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THE EFFECT OF PSYCHOLOGICAL CONTRACT ON EMPLOYEE TURNOVER INTENTIONS: IN AMHARA NATIONAL REGIONAL STATE PUBLIC SECTOR BUREAUS

By

ESHETE GETAWA

A THESIS SUBMITTED TO THE GRADUATE SCHOOL OF BAHIR DAR UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS of BUSINESS ADMINISTRATION (MBA).

BAHIR DAR UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS DEPARTMENT OF MANAGEMENT PROGRAM

ADVISOR: ALAZAR AMARE (PhD)

JULY, 2022

BAHIR DAR, ETHIPOIA

BAHIR DAR UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS DEPARTMENT OF MANAGEMENT MASTERS OF BUSINESS ADMINISTRATION (MBA)

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STUDENT'S DECLARATION

I, the undersigned, confirmed that this study entitled "The effect of psychological contract on employee turnover intentions: in case Amhara national regional state public sector bureaus." This work is submitted by me for the grant of the Degree of Masters of Business Administration in Bahir Dar University. This work has not offered for a degree in any other university, and that all sources of materials used for the study have duly acknowledged.

Name of the student
Signature
Date of submission

CERTIFICATION

This is to certify that the thesis work entitled "The effect of psychological contract on

employee turnover intentions: in Amhara national regional state public sector bureaus."

submitted by Eshete Getawa for the partial fulfillment of Masters of Business Administration

(MBA) at Bahir Dar University, is an original work and not submitted earlier for any degree

either at this University or any other University.

Research Advisor: Alazar Amare /PhD/

Signature _____

Date_____

Place: Bahir Dar University

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Acronym

PC psychological contract

PCI Psychological Contract Inventory

ANOVA Analysis of Variance

SPSS Statistical Packages for Social Sciences

ETI Employee Turnover Intentions

TPC Transactional psychological contract

RPC Relational psychological contract

BPC Balanced psychological contract

TIPC Transitional psychological contract

ANRS Amhara National Regional States

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Abstract

The objective of the study was to examine the effect of psychological contract operationalized in terms of transactional, relational and balance, transitional contracts on employee turnover intention in Amhara national regional state public sector bureaus. The study employed on explanatory and cross sectional research design due to its intent to find the effect of psychological contract on employee's turnover intentions. Public sector bureaus populations of ANRS were 2847 employees. Stratified random sampling was used to sample 352 respondents who represented the total population of the study area. A quantitative approach was used and data were collected through questionnaires and analyzed using SPSS version 26 after coding and cleaning to eliminate any flaws. Data were analyzed using descriptive statistics, correlation, and multiple linear regression analysis. Pearson's correlation coefficient was used to analyze the data. The findings revealed that psychological contract (transactional and transitional) positively and (relational and balanced) negatively tend to contribute significantly in determining employee's turnover intentions. The results of the regression analysis model indicated that the four independent variables (transactional contracts, relational contracts, balance contracts, and transitional contracts) explain about 70.9 percent of the variation in the level of employee turnover intentions. Based on the findings, the study recommends, the management body should improve mutual trust, employee involvement, secure the wellbeing of employee, communication with employees so that they understand the company's strategic direction, goals, and objectives. This has the potential to reduce skepticism and uncertainty so as to maximize the reduction of the employees' turnover intention.

Keywords: psychological contract, transactional, transitional, relational, balanced and turnover intentions.

CHAPTER ONE

INTRODUCTION

1.1. Introduction

This study was investigated the effect of psychological contract on employee's turnover intention in Amhara National Regional States Public Sector Bureaus. The relationship between the independent and the dependent variables was examined in order to answer the research questions and to achieve the objectives of the research. Furthermore, this chapter was discussed the background of the research, research objectives and questions, hypotheses of the research, the scope of the study, significance of the study and organization of the study were stated concisely.

1.2. Background of the study

As a result of globalization, organizations are now a days facing the challenges of global competition, economic instability and technological changes, among others. These difficulties request organizations to change their strategies, specially, with respect to human resource management, to allow them remain active and competitive (Omoruyi, Chipunza, & Samuel, 2011). This led to increasing interests shown by both the academics and practitioners on how best to manage employment relationship (Rousseau & Scheperling, 2003). For these reasons, research in psychological contract and turnover intention becomes very vital.

The psychological contract can be defined as an individual's beliefs about the terms of the exchange agreement between employee and employer. It is about the concept of a transaction between two parties. Furthermore, it is also important to note that the psychological contract does not include any of items found in the employment contract. Instead of objective and defined promises, it concerns more implicit, subjective and supple ones (D. Rousseau, 1995).

According to Schein (1965) the concept of a psychological contact implies that there is an unwritten set of expectations exists at all times between every member of an organization and the various managers and others in that organization (Kotter, 1973). On the other hand, defined the term as an implicit contract between an individual and his organization which specifies what each expects to give and receives from each other in the relationship.

According to Freese (2007), a psychological contract relates to an employee's belief about his labor contribution and the expected reward from management. Emphatically, a psychological contract explained in few words implies the terms of an agreement between the employee and

the administration as it exists in the employee's mindset. It goes beyond the written contract terms but instead, deals with the belief of the employee. According to Social Exchange Theory, people engage in relations with other people because they are driven by the expectations of receiving inducements in return from the other party. Thus, in line with the norm of reciprocity, higher contract fulfillment is expected to lead to higher work engagement and lower turnover intention, (Gouldner, 1960).

On the other hand, According to Tekleab (2003) violations of psychological contracts are also one of the factors that cause intentions to move. When employees assume that their superiors are violating their promises to employees, then employees will assume that the relationship between them and superiors is an unequal relationship (Stoner, Gallagher, & Stoner, 2011). Therefore, to improve good relations that are mutually beneficial between superiors and subordinates psychological contracts are needed. Strong psychological contracts with employees will increase work productivity and employee performance. According to (Hui, Lam, & Law, 2000) the behavior of employees who show work results that match the expectations of superiors will be more considered than work behavior that is not real. Psychological contracts are seen as tangible forms of the work that employees give to the company. Employees who can make a higher contribution to the company will be rewarded by superiors (e.g. promotion) than those who contribute less to the company.

(D. M. Rousseau, 2000) psychological contracts can be classified into transactional, relational and balanced, transitional contracts. Transactional contact can be explained as the kind of contract which contains terms of exchange given in monetary value (for example, employees may expect a bonus when they have achieved more than their expected target). Relational contract is that which constitutes the relationship between employee and the organization. This is normally developed on non-monetary and socio-emotional factors based on trust and organizational commitment. Balanced psychological contract has emerged recently and combine the open ended time frame and mutual concern of relational agreement with the performance demand and renegotiation of transactional contracts (Wangithi & Muceke, 2012). Transitional psychological contract is about the agreement of the parties with short term exchange without specific performance terms(D. M. Rousseau, 2000)

Previous studies that examined the relationship between turnover intention and psychological contract are limited (McInnis, 2012). The studies of (Haq, Jam, Azeem, Ali, & Fatima, 2011;

McInnis, 2012; Raja, Johns, & Ntalianis, 2004) are examples of the few studies that looked at the relationship between relational and transactional psychological contract. The outcomes of these studies show that relational psychological contract is negatively related with turnover intention, while the transactional psychological contract is positively related with turnover intention. Also, most of the previous research on psychological contract used composite measures of breach, failing to separate the dimensions of psychological contract (Conway & Briner, 2002).

Study conducted by Malik and Khalid (2016) Psychological contract breach, work engagement and turnover intention evidence from banking industry in Pakistan. According to the research, psychological contract breach is significantly and positively related to employees' intention to leave. According to Chin and Hung (2013) consider it necessary to reduce the turnover intention level by considering the psychological contract and increasing the resilience of employees facing difficulties. Study conducted by Dwiyanti, Hamzah, and Abas (2020) on Psychological Contracts, Job Stress, and Turnover Intention for Salesperson Retail Company, their findings show that, there is a significant relationship between Psychological Contract and Turnover Intention.

To the best of the researcher knowledge, no previous researches have been directly addressed the effect of psychological contract on employee turnover intentions in the Ethiopian public sector in general and Amhara national regional state public sector bureaus particular. As a result, this study attempt to partially feel this empirical research gap in Ethiopian context by examining the effect of psychological contract on employee turnover intentions in Amhara national regional state public sector bureaus.

1.3. Statement of the problem

Staff, employees or workers are fuels or blood of every organization. Without them, the organization will not function & perform well. They perform every task necessary for the success of the organization. The owner or the manager cannot make a business grow all by him; Employees are needed to ensure that different tasks are being given focus and that the business operations function with ease and mobility (Erasmus, Grobler, & Van Niekerk, 2015). In spite of the fact that sufficient and capable human resources are crucial in an organization it may not be a guarantee for organizational success (Eylachew, 2016). This can be attributed due to capable, committed, & experienced employees are unexpectedly leaving the organization; which results in organizational performance & productivity increment through an effective & efficient way

becomes a nightmare(Park, 2015). For these reasons, turnover intent is something which organizations would very much like to reduce even if they cannot avoid.

Today, the most serious issue for employers in all industries is not hiring, but rather retaining qualified and capable employees(Murphy & Williams, 2005). The relationship between an organization and its employees is an exchange relationship bounded by contractual agreements. However, a written contract alone is not sufficient to cover the gamut of relationships in organization. Two major types of job agreements are used in organization, these agreements are arranged in the form of formal and psychological contracts (Yusuf, YUSUF, IDRIS, & Salisu, 2021a). There are a few of researches that studied the consequences or outcomes of perceived psychological contract on employee's behavior, attitude and feelings. Such studies include Malik and Khalid (2016), Ongori (2007), Umar and Ringim (2015). These studies indicated that the perceptions of psychological contract breach were positively related to employee turnover intentions or actual turnover.

According to Collins (2010) in a research carried out on The effect of psychological contract fulfillment on manager turnover intentions and its role as a mediator in a casual, limited-service restaurant environment, Three-hundred-twenty-eight (328) managers was selected from four different organizations that operate franchised casual, limited-service restaurants in different geographic regions of the United States, completed an online survey. These studies indicated that psychological contract significantly influences turnover intentions.

In a research done by Wang, Li, Wang, and Gao (2017) Psychological Contract and Turnover Intention: The Mediating Role of Organizational Commitment, Through the questionnaire survey of employees in high-tech enterprises in Xi'an City, used the structural equation model for empirical research; The study reveals that the transactional and relational psychological contract has a significant impact on turnover intention. In a research done by (Guchait, Cho, & Meurs, 2015) studies carried out on Psychological Contracts, Perceived Organizational and Supervisor Support: Investigating the Impact on Intent to Leave Among Hospitality Employees in India. According to the findings, relational contracts had a significant impact on employees' intent to leave.

According to Ahmad and Khan (2015) in a research carried out on Psychological Contract Breaches and its Impact on Employee Turnover Intention and Job Satisfaction in Peshawar district private school. Non probability convinces sampling technique was used for data

collection. The finding shows that psychological contract breach is negatively related with employee turnover intention.

Umar and Ringim (2015) conducted research on the Psychological Contract and Employee Turnover Intention among Nigerian Employees in Private Organizations. A survey and cross sectional research design was used. According to their Findings they concluded that Transactional psychological contracts have a strong positive relationship with employee turnover intentions in private organizations in Nigeria. Furthermore, the relational and balanced dimensions of psychological contracts are significantly related to the intention to leave a private organization.

In research done by (Moquin, K. Riemenschneider, & L. Wakefield, 2019) on Psychological Contract and Turnover Intention in the Information Technology Profession, administered an online survey to a group of IT professionals fitting a set of criteria using panel data supplied by an organization specializing in Internet-based research. The finding shows that Psychological Contract Breach affects turnover intentions. The higher the expectations that are not met, the more likely the employee will leave the organization

Study conducted by (Yusuf et al., 2021a) the effect of psychological contract on turnover intention among primary school teachers in Ajingi and Tarauni LGEAs of Kano State. The result disclosed that, the transactional psychological contract has significant and negative effect on turnover intention among primary school teachers in Ajingi and Tarauni LGEAs in Kano State.

In research done by FEKADE (2020) on the influence of psychological contract on employees' turnover intention in case of Ethiopia commodity exchange. Findings revealed that the relational psychological contract has significant and negative correlations with employee's turnover intention.

The above-mentioned researchers such as Umar and Ringim (2015), Yifeng Wang, Moquin et al. (2019), Wang et al. (2017) founded that there were a significant positive relationship between psychological contract and employee turnover intention. However, a research done by Ahmad and Khan (2015) and Bashir Yusuf concluded that there ware psychological contract breach is negatively associated with employee turnover intention, the finding (Yusuf, YUSUF, Idris, & Salisu, 2021b) revealed that transactional psychological contract has an insignificant but positive effect on turnover intention among health workers in Kano State. Therefore, this implies

that there is inconsistency of findings among the effect of psychological contract on employee's turnover intention.

