential factor for employee retention. The aim of this research is to investigate the relationship between the contents of the psychological contract and employee intention to retain of Nor Lanka Manufacturing Colombo Ltd.

Objective

To examine the relationship between contents of Psychological Contract and employee's intention to retain

Methodology

The sample of this study consisted of 175 employees' works at Nor Lanka Manufacturing Colombo Ltd. In order to gather information a structured questionnaire is developed and distributed. The data were analyzed using SPSS 20 version and Descriptive Statistical technique, Correlation and Regression were used to test the hypotheses.

Findings

The statistical results of the study reveals that Job Security and Flexible Time Schedules are significant predictors of Employees Intention to Retain.

Conclusion

The review of literature suggests that the psychological contract is extremely important for organizations to manage as it has an impact on employee Intention to Retention. The study concludes that it is important to manage the psychological contract and human resource employee retention significantly impacts employee development as well as assessment of psychological contract fulfillment. The failure of a company to comply with its obligations (as perceived by an employee) can erode the employment relationship.

Key Words: Psychological Contract, Retention, Job Security, Recognition, Career Advancement and Flexible Time Schedules.