To sum up, there is a lack of study on the effect of psychological contract on employee turnover intentions in the study area. Moreover, to the best of the researcher knowledge no study was carried out to investigate the effect of psychological contract on employee turnover intentions by incorporating the four psychological contract dimensions, such as transactional, relational, balanced and transitional psychological contract. Hence, this study was concerned to partially fill these gaps and expand the limits of knowledge by examining the effect of psychological contract on employee's turnover intentions in Amhara national regional states public sector bureaus. As a result, all the above mentioned issues influence the researcher to conduct a study to investigate the effect of psychological contract on employee's turnover intentions in Amhara national regional states public sector bureaus.

1.4. Research questions

The study was addressed the following a specific questions.

- To what extent the employees understanding about psychological contract in Amhara national regional state public sector bureaus?
- Which psychological dimensions significantly affect employee's turnover intentions in Amhara national regional state public sector bureaus?
- What is the effect of transactional psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus?
- What is the effect of relational psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus?
- What is the effect of balanced psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus?
- What is the effect of transitional psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus?

1.5. Research Objectives

1.5.1. General objectives

The general objective of this study is to investigate the effect of psychological contract on employee turnover intentions in Amhara national regional state public sector bureaus.

1.5.2. Specific objectives

Based on the general objective, the specific objectives of this study are the following:

- To determine the understanding level of employee about psychological contract in Amhara national regional state public sector bureaus.
- To investigate which of these psychological dimensions significantly affect employee turnover intentions in Amhara national regional state public sector bureaus
- To examine the effect of transactional psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus.
- To investigate the effect of relational psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus.
- To assess the effect of balanced psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus.
- To determine the effect of transitional psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus.

1.6. Hypothesis

To attain the intended purpose as well as the research problem stated above, the study had the following four testable hypotheses. The hypothesis was developed on the bases of the theoretical and conceptual frame works which is stated in detail in the literature part (see chapter two).

 $\mathbf{H_{1:}}$ Transactional psychological contract has a significant positive effect on employee's turn over intention in Amhara national regional state public sector bureaus.

H₂: Relational psychological contract has a significant negative effect on employee's turn over intention in Amhara national regional state public sector bureaus.

H_{3:} Balanced psychological contract has a significant negative effect on employee's turn over intention in Amhara national regional state public sector bureaus.

H₄: Transitional psychological contract has a significant positive effect on employee's turn over intention in Amhara national regional state public sector bureaus.

1.7. Significance of the study

It is imperative that this study provides very useful information for employers, human resource managers, employees, researchers, and organizations as a whole. One role of any academic/educational research is to enlarge the limits of knowledge. It is the researcher's belief

that the findings would help to improve the available knowledge on psychological contract in employee turnover intentions. Even it leads to further investigations by other scholars on another dimension of this psychological contract, therefore forming a basis for reference in the future. On the other hand, to the researcher, aside from being a required research paper for fulfillment of the MBA Degree, is also vital to extend knowledge on finding solutions to various social, business, and public problems. As a result, it also provides information for both the public and private sectors organizations how turnover intention of employees affects organizational wellbeing and helps to design feasible strategic plan to reduce intent to leave.

1.8. Scope of the Study

This study was limited interims of conceptual, geography, target groups, time, and issues. As a result, the research focused on the impact of psychological contracts (transactional, relational, balanced, and transitional) on employee turnover intentions. The purpose of this study was to investigate the impact of psychological contracts on employee turnover intentions only in Amhara National Regional state public sector bureaus. The study employed an explanatory research design as well as a cross-sectional field survey design. The regional public sector bureaus have a population of 2847 employees, from which the researcher chose the necessary sample to provide the necessary information on the research questions. The study was targeted professional employees in various positions at Amhara national regional state public sector bureaus in 2014.

1.9. Organization of the study

This study was organized into five chapters, chapter one incorporated about the introduction, background of the study, statement of the problem, objectives of the study, and research question, hypothesis, significance of the study, and scope of the study. Chapter two provides an overview of the existing literature which includes definitions of terms, theoretical, empirical related literature review and conceptual framework of the study. Chapter three present the methodology which includes the research design, research approach, sampling frame, sampling techniques, measurement of variables as well as describes the data collecting and analysis methods. The fourth chapter presents the findings of the study and a discussion of the findings within the context of previous studies and the theories that reinforce the study. The fifth and final chapter presents a summary of the findings, conclusions, and recommendations arising from the

study. At the end of the thesis, limitation of study, references and a set of appendices including the questionnaires of the survey forms to collect primary data for the study.

1.10. Operational term definitions

Transactional Psychological Contract: refers to specific, low involvement and over a limited period of time.

Relational Psychological Contract: is an emotional exchange between the two concerned parties i.e. employee willing to be a loyal and long-term employee as well as making adjustments to ensure the job security.

Balanced psychological contract: is the combine of employer commitment to employee development.

Transitional Psychological Contract: is a passing phase of relationship between the two parties that reflect the absence of commitments regarding future employment.

Turn over Intention: is defined as an employee's plan to leave their current job and look for another job in the near future.

1.11. Conclusion

As a summary, in this chapter, the general background of this study was discussed in detail. It was include a statement of the problem, objectives of the study, and research question, hypothesis, the significance of the study, the scope of the study, and organizations of the study was stated. The next chapter presents a review of related literature.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

This chapter was presented a review of related literature that had been done by various researchers on the impact of psychological contract on employee's turnover intentions. Therefore, this chapter mainly focuses on the concepts of psychological contract, theories of psychological contract, the theoretical framework of the study, empirical studies and conceptual framework of the study.

2.2. Concepts and definitions of psychological contract

2.2.1. The Concepts of Psychological contract

Conceptualize means resolving what to measure in order to find out the effects of psychological contract on employee turnover in the organizations. The effects of psychological contract on employee turnover intentions in the organization was regarded by examining variables of transactional, relational, balanced and transitional at the workplace.

2.2.2 Definitions of Psychological contract

According to the literature, there are numerous definitions of what psychological contract is and what the concept actually included. The concept of psychological contract was used by Argyris in the year (1960) for the first time in order to express the relationships between the organization and the personnel. (Argyris, 1960) who made mention of the contract as a concept for the first time(1960) expressed it in the form of "the contract that is implicit and unwritten between the two parties to respect the norms of each other." Levinson expressed the concept of psychological contract as a significant contribution at the time when the concept first emerged (1962) as the total of the mutual expectations between the personnel and the organization.

According to Schein (1980) stated this concept in another way "a series of expectations between the personnel himself and the organization in which he takes place that are unwritten. (Levinson, Price, Munden, Mandl, & Solley, 2013) is the father of the concept and defined psychological contract as "unwritten contract, the sum of the mutual expectations between the organization and employee". Psychological contracts are mental models or schemas that develop through an individual's interactions and experiences.

The definition given by D. M. Rousseau (1990) highlights employees" perception of the existence of mutual obligations deposited with the employer.

An organization, regardless of its structure, depends upon an effective combination of managers supervising the performance of their direct reports and all employees making their contribution towards organizational goals. There are several organizational behavior theories that support the concepts of psychological contract and turnover intention such as the leader member exchange theory and social exchange theory. For the purpose of this research, both theories support this study. The social exchange framework generally refers to any theoretical approach or conceptualization that is characterized with exchange of resources (material or symbolic) between or among individuals. It refers to one of the main exchange concepts which are rewards, cost and reciprocity (Sprecher, 1998). The idea of reciprocity is based on the social exchange theory which suggests that social behavior is the result of an exchange process (GRANT, 2010). In other words, the social exchange theoretical perspective accounts for social structure: as a process of negotiated exchanges between parties based on the expectations that inputs will lead to balanced outcome. And those social relations (such as employment relationship) are formed by the use of a subjective cost-benefit analysis and the evaluation of alternatives (Gouldner, 1960). Thus, on the basis of its recognition of economic and social exchange, this theory laid the basic foundation for understanding the relational and transactional psychological.

A psychological contract is a set of beliefs that an individual employee holds about the terms of the exchange agreement between the employee and his or her organization (Antonaki & Trivellas, 2014) and an exchange concept providing a broad explanatory framework for understanding employee-organization linkages (Argyris, 1960; Schein, 1980). This implies that the individual has different expectations of the organization and that the organization has different expectations of him (Armstrong & Taylor, 2020). These expectations include not only how much work is to be done for how much pay, but also the entire pattern of rights, privileges, and obligations between workers and organizations. As a result, while such expectations are not written into a formal agreement between employees and organizations, they are powerful determinants of behavior (DeNisi & Griffin, 2005). These beliefs are based on the perception that a promise (of employment or career opportunities) and a consideration offered in exchange for it (accepting a position, foregoing other job offers), which binds the parties to some set of reciprocal obligations(D. M. Rousseau & Tijoriwala, 1998).

2.3. Importance of Psychological Contract

Anderson and Schalk (1998) make it evident through their interaction with the employees that the psychological contract is an explanatory notion. It has a high 'face validity,' and everyone agrees that it exists because most employees can describe the content of their contract. A psychological contract emerges when an individual believes that he or she makes obligate the organization to reciprocity (or vice versa), a psychological contract emerges. A belief that reciprocity will occur can be a precursor to the development of a psychological contract (D. M. Rousseau, 1989).

When intimates start counting what each brings to the relationships, there arouses a reason to question the shape that relationship is in. In terms of the importance of psychological contract in organizations and institutions, it motivates employees to fulfill commitments made to employers when employees are confident that employers will reciprocate and fulfill their end of the bargain. Employers in turn have their own psychological contracts with employees, based on their individual competence, trustworthiness and importance to the firm's mission (D. M. Rousseau, 2004). Some employees might feel that the organization is failing to meet its obligations and view their expectations not being realized. This could affect employee's overall loyalty and performance (Sarantinos, 2007). for now is an era of employment relations than industrial relations(D. E. Guest, 1998).

Employees in general claimed that they felt less secure in their jobs compared to a few years ago. The reasons they gave were primarily related with the declining levels of demand and the resulting reduction in production levels (Martin, Staines, & Pate, 1998). Psychological contract is a belief that the main expectation of employees in return for their input to the company was a level of employment stability both in terms of working environment and job security (Sarantinos, 2007). The extents to which beliefs, values, expectations, and aspirations are perceived to be met or violated, as well as the degree of trust that exists within the relationship, are important in determining the continuation of the psychological contract (Middlemiss, 2011).

2.4. Features of Psychological Contract

A PC contains three important elements: agreement, reciprocal exchange and beliefs (D. M. Rousseau, 1989) as discussed below.

Agreement: A PC contains employees' expectations of their employers, employees' self-perceived obligations to their employers, and the implicit promises made by the employers

(Niehoff & Paul, 2001). A PC encompasses employees' expectations of the employment relationship and their employers' roles and responsibility towards them, which can be related to promotion opportunities, work environment and reasonable demand (Robinson, 1996). Employees perceive it as a promise in entitlements, obligations and expected returns from their employers(Yan, 2018) and they expect their employers to fulfill these promises. All these elements are expected to exist and be realized in the employment relationship. They are regarded as promises made by employers, and the absence of any component can disappoint the employee. Employers have obligations to fulfill the expectations. Thus, a PC can be understood as a contract between employers and employees, even though it is not written, communicated or signed.

Reciprocal exchange: A PC is a two-way relationship (Herriot & Pemberton, 1997) and is based on the rule of reciprocity. A PC does not just include the employee's perspective, but can also include the employer's perspective(D. M. Rousseau, 1989). While employees have expectations of the employment relationships, employers have expectations from their employees as well. Employers have expectations regarding the obligations and contributions to be made by employees. Thus, a PC is not a one-way contract committed by employers for their employees, but is a two-way expectation and relationship. For example, when an employee produces high-quality work and receives a pay increment, the employee's expectation of receiving rewards and employer's expectation for good performance are met. This is an example of reciprocal exchange.

Beliefs: No explicit communication or agreement is made between employees and employers for PC formation. The PC is never discussed and agreed explicitly, as with an employment contract (Niehoff & Paul, 2001). A PC is only a belief perceived by employees and is subjective in nature (D. M. Rousseau, 2011). Thus, a PC is formulated by employees psychologically and the contents are unknown to employers. It is only a perception of the employment relationship. Different employees working in the same organization can hold different PCs, while employer and employee may also hold different PCs for the same employment role (D. M. Rousseau, 1989).

2.5. Dimensions of Psychological Contract

According to D. M. Rousseau (2000) there are four Dimensions of contract we can use to define the kind of employee-employer relationship.

2.5.1. Transactional psychological contract

Transactional Contract refers to specific and monetizable exchanges over a limited period of time (Wangithi & Muceke, 2012). Transactional contract indicates that the employee is required to perform only a fixed set of duties and to execute that which is required by the employer. In this contract, the employer is obliged to offer adequate compensation to employee in exchange of his duties. Use of 'transactional psychological contracts' - where employees do not expect a long-term 'relational' process with their organization based on loyalty and job security, but rather perceive their employment as a transaction in which long hours are provided in exchange for high contingent pay and training – seemed to capture the mood of the day regarding labor market flexibility and economic restructuring of the employment relationship (Nwokocha, 2015). They undertake certain characteristics such as highly competitive wage rates and the absence of long-term commitments(D. M. Rousseau, 1990). Negotiation of transactional contracts is likely to be explicit and require formal agreement by both the parties(Conway & Briner, 2005).

2.5.2. Relational psychological contract

Relational contracts are more amorphous and open ended and subjectively understood by the parties to the exchange. They are concerned with the exchange of personal, socio emotional, and value based, as well as economic resources (Conway & Briner, 2005) and they exist over a period of time. Williamson (1979) in his research work has mentioned that relationships and relational issues such as obligations play increasingly important role in economics and organizational behavior (D. M. Rousseau, 1990). (D. Guest & Clinton, 2011) express the view that workplaces have become increasingly fragmented because of newer and more flexible forms of employment. Simultaneously, managers have become increasingly intolerant of time-consuming and sluggish processes of negotiation under conventional employment relations systems. Consequently, promises and deals which are made in good faith one day are quickly broken due to a range of market imperatives. With the decline in collective bargaining and the rise of so-called individualist values amongst the workforce, informal arrangements are becoming far more significant in the workplace. As a result, the 'traditional' employment relations literature is argued to be out of touch with the changing context of the world of work (Cullinane & Dundon, 2006). Relational contract establishes and maintains a relationship that involves both monetizable and non- monetizable exchanges (e.g. hard work, loyalty and security) (D. M. Rousseau, 1990).

2.5.3. Balanced psychological contract

A balanced contract includes both transactional and relational dimensions which are dynamic and open-ended employment arrangements based on the firm's economic success and worker opportunities to advance in their careers. Both worker and firm contribute highly to each other's learning and development. Rewards to workers are based upon performance and contributions to firm's comparative advantages, particularly in face of changing demands due to market pressures (D. Rousseau, Schalk, Schalk, & Schalk, 2000).

Balanced contracts combine commitments on the part of the employer to develop workers (both in the firm or elsewhere if need be), while anticipating that workers will be flexible and willing to adjust if economic conditions change and such contracts anticipate renegotiation over time as economic conditions and worker needs change. Balanced contracts entail shared risk between worker and employer (D. M. Rousseau, 2004).

2.5.4. Transitional psychological contract

As the name implies, Transitional Contract is a passing phase of relationship between the two parties that reflect the absence of commitments regarding future employment (Aggarwal & Bhargava, 2009). They are not a psychological contract form itself, but a cognitive statement, reflecting the consequences of organizational change and transitions that are at odds with a previously established employment arrangement (D. Rousseau et al., 2000).

This type of psychological contract is more of a makeshift arrangement where the changes in organizational context and socio-economic are reflected and transitions made are in contradiction with a previously established arrangement or psychological contract (Muraguri, 2020). It is basically a collapse in contracts, showing the lack of commitments in respect of future employment as well as no specific performance demands or conditional incentives. This state is usually experienced during organization's process of merging with another or acquiring another and uncertainties in work life.

2.6. Social Exchange Theory

Social exchange theory provides an insight on how a breach of this kind of relationship as psychological contract may lead to negative reaction. This type of exchange is defined by Blau (1964) as the voluntary actions of individuals motivated by the returns they are expected to bring and typically do bring from others. Cropanzano and Mitchell (2005) suggest that the parties

involved act in a manner that both will reciprocate the actions of one another such as creating mutual obligation over time. If any of the party to the contract does not reciprocate, feeling of imbalance is created between the contributions of the parties involved. Therefore, an employment relationship, when employees perceive that their employer fails to reciprocate their contribution. They are likely to respond through negative emotions such as frustration and anger. However, they can reduce the imbalance or restore the balance through reduction of organizational commitment, trust and other important behaviors and attitudes (Taylor & Tekleab, 2004).

2.7. Employees turn over intentions

Different definitions of turnover intention have been given by various authors. Most definitions are channeled towards the same area and have similar meanings. According to Matz, Woo, and Kim (2014) turnover intention is the conscious, deliberate and willfulness of an employee to leave an organization. In other words, turnover intention, intention to quit or leave is define as the desire to withdraw one's services from an organization. Various reasons could be attached to turnover intention such as unfavorable working environment, pay reduction, psychological and social factors, health status, nature of job etc. Organizations suffer from employee turnover through loss of experienced workers and good customer relationship (Aladwan, Bhanugopan, & Fish, 2013).

Turn over Intention or intent to leave is defined as an employee's plan to leave their current job and look for another job in the near future (Purani & Sahadev, 2008). Tett and Meyer (1993) described turn over intention as a conscious wish to search out for a job with a new organization. Turnover intention is recognized to have a most important adverse effect on organizational efficiency and job satisfaction. Turnover intention or intention to leave or quit is a personal wish or desire to leave the organization or Company (Elangovan, 2001). According to Price (2001), it is not only planning to stop the location, but the job they perform role, and also the organization. One of the significant factors of turnover behavior (i.e., giving up behavior) has been discovered to be the intention to quiet (Brigham, De Castro, & Shepherd, 2007). Reduction of workers turnover can result psychological problems, decrease efficiency, service quality, and increase employment cost (Achoui & Mansour, 2007). It can also reason to perform excess, doubt, interruption in work-flow, and further turnover (Balogun & Olowodunoye, 2012). (Blomme, Van Rheede, & Tromp, 2010) recommended that companies should aim to better recognize more

Theories and Models of Turnover Intention All developed theories and models of turnover intention have the potential to contribute to a better understanding of this research and thus cannot be ignored in any review of the turnover intention literature. The researcher had to focus on theories and models of turnover intention that were related to this research because of the enormous quantity of research articles over the years. The main theories and models are as follows: circumstances of turnover to learn improved ways to handle worker.

2.8. Models of Turnover Intention

All developed turnover intention models have the potential to contribute to a better understanding of turnover intentions.

2.8.1 March and Simon's Model

March and Simon (1958) developed the first formal turnover intention model, named the process model of turnover, which is one attaining most attention from researchers by far. According to the statement of March and Simon, perceived ease of movement, which means the evaluation of perceived substitution or opportunity and perceived desirability of movement, which is impacted for situation by job satisfaction, are the two major factors that lead to turnover decisions (Morrell, Loan-Clarke, & Wilkinson, 2001). Although March and Simon's model has been developed for several years, many limitations still exist. First, a static instead of a procedural view of turnover is present in their models. Secondly many important factors that impact the turnover process, such as organizational commitment and leadership, were not present.

2.8.2 Mobley's Turnover Model

Mobley (1977) investigated the connection between job satisfaction or dissatisfaction, and turnover. He proposed that if people are dissatisfied with their current employer, they will consider quitting after conducting a cost/benefit analysis that weighs the opportunities for alternative employment versus the cost of quitting. Mobley's turnover model has inspired many scholars in their research on turnover including (Hom & Griffeth, 1991). However, the drawback of Mobley (1977)model is that it is not able to represent the true sequence of the entire withdrawal decision process.2.8. Review of Theoretical Literature

2.9. Empirical Review

The empirical study concerns on prior academic research on the assessment of psychological contract and employees intention to leave. Few studies have been conducted to establish the

relationship between psychological contract and intention to leave (or quit) or turn over intention.

In research done by Paracha (2014) examined on the relationship between psychological contract breach and fulfillment on employees' intention to quit. Data was collected from a sample of 300 employee's telecom sector of Rawalpindi/Islamabad, Pakistan. Correlation and Regression analysis was used to explore the relationships between psychological contract breach, fulfillment and employees' intention to quit. A positive relationship was found between psychological contract breach and intention to quit behavior of employees and a negative relationship between psychological contract fulfillment and intention to leave.

In research done by (BÜYÜKYILMAZ & ÇAKMAK) on the effect of relational and transactional psychological contract breach on turnover intention and perceived organizational support. Data for the sample was collected from 570 academicians from state and foundation universities in Turkey via survey method. Hierarchical regression analyses were conducted to test the hypotheses. The results show that relational psychological contract breach had an increasing effect on turnover and transactional psychological contract breach had an insignificant effect on turnover intention.

In research done by Aykan (2014) on the Effects of Perceived Psychological Contract Breach on Turnover Intention: Intermediary Role of Loneliness Perception of Employees. The survey was conducted over 500 employees of 5 businesses operating in manufacturing industry of Kayseri Organized Industrial Region. Businesses were selected through convenience sampling method. There was a positive relationship between relational contract breach and turnover intention but a significant relationship was not observed between transactional contract breach and turnover intention.

Collins (2010) in a research carried out on The effect of psychological contract fulfillment on manager turnover intentions, Three-hundred-twenty-eight (328) managers was selected from four different organizations that operate franchised casual, limited-service restaurants in different geographic regions of the United States, completed an online survey. These studies indicated that psychological contract fulfillment was a statistically significant predictor of turnover intention among employees. Psychological contract breach has been found to be positively related to intention to leave an organization. However, empirical studies that looked into relationship between turnover intention and contract types are limited (McInnis, 2012).

Dwiyanti et al. (2020) studies conducted on Psychological Contracts, Job Stress, and Turnover Intention for Salesperson Retail Company, The sample of this study was 274 employees of the sales department of retail companies in Purwokerto and study used quantitative methods. Analysis of the data ware used Structural Equation Modeling (SEM) PLS. The finding reveals that there is a significant relationship of Psychological contract with Turnover Intention.

According to Moquin et al. (2019) studies carried out on Psychological Contract and Turnover Intention in the Information Technology Profession. The findings indicate that Psychological Contract Breach affect turnover intentions.

According to Ernest (2020) conducted research on psychological contracts and employee retention: evidence from the Uyi Grand Hotel in Benin City, Edo State. A descriptive method was adopted and data was collected via a survey of 53 respondents. Data collected were analyzed using correlation and linear regression analysis with the aid of Statistical Package for Social Sciences (SPSS) version 21. The study's findings revealed that a significant relationship between psychological contract and employee retention. The study also discovered that psychological contracts have a positive and significant impact on employee retention.

In research done by Collins (2010) investigated the effect of Psychological Contract fulfillment and turnover intentions of 328 managers in four different organizations that operate franchise restaurant in different parts of United States. Using a structural equation modeling, the author further explored the mediating role of PC fulfillment between Leader Member Exchange and turnover intention. The result of the study shows that PC fulfillment is significant as a predictor of turnover intentions.

In research done by Arshad (2016) on psychological contract violation and turnover intention. A longitudinal survey method was used to collect data. The final sample was 281 cases. Confirmatory factor analysis and hierarchical regression models were used to test the hypotheses. The finding show that PCV is positively related to turnover intention and the relationship is moderated by cultural value orientations.

Study conducted by Eryeşil and TAŞPINAR (2021) on The Effect of Psychological Contract on Job Satisfaction and Intention to Leave the Case of a Public University. The finding was the psychological contract perception is effective on job satisfaction and intention to leave.

Study conducted by Umar and Ringim (2015) examined on the relationship between psychological contract factors operationalized in terms of transactional, rational and balance

psychological contracts and employee turnover intention in private sector organization in Nigeria. A structured questionnaire was used to ascertain the responses from 280 respondents. Findings of the study indicated that transactional psychological contract has a strong positive significant relationship with turnover intention of employee in private organization in Nigeria. The relational and balance psychological contracts dimensions were significantly related to turnover intention to leave a private organization.

The psychological contract involves the employee receiving benefits such as pay, training and job security, in return for providing effort and contribution to the organization (Barnard, 1938). Rousseau recognizes the psychological contract as a particular type of promissory contract and, because it involved beliefs, it existed "in the eye of the beholder (Newell & Dopson, 1996). It is important to have a healthy psychological contract to ensure a harmonious relationship between the employee and employer, and once violated by either party they no longer have a common set of goals (D. M. Rousseau & McLean Parks, 1993). D. M. Rousseau (2001) mentioned that researchers had proposed four different typologies including relational, balanced, transactional and transitional to conceptualize the forms of promissory contracts.

2.9.1. The Effect of Transactional psychological contract on employee turnover intention.

Transactional contracts are temporary or short-term employment arrangements. They are primarily concerned with the economic exchange provided by the employee's duties, which provide specific, narrow, and limited involvement in the organization (Griffeth, 1995; D. M. Rousseau, 2001). (D. M. Rousseau, 2001) proposed two constructs to measure transactional contracts, namely Narrow and Short-term. Narrow measures the employee-employer relationship in a limited or fixed scope of duties. The employee is obligated and paid to perform only an agreed set of duties. The employer has committed to offering the employee only limited involvement in the organization with little or no training and employee development opportunities. Short-term assess the employee-employer relationship over a specific and limited time period. The employee is under no obligation to stay with the organization and is only committed to working for a specific and limited period of time. The employer is not obligated to any future commitments.

Previous study conducted by Umar and Ringim (2015) show that transactional psychological contracts have a strong positive relationship with employee turnover intentions in private

organizations in Nigeria. WY and CHENG (2020) finding reveal that a positive relationship between the Psychological Contract Transactional and Turnover Intention.

Study conducted by Khan, Shahzad, Ullah, Khan, and Wasim (2012) on role of transactional and relational contract in employee turnover intention (a study of business affiliated institutions employees of Peshawar Pakistan). The result shows that transactional contract has a significant impact on the turn over intention of employees.

In research done by FEKADE (2020) studies carried out on the influence of psychological contract on employees' turnover intention in Ethiopia commodity exchange. The result show that transactional psychological contract were positively related with employee's turnover intention

2.9.2. The Effect of Relational Psychological Contract on Employee Turnover intentions.

Relational contracts are based on mutual trust and loyalty; it is a long-term or open-ended employment relationship. The rewards are derived from membership and participation in the organization and are only loosely associated to employee performance. (Griffeth, 1995; D. M. Rousseau, 2001). Rousseau(2001) proposed two constructs to measure the relational contracts, they are stability and loyalty. Stability is a long-term employment relationship in which the employer commits to paying stable wages, and the employee is obligated to do what is required to keep the job and remain with the organization. In loyalty contracts, the employees demonstrate that they are good organizational citizens': they are obligated to support the firm, manifest loyalty and commitment to the needs and interests of the organization. In return, the employer is dedicated to the well-being and interests of its employees and their families.

Study conducted by Khan et al. (2012) on the role of transactional and relational contract in employee turnover intention (a study of business affiliated institutions employees of Peshawar Pakistan). The findings show that relational contract has an impact on turn over intention of employees.

According to WY and CHENG (2020) conducted research in the Hong Kong Telecommunications Industry on Psychological Contracts, Work Behavior, and Turnover Intention. A quantitative research methodology was used in this research by surveying employees. A total of 227 valid responses were received, and the data was analyzed by Partial Least Squares Structural Equation Modeling (PLS-SEM). The results showed a negative relationship between the Psychological Contract Relational and Turnover Intention.

In research done by FEKADE (2020) studies carried out on the influence of psychological contract on employees' turnover intention in Ethiopia commodity exchange. According to the findings, relational psychological contracts were negatively related to employee turnover intention.

2.9.3. The effect of balanced psychological contract on employee turnover intentions.

Balanced contracts are dynamic and open-ended employment arrangements, which are conditional on the economic success of the firm and employee opportunities to advance in their careers. Employees and employers both benefit from each other's learning and development. The rewards to employees are performance-based, which can contribute to the firm's comparative advantages, particularly under the market pressure of changing demands (Griffeth, 1995; D. M. Rousseau, 2001). There are three constructs proposed by D. M. Rousseau (2001) to measure the balanced contracts, namely External Employability, Internal Advancement and Dynamic Performance. External employability measures the obligation to career development on the external labor market. The employee is obligated to develop their own skills which are demanded in the market, and the employer makes a commitment to enhance the employee's long-term employability whether it is inside or outside the organization. Internal advancement measures the obligation to career development within an organization. The employee has an obligation to develop their own skills which can be of value to their current employer, and the employer has made a commitment to create internal career advancement opportunities for the employee. Dynamic performance measures the obligation to performance support. The employee is obligated to take up and perform well new and more demanding goals, which constantly change, in order to help the firm become and remain competitive. The employer is committed to providing continuous learning opportunities to help employees achieve their performance requirements. WY and CHENG (2020) conducted research in the Hong Kong Telecommunications Industry on Psychological Contracts, Work Behavior, and Turnover Intention. A quantitative research methodology was used in this research by surveying employees. A total of 227 valid responses were received, and the data was analyzed by Partial Least Squares Structural Equation Modeling (PLS-SEM). The finding revealed that a negative relationship between the Psychological Contract balanced and Turnover Intention. Finding by Umar and Ringim (2015) Psychological Contract and Employee Turnover Intention among Nigerian Employees in Private Organization. Findings showed that balanced dimensions of psychological contracts are significantly related to the intention to move to leave a private organization

In research done by FEKADE (2020) studies carried out on the influence of psychological contract on employees' turnover intention in Ethiopia commodity exchange. The findings show that a balanced psychological contract is negatively related to employee turnover intention.

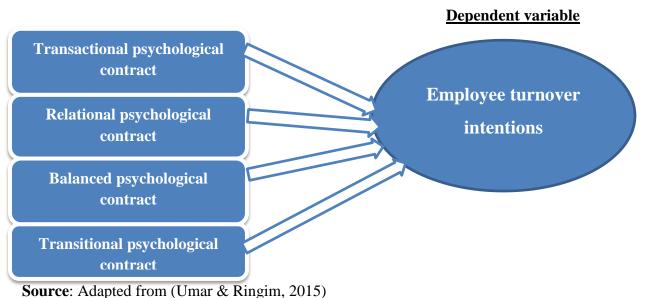
2.9.4. The Effect of Transitional psychological contract on employee turnover intentions

Transitional contracts are a cognitive state reflected in the consequences of organizational change and transition that are at odds with previously established employment arrangements (Griffeth, 1995; D. M. Rousseau, 2001). According to D. M. Rousseau (2001) proposed three constructs to measure transitional contracts, namely Mistrust, Uncertainty and Erosion. Mistrust examines the lack of trust between the employee and the employer. This is because the employee believes the organization sends unclear, inconsistent and mixed information about its intentions. The employer does not trust its workers either, and withholds important information about the organization. Uncertainty measures the relationship between the employee and employer in an environment of the ambiguity of obligation and future commitments. The employee is not clear about the nature of his or her own obligations to the firm and the employer evaluates the extent that the employee is uncertain regarding the employer's future commitments to him or her. Erosion appraises the lack of trust between the employee and the employer. The employee anticipates a declining of returns from his or her contributions to the firm compared to the past and the employer has introduced changes that reduce employee rewards, e.g. wages and benefits, eroding the quality of work-life compared to previously. WY and CHENG (2020) conducted research in the Hong Kong Telecommunications Industry on Psychological Contracts, Work Behavior, and Turnover Intention. A quantitative research methodology was used in this research by surveying employees. A total of 227 valid responses were received, and the data was analyzed by Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings revealed a positive relationship between the Transitional Psychological Contract and Turnover Intention.

2.10. Conceptual Frame Work

In research, the conceptual framework is used to visualize potential courses of action or to present the preferred approach to an idea or thought. It is a type of intermediate theory that attempts to connect to all aspects of inquiry and represented by either graphically or in narrative form of the main concepts or variables, and their presumed relationship with each other. It is usually best shown as a diagram. The dependent variable in this study is the employee's turnover intention and psychological contract taken as independent variable including the four dimensions (Transactional, Relational, transitional and Balanced). The following conceptual model displays the relationship among the variables.

Independent variable



Source. Adapted from (Offiai & Kingini, 2013)

figure 2. 1: conceptual framework of psychological contract

2.11. Conclusion

This chapter assessed the literature review. Literature was examined on the effect psychological contract on employee turnover intention, the second part looked at the dimension psychological contract (transactional, relational, balanced, and transitional), In this chapter of the study, conceptual facts or theories about the psychological contract and employee turnover intention and empirical review on the effect of psychological contract on employee turnover intention have reviewed. And the next chapter outlines the research methodology, steps that ware used to gather necessary data for this research and the data analysis tools.

CHAPTER THREE RESEARCH METHODOLOGY

3.1. Introduction

The research methodology is a term which describes how we come to know in a very practical manner, it focuses on the specific methods and means of obtaining knowledge through which we can try to understand our world better. In this unit, the investigator was present the type of information sought and the steps that was taken to obtain the information. Thus, after identifying the research problem, research objectives, and hypotheses, and review the published information, the researcher going to mention the research methodology in this chapter. As a result, this chapter discuss in detail about the research approach, research design, data type and sources of data, population and sample frame, sample size, sampling technique, data collection tools, measurements of variables, data analysis techniques, validity, reliability, and ethical considerations are presented in detail.

3.2. Descriptions of case Area

The Amhara Region officially the Amhara National Regional State is a regional state in northern Ethiopia and the homeland of the Amhara people. Its capital is Bahir Dar city which is the seat of the regional government of Amhara. Amhara is the site of the largest inland body of water in Ethiopia, Lake Tana (which is the source of the Blue Nile), and semein mountain National park (which includes Ras dashen, the highest point in Ethiopia). Amhara is bordered by Sudan to the west and northwest and by other the regions of Ethiopia: Tigray to the north, to Afar the east, Benishangul-Gumuz to the west and southwest, and Oromia to the south. All sector bureaus founded in Bahir Dar city and the total numbers of professional employees in all bureaus are 2847. It is organized with different sectors that each of them has established with their own plans, vision, missions, goals, and objectives. There are about eighteen different bureaus offering various services to the all Amhara region public sectors.

3.3. Research Approach

Considering the research problem and objective along with the philosophy of the different research approaches, the researcher was used a quantitative approach to examine the data gathered and determine the results. Quantitative research is an approach for testing objective theories by examining the relationship among variables. quantitative method permitted the

researcher to use a series of techniques that yield data that is projectable to a higher population(Creswell & Creswell, 2017).

3.4. Research Design

Research design is the conceptual structure which research is conducted. It serve as the blueprint for the collection, measurement and analysis of data (Kothari, 2004). In essence, research design is a plan and structuring for selecting the sources and types of information needed to answer the research questions (D. Cooper & Schindler, 2001). This study was used a cross-sectional field survey design. Because cross-sectional field surveys was used to measure independent and dependent variables at the same time using a questionnaire. According to Singh and Easwaran (2010) research designs categories as exploratory, explanatory, case-study and descriptive with their own characteristics. Hence, to meet the objective of this study explanatory research design was adopted. Since, the explanatory research design is used to analyze the relationship between the independent variables psychological contract (transactional, relational, balanced, and transitional), and the dependent variable (employee turnover intentions).

3.5. Source of Data

This study was used primary data sources in order to collect appropriate data. According to Biggam (2008), primary data is the information that the researcher finds out by him/herself regarding a specific topic. Therefore, the researcher used primary data to undertake the study. The primary source of information used due to the fact that it enables to perform the research with the original data, directly interacting with employees. Moreover, it is a reliable form of data collection where unbiased information can be collected. Other relevant information (secondary data) was collected from journals, articles, books, magazines, and web resources. Thus, the primary data sources were professional employees who are working in Amhara national regional state public sector bureaus.

3.6. Data Collection Instrument

For the purpose of this study, the research instrument that engages for this study was standardized questionnaire. Questionnaires were used as a major instrument to collect information from the data source of the study. It is prepared in order to collect data from the Amhara national regional state public sector bureaus employees. The required data for this study was collected by distributing questionnaire to selected respondents. Questionnaires were

designed based on five point likert scale to investigate the effect of psychological contract on employee's turnover intentions. Finally, Questionnaires were personally delivered by the researcher to collect the required data from the respondents. As stated by Sekaran and Bougie (2016) Primary data were collected first hand by the researcher on the areas of interest using structured questionnaires that was delivered and collected in person by the researcher to reduce the non-response rate and have the opportunity to introduce the research topic in person and motivate respondents to provide honest feedback due to this the data collection instrument for this study was only questionnaire.

3.7. Target Population

The target population of this study was the employees of Amhara national regional state public sector bureaus who have the necessary information required for the research questions. The populations of Amhara national regional state public sector bureaus are 2847 employees' with 18 different sector bureaus. With this kind of population, therefore, it's difficult to do a census survey but rather a sample was taken. Hence the total populations of this study are 2847 employees.

Table 3. 1: Total population of the study

No	Name of the bureaus.	Number	of employe	es
		Male	Female	Total
1.	Finance and Economic Development bureau.	96	70	166
2.	Urban development housing and construction bureau.	111	83	194
3.	Trade and market Development bureau.	76	57	133
4.	Agriculture bureau.	158	86	244
5.	Road and Transport bureau.	119	68	187
6.	Culture and Tourism bureau.	67	30	97
7.	Technical and Vocational Development bureau.	99	53	152
8.	Revenue bureau.	81	61	142
9.	Health bureau.	114	100	214
10.	Communication bureau.	62	80	142
11.	Rural land administration and use bureau.	97	53	150
12.	Labor and social affairs bureau.	45	27	72

13.	Women, children and Youth Affairs bureau.	130	73	203
14.	Administration and Security bureau.	44	32	76
15.	Education bureau.	116	97	213
16.	Public service bureau.	93	63	156
17.	Industry and investment bureau.	75	31	106
18.	Water, irrigation and energy resource development	120	80	200
	bureau.			
Total				2847

Source: Data obtained from all bureaus of human resource departments

3.8. Sampling design

3.8.1. Sampling frame

A sampling frame is a list of elements in the population from which a sample is drawn (Saunders, Lewis, & Thornhill, 2009). Sampling frame in this study consisted of a number of elements in the general population from which the researcher selected subjects to represent the general population of Amhara national regional state public sector bureaus employees. It's further mentioned that for the sample frame to be accurate, the sample frame has to be a complete list leaving some elements out and resulting to some elements not having equal chances of selection (D. R. Cooper, Schindler, & Sun, 2006)

The sample units were the different bureaus with the employees being the elements. Thus the target population defined those units for which the findings of the survey are meant to generalize. In this study, the sampling frame consisted of all employees who are working in Amhara national regional state public sector bureaus. Johnson and Gill (2010) mention that the likely problem to arise here is the systematic discrepancies between the population and sampling frame which we had to monitor keenly to enable us to have an accurate representation of the target population

3.8.2. Sampling Techniques

Sampling is that part of statistical practice concerned with the selection of individual observations intended to yield some knowledge about the population of concern, especially for the purpose of statistical inferences (Kothari, 2004). There are two major categories of sampling designs/techniques: probability sampling and non-probability sampling. According to (Nachmias & Nachmias, 1976), the distinguishing characteristic of probability sampling is that one can

specify for each sampling unit of the population the probability will included in the sample. In probability sampling, the sample frame reflects the target population (Finn, Walton, & Elliott-White, 2000), while in a non-probability sampling there is no assurance that every one of the sample units has the same chance to participate in the research. For the purpose of this study the researcher was used stratified sampling techniques. Since, for a stratified random sample, the population is divided into groups or strata. The primary advantage of stratified sampling is its convenience and ease of use. In this study, the boundary of the sample units was stratified on the basis of the sector bureaus; finally, the researcher was selected the Proportionate respondents from each bureaus using simple random selection. This ensured fair representation across the various bureaus.

3.8.3. Sample Size Determination

Johnson and Gill (2010) stated that we try as much as possible to avoid or at worst minimize sampling errors or biases by keeping the sample size to an adequate size after considering issues such as population, sampling error, non-response bias and the extent to which subgroups in the sample was analyzed.

The sample size refers to the number of elements selected from a given population. The sample size for this study was based on the mathematic formula by Yamane (1967) provides a simplified formula to calculate sample sizes. In this study the researcher was selected 352 sample respondents from currently 2847 employees in of Amhara national regional state public sector bureaus. Thus; the sample size of the study was calculated by using the following formula.

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{2847}{1 + 2847(0.05)^2} = \frac{2847}{8.11} = 352$$

Where: n = Sample size N = the population size e = Level of significance (0.05) at 95% confidence level.

The required sample size for the study is calculated as follows:

Accordingly, 352 employees respondents were selected from the eighteen stratified bureaus as indicated on the table 3.2 below:-

Table3. 2: Sample size of the study

No	Name of the office	Number of	Proportion of	Sample size
		employees	sample	
1.	Finance and Economic Development	166	166/2847*352	20
	bureau.			
2.	Urban development housing and	194	194/2847*352	23
	construction bureau.			
3.	Trade and market Development	133	133/2847*352	16
	bureau.			
4.	Agriculture bureau.	244	244/2847*352	30
5.	Road and Transport bureau.	187	187/2847*352	23
6.	Culture and Tourism bureau.	97	97/2847*352	12
7.	Technical and Vocational	152	152/2847*352	19
	Development bureau.			
8.	Revenue and custom bureau.	142	142/2847*352	18
9.	Health bureau.	214	214/2847*352	27
10.	Communication bureau.	142	142/2847*352	18
11.	Rural land administration and use	150	150/2847*352	19
	bureau			
12.	Labor and social affairs bureau	72	72/2847*352	9
13.	Women, children and Youth Affairs	203	203/2847*352	25
	bureau.			
14.	Security and Administration bureau.	76	76/2847*352	10
15.	Education bureau.	213	213/2847*352	26

16.	Public service bureau.	156	156/2847*352	19
17.	Industry and investment bureau.	106	106/2847*352	13
18.	Water, irrigation and energy resource development bureau.	200	200/2847*352	25
Total	352			

Source: own computation, 2022

3.9. Measurement of Variables

3.9.1. Measurement of Independent Variables

According to Rousseau the psychological Contract was measured by four constructs, namely Transactional Psychological Contract, Relational Psychological Contract, Balanced Psychological Contract, and Transitional Psychological Contract.

Transactional Psychological Contract which proposed two constructs to measure transactional contracts, including narrow and Short-term. Thus, to measure Transactional contract eight items were adopted from psychological contract inventory (D. M. Rousseau, 2001). The items were measured by using a five-point Likert-scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Relational Psychological Contract which includes stability and loyalty constructs to measure relational contracts. To measure relational contract eight items were adopted from psychological contract inventory (D. M. Rousseau, 2001). The items were measured by using a five-point Likert-scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Balanced Psychological Contract which includes External Employability, Internal Advancement, and Dynamic Performance. To measure balanced contract nine items were adopted from psychological Contract inventory (D. M. Rousseau, 2001). The items were measured by using a five-point Likert-scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Transitional Psychological Contract which includes Mistrust, Uncertainty and Erosion. To measure Transitional contract seven items were adopted from psychological contract inventory (D. M. Rousseau, 2001). The items were measured by using a five-point Likert-scale ranging from 1 (strongly disagree) to 5 (strongly agree).

3.9.2. Measurement of dependent variables

Turnover intention were measured using 3 items developed by Colarelli (1984). All 3 items had positive and higher factor loadings. Responses were measured on a five-point likert- scale ranging from 1 (strongly disagree) to 5 (strongly agree).

3.10. Methods of Data Analysis and Presentation

The collected data was edited, coded and analyzed with great care. Data editing was carried out daily by the researcher to detect errors that is committed by respondents during completing the questionnaires. The coding of the possible alternatives in the questionnaire is made in advance of administering the questionnaire to sample respondents. Data was analysed with the help of statistical package for social science (SPSS) version26 software for descriptive and inferential statistics (correlation, regressions and ANOVA (F-test). Descriptive Statistics ware used to measures (simple percentages, frequencies, mean, and standard deviation) and Pearson correlation analysis was used to determine the direction, significance, and degree of relationship between psychological contract dimensions and employee turnover intentions. ANOVA (F-test) is used to trace out the significant differences between psychological contract and employee turnover intentions. The study was used multiple linear regressions model so as to see the significant relationship between the independent (psychological contract) and dependent (employee turnover intentions) variables. The study is generally built two sets of variable, namely dependent variables (employee turnover intentions) and independent variables (transactional, relational, balanced, and transitional) psychological contract.

Therefore, the multiple linear regression model equation is developed and its specification is outlined as follows.

ETI = $\beta_0 + \beta_1$ (TPC) + β_2 (RPC) + β_3 (BPC) + β_4 (TIPC) + ϵ_i

Where; ETI = employee turnover intentions, which is the dependent variable of a study. TPC= transactional psychological contract, RPC = Relational psychological contract, BPC = Balanced psychological contract, TIPC = Transitional psychological contract and εi =Error term. $\beta 0$ is the intercept - constant which would be equal to the mean if all slope coefficients are 0. $\beta 1$, $\beta 2$, $\beta 3$, $\beta 4$ and are the coefficients associated with each independent variable which measures the change in the mean value of employee turnover intentions, per unit change in their respective independent variable.

3.11. Validity and Reliability

The quality of research depends on the design of research instruments as well as application of these instruments in data collection in the field. There are several criteria or tests for judging the quality of any empirical research. These include validity and reliability (Singh & Easwaran, 2010).

3.11.1. Validity

Validity is the extent to which the instruments used during the studies to measure the issues they are intended to measure (Amin, 2005). Thus, in order to assure the validity of this study, the researcher was implemented a pilot-test to assess the clarity, complexity and the face validity of the measure, In this study, before collecting the necessary data the revision was made to improve the total look and content of the questionnaire in terms of readability, wording, and arrangement. The suitability of the questionnaire for this study was tested by first administering it on 36 professional employees of ANRS public sector bureaus which was 10% of the sample size of this study, the total number of respondents were used in the pre-test and drawn from the same population frame that was similar to those included in the actual survey in terms of background characteristics and familiarity with the topic.

3.11.2. Reliability

Reliability as the degree to which a survey instrument is considered reliable if its repeated application results in consistent scores (Joseph & Money, 2000). According to Saunders et al. (2009), reliability refers to the degree to which data collection method or methods yield consistent findings. Borg and Gall (1989) also define reliability as the degree of consistency that the instruments demonstrate in whatever it is measuring.

Theoretically, alpha varies from 0 to 1, the higher the Cronbach's alpha, the more reliable the test results. Different authors accept different values of Cronbach's alpha so as to achieve internal reliability, but the most frequently accepted value is 0.70 and above to reach internal reliability. According to Lombard (2008), the Cronbach's alpha result Coefficients from 0.70 to 0.90 acceptable, and appropriate in some explanatory studies. Another author added that if the Cranach's alpha coefficient is greater than 0.9 it implies excellent, greater than 0.8 is Good, greater than 0.7 is acceptable, greater than 0.6 is questionable, greater than 0.5 is poor, and less than 0.5 is unacceptable' (Mallery & George, 2000).

In this study, to determine the reliability of the instruments, pre- test was conducted with 36 professional employees of ANRS public sector bureaus which were 10% of the sample size of this study. Lastly, the researcher was conducted the final data collection process after determining acceptable reliability value. In addition to this, after collecting the questionnaire, the researcher tested the reliability of the data by taking the respondent's that was used in analysis.

Table3. 3: Cronbach alpha for each independent and dependent variable.

Items	Pre test			Post test		
	No of items	No of Cronbach's		No of	Cronbach's	
		samples	alpha Value	samples	alpha Value	
TPC	8	36	0.803	323	0.797	
RPC	8	36	0.733	323	0.886	
BPC	9	36	0.786	323	0.862	
TIPC	7	36	0.795	323	0.879	
ETI	3	36	0.717	323	0.733	

Source: SPSS result, 2022

The pre-test Cronbach's alpha coefficients of each independent and dependent variable are shown in table 3.3 above: For transactional, relational, balanced, transitional psychological contract, and employee turnover intentions, the scores were 0.803, 0.733, 0.786, 0.795, and 0.717, respectively. Thus, as a rule of the thumb, acceptable alpha value at least 0.70 or above was used in this study (Mallery & George, 2000). For instance, the result indicates that all variables were better reliability because these alpha coefficients are greater than 0.7. Similarly, the post-test Cronbach's alpha coefficients of each independent and dependent variable are as follows: 0.797, 0.886, 0.862, 0.879, and 0.733 for transactional, relational, balanced, transitional psychological contract and employee turnover intentions respectively. Thus, Likewise the pre-test, the result of post-test Cronbach's alpha coefficients indicates that all variables were better reliability because all variables alpha coefficients are greater than 0.7.

3.12. Ethical Consideration.

To preserve the researcher ethics, the researcher guaranteed the safety of respondents through honest and secure and also not to reveal the name of respondents in the questionnaire and in the reports of the findings. Hence, the data collected kept confidentially and executively and used for academic purpose only. Generally, the researcher attempts to keep the independence, willingness

and freedom of those respondents. And all the reference material used for this research was acknowledge with proper citation.

3.13. Conclusion

This chapter has presented the overall research methodology of this study which comprised of the research approach, research design, the population of the study, source of data, data collection methods, and sample size to gather with sampling technique, measurement variables, and methods of data collection, data analysis, reliability and validity of data collection tools and ethical considerations were briefly stated.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents the results and findings of the study based on the research questions. The findings were explored based on the objectives of the study. The primary data collected using a standardized questionnaires were analyzed through quantitative analysis to investigate the effect of psychological contract on employee turnover intentions in Amhara national regional states public sector bureaus. A fairly representative sample was obtained by employing a stratified sampling technique. This section is divided into subsections such as; response rate, demographic characteristics of respondents, descriptive statistics, Correlation test, normality of data test, linearity of data test, multi co linearity test, Homoscedasticity test and hypothesis test, and model summery.

4.2 Response rate

To conduct this study the researcher has distributed 352 questionnaires and the response rate indicated in the table below.

Table 4. 1: Respondent rate.

	Response rate		
Description	In Number	In Percentage	
Sample Size	352	100%	
Collected response	323	91.77%	
Uncollected Response	29	8.23%	

Source: own survey, 2022

As the result in table 4.1 above indicate that, out of 352 distributed questionnaire 323 (91.76%) were collected while 29 (8.23%) of the questionnaire was remained uncollected.

4.3. Demographic characteristics of respondents

For this study, demographic characteristics of the respondents such as Gender, Age, Educational level, Year of experience, and marital status of respondents were presented as follows

Table 4. 2: Background profile of the respondents

Description	Option	Frequency	Valid Percent	Cumulative Percent
Gender	Male	155	48.0	48.0
	Female	168	52.0	100
	Total	323	100.0	
Age	18 - 30 years	83	25.7	25.7
	31 - 40 years	143	44.3	70.0
	41 - 50 years	65	20.1	90.1
	51 and above	32	9.9	100.0
	Total	323	100.0	
Educational level	Diploma	9	2.8	2.8
	Degree	214	66.3	69.
	Masters	96	29.7	98.8
	PhD	4	1.2	100.0
	Total	323	100.0	
Work experience	less than 5 years	45	13.9	13.9
	6 - 10 years	107	33.1	47.1
	11 - 15 years	88	27.2	74.3
	greater than 16	83	25.7	100.0
	Total	323	100.0	
Marital status	Single	68	21.1	21.1
	Married	229	70.9	92.0
	Divorced	21	6.5	98.5
	Others	5	1.5	100.0
	Total	323	100.0	

Source: Own survey, 2022

4.3.1 Gender of respondents

As it shown in Table 4.2 above, the data provides gender profile of respondents by frequency and percent. The results shows that out of 352 respondents, (48%) of the respondents were males and (52%) were female respondents.

4.3.2. Age of Respondents

The researcher was also interested in knowing the age of the respondents. The research results presented in table 4.2 above concluded that 83 of the respondent equivalent to 25.7% of the respondents that participated were between the age of 18 to 30 years old, 143 of the respondents equivalent to 44.3% of the total respondents were between the ages of 31 to 40 years, 65 of the respondents equivalent to 20.1% of the total respondents were 41 to 50 years of age and 32 of the respondents which are equivalent to 9.9% of the total respondents were above the aged of 51 and above years.

4.3.3. Educational level of Respondents

The researcher was also intrigued in the respondents' degree of education. According to the findings in table 4.2 above, 9 of the respondent's equivalent to 2.8 percent of the respondents had a diploma. 214 of respondent's equivalent to 66.3 percent had a bachelor's degree, 96 of respondent's equivalent to 29.7 percent had a master's degree, and 4 of respondent's equivalent to 1.2 percent had a doctorate level of education.

4.3.4. Work Experience of Respondents

In this study, the researcher also interested in finding out the duration employees has worked with the organization. Table 4.2 above indicated that, 45 of the respondents equivalent to 13.9% of the respondents have been in the organization for less than 5 years, 107 of the respondents equivalent to 33.1% of the respondents have spent between 6-10 years in the organization, 88 of the respondents equivalent to 27.2% of the respondents have spent between 11 to 15 years working for the organization and 83 of the respondents equivalent to 25.7% of the respondents have worked for more than 16 years for the organization.

4.3.5. Marital Status of Respondents

In addition to the above descriptions, the other classification of sample respondents is their marital status. Tables 4.2 above shows that, 68 of the respondents' equivalent to 21.1% of the respondents are single, 229 of the respondent's equivalent to 70.9% of the respondents are married and 21 of the respondents' equivalent to 6.5% of the respondents are divorced and 5 of respondent's equivalent to 1.5 percent are others.

4.4. Descriptive statistics for the measurement of independent and dependent variables

Table 4. 3: Descriptive statistics of variables

Descriptive Statistics							
	N	Minimum	Maximum	Mean	Std. Deviation		
TPC	323	1.75	4.88	3.5639	.71958		
RPC	323	1.38	5.00	3.9056	.75283		
BPC	323	1.22	5.00	3.8036	.71015		
TIPC	323	1.00	5.00	3.3012	.87163		
ETI	323	1.00	5.00	3.3364	.88250		
Valid N	323						
(listwise)							

Source: SPSS result, 2022

The result of the descriptive statistics from Table 4.3 indicates that mean score of transactional psychological contract, relational psychological contract, balanced psychological contract, transitional psychological contract, and employee turnover intentions (3.563, 3.905, 3.803, 3.301, 3.336) respectively. According to Field (2009) the mean score below 2.5 was considered as low, the mean score from 2.5 up to 2.99 was considered as moderate and the mean score above 3.00 was considered as high. Accordingly, present study revealed that transactional psychological contract has a mean distribution of 3.563 and a standard deviation of 0.719. This shows that transactional psychological contract among participants in the study bureaus is at a high state; the relational has a mean distribution of 3.905 and a standard deviation of 0.752. This signifies that the prevalence of relational psychological contract among employees in the study population is at a high state, balanced psychological contract dimensions has a mean distribution of 3.803 and standard deviation of 0.710. This signifies that the prevalence of balanced psychological contract among employees in the study population is at a high state. In the table above the last dimension is transitional which has a mean distribution of 3.301 and a standard deviation of 0.8716. This implies that high state of prevalence among employees of ANRS public sector bureaus while the dependent variable which is employee turnover intentions has a mean distribution of 3.336 and a standard deviation of 0.882. This shows high prevalence of turn over intentions among employees of ANRS public sector bureaus.

4.5. Correlation analysis of psychological contract and employee turnover intentions

Table 4. 4: Correlation summary between psychological contract and employee turnover intentions.

	Correlations						
		TPC	RPC	BPC	TIPC	ETI	
TPC	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	323					
RPC	Pearson Correlation	339**	1				
	Sig. (2-tailed)	.000					
	N	323	323				
BPC	Pearson Correlation	322**	.415**	1			
	Sig. (2-tailed)	.000	.000				
	N	323	323	323			
TIPC	Pearson Correlation	.566**	404**	462**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	323	323	323	323		
ETI	Pearson Correlation	.654**	500**	502**	.781**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	323	323	323	323	323	

^{**.} Correlation is significant at the 0.01 level (2-tailed).

Where, TPC =transactional psychological contract, RPC= relational psychological contract, BPC=balanced psychological contract, TIPC=transitional psychological contract, and ETI=employee turnover intentions

Source: SPSS result, 2022

Correlations are the measure of the linear relationship between two variables. It measures the degree to which two sets of data are related. Correlation (r) is a parametric technique which gives a measure of the strength of association between any two variables. The researcher used Pearson's coefficient of correlation (or simple correlation), because it is the most widely used in statistics to measure the degree of the relationship between linear related variables. This coefficient assumes that there is linear relationship between the two variables. Moreover, the two variables are casually related which means that one of the variables is independent and the other one is dependent; and a large number of independent causes are operating in both variables so as to produce a normal distribution(Kothari, 2004). Cohen (1992) has suggested the following guidelines: r = 0.10 to 0.29 is weak relationship; r = 0.30 to 0.49 is medium correlation and r = 0.50 to 1.0 is strong relationship among variables.

In this section, correlation analysis conducted in line with each research objectives and hypotheses developed. To determine the relationship between psychological contract (transactional, relational, balanced and transitional) and employee turnover intention were investigated using correlation analysis. The p-value indicated the probability of this relationship significant. Table 4.4 above indicated that the results of Pearson Correlation on the relationship between psychological contract (transactional, relational, balanced and transitional) and employee turnover intention.

The correlation analysis above table 4.4 also indicated that there was a positive relationship between transactional psychological contract and employee's turnover intentions and the correlation coefficient shows (r=0.654, p=0.00) which implies a positive correlation. Correlation is significant since the level is less than 0.05. In this study, transactional psychological contract is correlated with employee turnover intentions at the level of 0.01. So, according to Cohen (1992) standard transactional psychological contract is positively, strong and statistically significant with employee's turnover intention.

The correlation analysis table 4.4 above also showed the results of the relationship between relational psychological contract and employee turnover intention. The findings indicated that the correlation coefficient is (r= -0.500, p=0.00) which implies as there is a negative correlation and the correlation is significant since the level is less than 0.05. So, according to Cohen (1992) benchmark relational psychological is negative, strong, and statistically significant with employee's turnover intention.

The correlation analysis table 4.4 above also showed the results of the relationship between balanced psychological contract and employee turnover intention. The findings indicated that the correlation coefficient is (r= -0.502 and p=0.00) which implies as there is a negative correlation and significant since the level is less than 0.05. In this study, balanced psychological contract is correlated with employee turnover intention at the level of 0.01. Therefore, according to Cohen (1992) standard balanced psychological is negative, strong, and statistically significant with employee's turnover intention.

Finally, the correlation analysis table 4.4 above also showed the results of the relationship between transitional psychological contract and employee turnover intentions. The analysis showed that the correlation coefficient is (r=0.781, and p=0.00) which implies there is a positive correlation and significant, since the level is less than 0.05. In this study, transitional

psychological contract is correlated with employee's turnover intention at the level of 0.01. As a result, based on Cohen (1992) correlation standard transitional psychological contract is positive, strong, and statistically significant with employee's turnover intention.

As a result of the above findings, psychological contract dimensions (transactional, transitional) have a positive relationship with employee turnover intentions, with high Pearson correlation coefficients, whereas (relational, balanced) psychological contracts have a negative effect on employee turnover intentions.

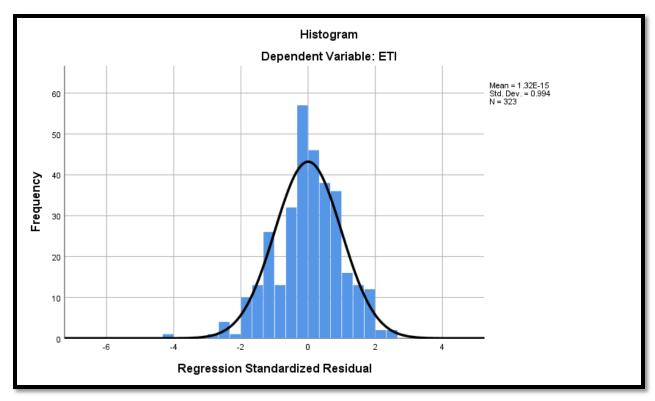
4.6. Multiple Regression Analysis

Multiple regression models used in an explanatory study where researcher is interested in predicting the value of dependent variable based on the value of independent variable. While in case of more than one independent variables in the study, researcher has to use of multiple regression models(Lind, Marchal, & Wathen, 2017). Multiple linear regression analysis employed to examine the effects of psychological contract (transactional, relational, balanced and transitional) on employee turnover intentions in Amhara national regional state public sector bureaus.

4.7. Multiple Regression Assumptions

4.7.1. Normality Test

Regression considers that variables have normal distributions and they do not describe which variables, in particular, they are talking about but the inference seems to be that multiple regressions need that the predictor or feedback variables be normally distributed. Specifically, considering that errors are normally distributed for any arrangement of values on the predictor variables(Osborne & Waters, 2002). When histograms are close to zero it is assumed that the data is normally distributed for the dependent variable. However, when skewness and kurtosis are not close to zero and the histogram does not appear to have a normal distribution. According to the information in figure 4.1 below indicated that the skewness and kurtosis are not far from zero. Thus, the result assured that the distribution is normal for this study.



Source: SPSS results, 2022

Figure 4. 1: Histogram test of normality for employee turnover intentions.

Kurtosis and Skiwness the other checking mechanism is used to ensure that the scores on the dependent variable are distributed normally. In this study, the kurtosis and skewness value which is computed by using SPSS. The normal acceptable distribution of symmetric has a zero skewness value. However, the standard error greater than 2 indicates a normality problem. Kurtosis on the other hand is a measure of the extent to which observation cluster around a central point. For a normal distribution the value of the kurtosis is zero. The information in table 4.5 below shows that the coefficient of skewness (0. 136) and kurtosis (0.271) are not much far from zero. Thus for this research, the histogram, the ratio of skewness, and kurtosis were checked and the result indicates that data used in the study is normally distributed (see Table 4.5 below).

Table 4. 5: Descriptive statistics for normality

Descriptive Statistics						
	N	N Skewness K		Kur	tosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error	
TPC	323	429	.136	496	.271	
RPC	323	990	.136	.951	.271	
BPC	323	882	.136	.922	.271	
TIPC	323	150	.136	866	.271	
ETI	323	347	.136	339	.271	
Valid N	323					
(listwise)						

Source: own SPSS computation, 2022

4.7.2. Multi-Co linearity Test

One of the assumptions of multiple linear regressions is that the independent variables should not have very high association or correlation. When the independent variables are highly correlated each other, it implies that there was a problem in the model, and this problem is called multi co linearity. Gujarati and Porter (2003) stated that the existence of multi co linearity can be diagnosed by analyzing the values of tolerance and Variance Inflation Factors (VIF). As most authors have suggested that, a tolerance of < 0.10 and a VIF >10 indicates a multi co linearity problem. Similarly, the results in table 4.6 below revealed that there was no tolerance value found below 0.1 and all-variable inflation factors (VIF) values greater than ten at each variable. The minimum tolerance and maximum VIF values were 0.575 and 1.738 respectively. This implies that the study has been free from multi collinearly problems. In statistical conversation, tolerance is a statistics tool used to indicate the variability of the specified independent variable not explained by the other independent variables in the model. The tolerance and VIF of the studies independent variables were presented in the table 4.6 below.

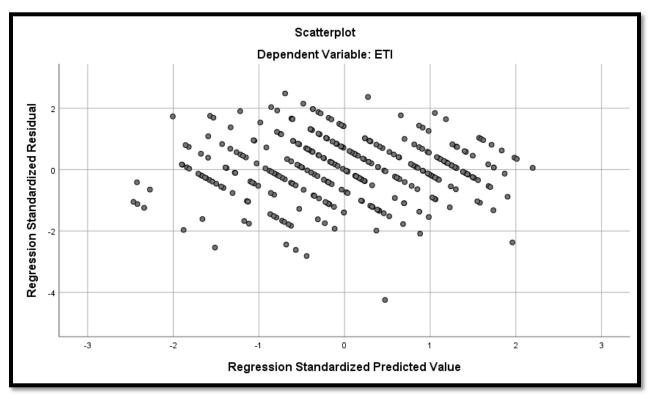
Table 4. 6: The multi co linearity test distribution result

Model	Co linearity Statistics		
Constant	Tolerance	VIF	
Transactional Psychological Contract	.664	1.505	
Relational Psychological Contract	.758	1.320	
Balanced Psychological Contract	.723	1.383	
Transitional Psychological Contract	.575	1.738	

Source: own SPSS results, 2022

4.7.3. Homoscedasticity test

Homoscedasticity errors are generally assumed to have an unfamiliar but finite variance that is constant across all levels of the predictor variables. This assumption is also known as the homogeneity of variance assumption. If the errors have a variance that is limited but not constant across dissimilar levels of the predictors (i.e., heteroscedasticity is present), ordinary least squares estimates will be unbiased and stable since the errors are independent, but will not be efficient (Weisberg, 2005). As we have seen in figure 4.2 below, it can be assured that the point is random and evenly throughout the scattered diagram and no evidence of funnel-like the shape of points on one side than the other is observed, so no heteroscedasticity in the data is confirmed.



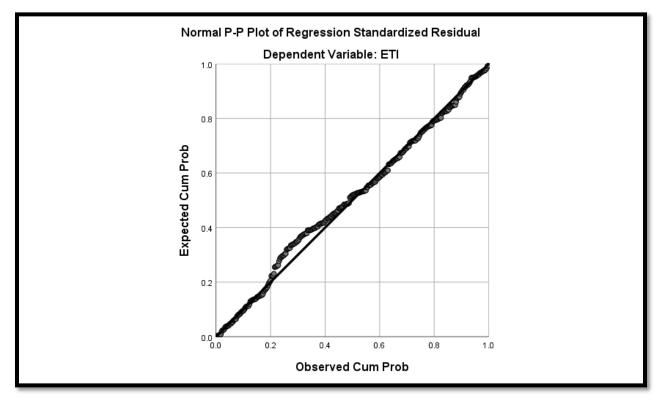
Source: Own SPSS results, 2022

figure 4. 2: Scatter Plot of regression of standardized residual of psychological contract and employee turnover intentions

4.7.4. Linearity Assumptions

According to Gujarati and Porter (2003), linearity means that the amounts of the rate of change, between scores on two variables, are constant for the entire range of scores for the variables. An

underlying assumption of regression analysis is that the relationship between the variables is linear, meaning that the points in the P-P Plots must form a pattern that can be approximated with a straight line. The model that shares the response Y to the predictors X_1 , X_2 , X_3 ... X_N is assumed to be linear in the regression parameters (Hadi & Chatterjee, 2015). This means that Standard multiple regression can only precisely estimate the relationship between dependent and independent variables if the relationships are linear in nature. As in the equation: $Y=B_0+B_1X+B_2X+B_3X+B_4X$. This regression equation is still a linear regression equation because Y is modeled as a linear function of the parameters. According to the information in figure 4.3 below indicated Normal P-P Plots show that this assumption had been met for this study.



Source: Own SPSS result, 2022

figure 4. 3: Normal P-P plot of dependent variable employee turnover intentions

In conclusion, all of the assumptions are necessary for regression analysis. Thus, the above normal P-P plot is for data on employees" turnover intentions and the points in the normal p-p plot are closer to the diagonal line and lie in a reasonably straight diagonal line from bottom left to top right. Therefore, the plots in the figure above demonstrate a strong linear relationship, allowing us to conclude that the linearity assumption is met.

4.8. Regression Test on the Effect of Psychological Contract on Employee Turnover Intentions

The Regression analysis was used to determine the relationship between the independent and dependent variables. Regression test is used to recognize the ability of each independent variable (transactional psychological contract, relational psychological contract, balanced psychological contract, and transitional psychological contract) to predict the dependent variable (employee turnover intentions), where each psychological contract dimensions are examined and clarified.

4.8.1. Regression between psychological contract and Employee turnover intentions

Table 4. 7: Model summary of effect of psychological contract on employee turnover intentions

Model Summary ^b						
Model	R	R Square	Adjusted R	Std. Error of the	Durbin-Watson	
Square Estimate						
1	.844 ^a	.713	.709	.47603	1.529	
a. Predictors: (Constant), TIPC, RPC, BPC, TPC						
b. Depend	lent Varia	ıble: ETI				

Source: Own SPSS result. 2022

As indicated in table 4.7 above, the adjusted R Square value represents the correlation coefficient between the dependent variable (employee turnover intentions) and the independent variable (transactional, relational, balanced, and transitional) also known psychological contract dimensions that taken together. The regression effect between the dependent variable and the four independent variables together were the strong one in this study. From the model summary, the adjusted R square from the table 4.7 above showed 0.709 which means that the independent variables (transactional, relational, balanced, and transitional) which is also termed as the psychological contract, can explain the dependent variable (employee turnover intentions) by 70.9%. However, 29.1 percent of the variance in this study remains unexplained.

The Durbin Watson (DW) statistic is 1.529, as shown in the model summary table, indicating a good autocorrelation in the residuals from a statistical regression analysis table. The Durbin-Watson statistic will permanently have a value between 0 and 4. The value of 2.0 means there is no autocorrelation detected in the sample. Values from 0 to less than 2 shows positive autocorrelation and values from 2 to 4 designate negative autocorrelation (Durbin & Watson, 1950). In this case, the value is 1.529, confirmed that there is a positive autocorrelation hence we can conclude this analysis is valid.

4.8.2. ANOVA of psychological contract and Employee turnover intention

Table 4. 8: ANOVA of psychological contract and employee turnover intentions.

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	178.715	4	44.679	197.169	$.000^{b}$
	Residual	72.059	318	.227		
	Total	250.775	322			

a. Dependent Variable: ETI

b. Predictors: (Constant), TIPC, RPC, BPC, TPC

Source: Own SPSS results, 2022

In line with table 4.8 above, indicated that ANOVA of the results from the data gathered from the respondents showed a strong significant regression for the reason that p=0.000 which is <0.05. This means that the independent variables (transactional psychological contract, relational psychological contract, balanced psychological contract, and transitional psychological contract) which are termed as the psychological contract dimensions, have a strong significant influence on employee turnover intentions in the ANRS public sector bureaus. As indicated by the result of the study, the prediction power of the model is fit at F- value =197.169, P= .000.

4.8.3. Coefficient of psychological contract on employee turnover intentions

Table 4. 9: Coefficient of psychological contract on employee turnover intentions

	Coefficients ^a							
Model		Unstandardized		Standardized	T	Sig.	Collinearity	
		Coefficients		Coefficients			Statistics	
		В	Std.	Beta			Tolerance	VIF
			Error					
1	(Constant)	1.662	.303		5.480	.000		
	TPC	.340	.045	.277	7.512	.000	.664	1.505
	RPC	179	.040	153	-4.426	.000	.758	1.320
	BPC	142	.044	114	-3.232	.001	.723	1.383
	TIPC	.516	.040	.509	12.857	.000	.575	1.738
a.	a. Dependent Variable: ETI							

Source: Own SPSS result, 2022

Table 4.9 above is a coefficient table that showed the degree of relationship between each independent variable under psychological contract dimension with the constant at (1.662) while transactional (0.340), relational (-0.179), balanced (-0.142) and transitional (0.516) were

statistically significant since all of them had (p<0.05). In the regression analysis using the coefficient of determination (Y= B₀+B₁TPC+B₂RPC +B₃BPC +B₄TIPC), the researcher arrived at the following conclusions; $B_0 = 1.662$, $B_1 = 0.340$, $B_2 = -0.179$, $B_3 = -0.142$ and $B_4 = 0.516$. Therefore, Y= 1.662+ 0.340TPC - 0.179RPC- 0.142BPC + 0.516TIPC meaning the constant (1.662) in SPSS refers to the intercept in "Y-axis were the regression line cross the axis. Whereas, the findings regression coefficients of each individual predictor variables revealed that as follows; transactional psychological contract has (Beta = 0.340, p = .000); this result shows that one unit increase in transactional psychological contract can contribute to increase 0.340 unit on the employee turnover intentions. Relational psychological contract has (Beta = -0.179, p =.000), this means that one unit increase in relational psychological contract would contribute to decrease -0.179 unit on employee turnover intentions. Balanced psychological contract has (Beta = -0.142, p= .001) this result can be interpreted when one unit increase in balanced psychological contract would contribute to decrease -0.142 on employee turnover intentions. The last but not the least transitional psychological contract has (Beta = 0.516., p=.000) this implies that when one unit change were made on transitional psychological contract would leads to increase 0.516 unit on employees turnover intentions. All four independent variables on employees' turnover intentions in the Amhara national regional state public sector bureaus were statistically significant at the 5% significance level.

4.9. Hypothesis Testing

Based on the multiple linear regression statistical significance levels, the researcher decided on accepting or rejecting the already developed hypothesis. Totally, there were four hypotheses developed as explanatory variables in the regression analysis. On the bases of the standardized coefficient of beta and p-value, the hypotheses of the study were tested and the results has presented as below.

 $\mathbf{H_{1:}}$ Transactional psychological contract has a significant positive effect on employee's turn over intention in Amhara national regional state public sector bureaus.

The multiple linear regression standardized beta coefficient result in table 4.9 above shows that transactional psychological contract has a beta value of 0.277 and a P-value of.000. The beta value is positive, with a significant P value at 5% significance levels. Therefore, the alternate hypothesis was fully accepted.

H₂: Relational psychological contract has a significant negative effect on employee's turn over intention in Amhara national regional state public sector bureaus.

The multiple linear regression standardized beta coefficient result in table 4.9 above shows that relational psychological contract has a beta value of (-0.153) and a P-value of.000. The beta value is negative, with a significance P value of 5%. Therefore, the alternative hypothesis was fully accepted.

H₃: Balanced psychological contract has a significant negative effect on employee's turn over intention in Amhara national regional state public sector bureaus.

The multiple linear regression standardized beta coefficient result in table 4.9 above shows that a balanced psychological contract has a beta value of (-0.114) and a P- value of .001. The beta value is negative, and the P value is significant at 5% significance levels. Hence, the alternate hypothesis was fully accepted.

H₄: Transitional psychological contract has a significant positive effect on employee's turn over intention in Amhara national regional state public sector bureaus.

The multiple linear regression standardized beta coefficient result in table 4.9 above shows that transitional psychological contract has a beta value of 0.509 and a P- value of.000. The beta value is positive, with a significant P value at 5% significance levels. Hence, the alternate hypothesis was fully accepted.

Table 4. 10: Summary of the hypothesis's results

Variables	Expected result	Actual result	Decision
Transactional psychological contract	Sig &Positive	significant & Positive	Accept
Relational psychological contract	Sig & negative	significant& negative	Accept
Balanced psychological contract	Sig & negative	significant& negative	Accept
Transitional psychological contract	Sig &Positive	Significant& Positive	Accept

Source: SPSS result, 2020

4.10. Discussion of results

Discussion is an important part of a research in which it gives more clarification about the results or findings. The researcher started his discussion from respondent's demographic profiles. From the total of 323 respondents, most of them are female (52%) and male only consists of 48%. Besides, majority of the respondents are belonging to the age group of 31 to 40 years old with the percentage of 44.3%. Furthermore, from the research, it shows there are 66.3% of the total

respondents stated that their highest level of qualification is Degree. In terms of work experiences, the majority of respondents had above 6-10years" experience which was accounted for 33.1%. With regard to marital status, the majority of respondents were married which was accounted for 70.9%.

As stated in the descriptive statistics table of this study, the four variables indicated that the mean score response of the participants for all independent variables item on five-point Likert-scales is stated. The transactional psychological contract, relational psychological contract, balanced psychological contract, and transitional psychological contract all had a high prevalence on employees of ANRS public sector bureaus, with mean values of 3.56, 3.90, 3.803, and 3.30, respectively. Employee turnover intentions, on the other hand, had a mean value of 3.33.this implies that turnover intention on employee of ANRS public sector bureaus is high state of prevalence state. The Pearson correlation results showed those psychological contracts (transactional and transitional) were positively correlated with employee turnover intentions whereas psychological contract (relational and balanced) negatively correlated with employee turnover intentions. The correlation of each psychological dimensions with employee turnover intentions showed that, there exists a 65.4% positive relationship between transactional psychological contract and employee turnover intentions; there exists a -50.00% negative relationship between relational psychological contract and employee turnover intentions; there exists a -50.2% negative relationship between balanced psychological contract and employee turnover intentions; there exists 78.1% positive relationship between transitional psychological contract and employee turnover intentions in ANRS public sector bureaus. This results is consistent with the findings of some previous studies for instance (Raja et al., 2004), (Haq et al., 2011) and (McInnis, 2012). There was significant relationship between transactional psychological contract and turnover intention and negative relationship between balanced psychological contract and turnover intention.

Prior to regression analysis regression assumption tests were done to assure the normality of the data. The tests were normality test by visualizing shape of the histogram produced, skweness and kurtosis, linearity of the relationship among variables was checked using p-p plot, and also multi collinearity test was undertaken on the specified model using variance inflation factor (VIF) and tolerance value, and the Homoscedasticity test was undertaken by scatter plot. All the above four should be fulfilled as basic assumptions required for further usage of multiple linear regression

analysis. The test results indicated that all the above four basic assumptions were fulfilled. Next to correlation analysis regression model analysis was performed. The result on regression analysis of model summary revealed that the four independent variables (transactional psychological contract, relational psychological contract, balanced psychological contract, transitional psychological contract) explained 70.9% (adjusted R square = 0.709) on the employee turnover intentions. The remaining 29.1 % variance is explained by other variables not incorporating in this study. This result indicated that the explanatory variables have strongly explained the response variable.

The result of standardized beta coefficients of multiple linear regressions separately discussed below in light of empirical finding of the various researcher on similar or related studies. Transactional psychological contract has a beta value of 0.277 and a P-value of.000. The beta value is positive, with a significant P value at 5% significance levels. Therefore transactional psychological contract had positive significant effect on employee turnover intentions in ANRS public sector bureaus. This findings consistent with The results of research by (Wang et al., 2017) show that transactional psychological contracts have a significant impact on turnover intentions. The main findings from the study of (Umar & Ringim, 2015) also show that transactional psychological contracts have a strong positive relationship with employee turnover intentions in private organizations in Nigeria. Study by Khan et al. (2012) The result shows that transactional contract has a significant impact on the turn over intention of employees. This findings was not consistent with study conducted by (Yusuf et al., 2021b) transactional psychological contract has an insignificant but positive effect on turnover intention among health workers in Kano State.

Relational psychological contract has a beta value of (-0.153) and a P-value of.000. The beta value is negative, with a significance P value of 5%. As a result, relational psychological contract had negative significant effect on employee turnover intentions in ANRS public sector bureaus. This finding was supported by the previous study, For instance the study of (Umar & Ringim, 2015) also shows that the relational dimensions of psychological contracts are significantly related to the intention to move to leave a private organization in Nigeria. WY and CHENG (2020) the results showed a negative relationship between the Psychological Contract Relational and Turnover Intention.

Balanced psychological contract has a beta value of (-0.114) and a P- value of .001. The beta value is negative, and the P value is significant at 5% significance levels. Therefore balanced psychological contract had negative significant effect on employee turnover intentions in ANRS public sector bureaus. This findings is supported by previous findings such as (Umar & Ringim, 2015) also shows that balanced dimensions of psychological contracts are significantly related to the intention to leave in private organization. WY and CHENG (2020) the finding revealed that a negative relationship between the Psychological Contract balanced and Turnover Intention. study by FEKADE (2020) The findings show that a balanced psychological contract is negatively related to employee turnover intention.

Transitional psychological contract has a beta value of 0.509 and a P- value of.000. The beta value is positive, with a significant P value at 5% significance levels. Therefore, transitional psychological contract had positive significant effect on employee turnover intentions in ANRS public sector bureaus. This finding consistent with WY and CHENG (2020) was revealed a positive relationship between the Transitional Psychological Contract and Turnover Intention. Generally, Psychological contact has significant effect on employee turnover intentions in Amahara national regional state public sector bureaus. This finding is consistent with previous

Amahara national regional state public sector bureaus. This finding is consistent with previous findings such as Collins (2010) in a research carried out on The effect of psychological contract fulfillment on manager turnover intentions, United States. The finding indicated that psychological contract fulfillment was a statistically significant predictor of turnover intention among employees. Study conducted by Khan et al. (2012) on role of transactional and relational contract in employee turnover intention (a study of business affiliated institutions employees of Peshawar Pakistan). The result shows that transactional contract has a significant impact on the turn over intention of employees. According to Ernest (2020) conducted research on psychological contracts and employee retention: evidence from the Uyi Grand Hotel in Benin City, Edo Stat. The study's findings revealed that a significant relationship between psychological contract and employee retentions. Study conducted by Dwiyanti et al. (2020) The finding reveals that there is a significant relationship of Psychological contract with Turnover Intention.

4.11. Conclusion

The main purpose of this study was investigated the effect of psychological contract on employee turnover intentions in Amhara national regional states public sector bureau.

According to the analysis of the data collected with regard to the demographic characteristics, the respondents indicated, (52%) were female respondents, majority of the respondents were between 31-40 years of age and the majority of the respondents have education level of degree (66.3%), most of the respondents had years of experience with organization ranging between 6-10 years (33.1%) and the majority of the respondents are married (70.9%). The psychological contract dimensions was explained the dependent variable (employee turnover intentions) by 70.9 percent, the remained 29.1 percent was explained by other variable which was not included in this study.

The findings also discovered that there was a positive correlation between transactional psychological contract, transitional psychological contract and employee's turnover intentions. And there was negative correlation between relational psychological contract and balanced psychological contract and employee's turnover intentions. Chapter five presents the discussion, the recommendations and key conclusions for further consideration of future research on this study area.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1. Introductions

The major objective of this study was to investigate the effect of psychological contract on employee turnover intentions in Amhara national regional state public sector bureaus. This chapter summarized and discussed the main findings obtained from each of the four research questions. It also dealt with the conclusions that were derived from the analysis, as well as recommendations that can be implemented or used for all bureaus, organization, and future researcher, for each of the main research objectives.

5.2. Summary of findings

The main purpose of this study was to investigate the effect of psychological contract on employee turnover intentions in Amhara national regional state public sector bureaus. The study had the following as research objectives:

- To determine the understanding level of employee about psychological contract in Amhara national regional state public sector bureaus. Based on the descriptive statistics findings the prevalence of psychological contract high state of prevalence among participants of ANRS public sector bureaus employees.
- To investigate which of these psychological contract dimensions significantly affect employee turnover intentions in Amhara national regional state public sector bureaus. Based on the analysis finding of regression coefficients all psychological contract dimensions had significant effect on employee turnover intentions. Relatively transitional psychological contract has strong significant effect on employee turnover intentions in ANRS public sector bureaus.
- To examine the effect of transactional psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus. Based on the unstandardized coefficient result of transactional psychological contract can contribute at (Beta =0.340, p =.000) on the employee turnover intentions in ANRS public sector bureaus.
- To investigate the effect of relational psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus. Relational

- psychological contract has a negative effect at (Beta = -0.179, p = .000) on employee turnover intentions in ANRS public sector bureaus.
- To assess the effect of balanced psychological contract on employee's turnover intentions in Amhara national regional state public sector bureaus. Balanced psychological contract has a negative effect at (Beta = -0.142, p = .001) on employee turnover intentions in ANRS public sector bureaus.
- To determine the effect of transitional psychological contract on employee's turnover intentions Amhara national regional state public sector bureaus. Transitional psychological contract has a positive effect at (Beta = 0.516, p = .000) on employee turnover intentions in ANRS public sector bureaus.

This research study used the cross sectional field survey and explanatory design. The study adopted a quantitative approach to the effect of psychological contract on employee turnover intentions. The variables for the research study included transactional contract, relational contract, balanced contract, and transitional contract as independent variables while the employee's turnover intentions was the dependent variable. The target population comprised of 2847 employees of Amhara National Regional State public sector bureaus. Stratified sampling was used to divide the population. Research findings were analyzed to enable the researcher to understand what the findings from the data collected meant and this was done with the help of the statistical packages for social sciences (SPSS) version 26. The demographic profiles of the respondents were analyzed using percentages and frequencies. As for inferential statistics, tools such as correlation, regression, coefficient, and ANOVA were used to analyze and study the nature of effects between independent and dependent variables.

Following an analysis of the collected data, the following major findings were identified: According to the results of the demographic characteristics of the employees, the majority of the total respondents were female (52%), the majority of the aged respondents were in the range of 31-40 years (44.3%), with degrees (66.3%), working experience in the range 6-10 years (33.1%), and marital status of married (70.9%).

The major results of the descriptive statistics showed that relational psychological contract has the highest mean score of 3.905, which is the highest mean among psychological contract dimensions. The second most popular psychological contract dimension perceived by the

respondent is balanced psychological contract which has a mean score of 3.803. The third most popular psychological contract dimensions perceived by the respondent is transactional which has a mean score of 3.563.Lastly, the psychological contract dimensions perceived by the respondents is transitional which has the lowest mean score of 3.301. For employees' turnover intentions perceived by the respondents is the mean of 3.336.

The major findings with regard to the correlation result of this study presented that, the correlation result on the effect of psychological contract on employee's turnover intentions; transactional psychological contract is positive and strong significance related to employee's turnover intentions with having r=0.654 and p=.000. Whereas, relational psychological contract has also negative and strong significance related to employee's turnover intentions that indicates the value of r=-.500 and p=.000. The other dimensions which is balanced psychological contract indicated that it has a negative and strong significance related to employee's turnover intentions with the value of r=-0.502 and p=.000.Lastly, transitional psychological contract has also positive and strong significance related to employee's turnover intentions with having the value of r=0.781 and p=.000.

With regard to the regression result, this study manifested that, the regression effect between psychological contract dimension and employee turnover intentions was better. The regression effect between psychological contract and employee turnover intentions concluded as it has a very strong effect in this study. Psychological contract dimensions explained 70.9 % on employee turnover intentions however; the remaining 29.1% variation is caused by other intention factors that had not been incorporated in this study.

In general, the regression effect on psychological contract dimensions on employee turnover intentions confirmed that all independent variables (transactional, transitional and relational ,balanced) have strong positive and negative significant effect on the dependent variables(employee turnover intentions) respectively.

5.3. Conclusion

The objective of this study was, to investigate the effect of psychological contract on employee turnover intentions in Amhara national regional state public sector bureaus. Based on the objective of this study, the following conclusions are drawn from the above findings, discussions and summary of the study.

Depending on the analysis results of this study, conclusions are made on the basis of the effect of psychological on employee's turnover intention. All the four predicted hypotheses were supported. As predicted, the transactional, relational, balanced and transitional psychological contracts have significant relationship with employee turnover intention.

The study was used quantitative research approach. The quantitative data were mainly obtained from 352 sample employees participative that were selected from the eighteen bureaus of Amhara national regional state public sector. The researcher has adopted a conceptual frame work and had selected the psychological contract dimensions variables to be tested the effect on employee turnover intentions includes; transactional psychological contract, relational psychological contract, balanced and transitional psychological contract.

As seen from the findings of the study, it was clear that the bureaus to minimize the transactional psychological contract Employees turnover intentions would decrease. From the correlation analysis transactional contract has significant effect on employee turnover intention.

Among psychological contract dimensions, relational psychological contract has significant effect on employee's turnover intention with direct negative relation. Its implication is that providing of secure employment, stable benefit and making decisions with employee's interest in mind was crucial to employee of ANRS public sector bureaus.

Among psychological contract dimensions, balanced psychological contract has significant effect on employee turnover intentions with direct negative relation. This suggests that increasing employee chances for personal growth, raising awareness that employees are a valued asset to the firm, and aligning with organizational well-being should reduce employee turnover intentions.

Transitional psychological contract has significant positive effect on employee turnover intentions in ANRS public sector bureaus. This implies that the organization has to carefully manage the informal relationship between the employee by improving the communication to remove mistrust and uncertainty; it will definitely help with respect to assisting staff retention.

Furthermore, as regression analysis model of the study revealed that the four independent variables (transactional, relational, balanced, transitional) have explained 70.9 % (adjusted R square = 0.709) on the employees' turnover intentions. The remaining 29.1 % variance is explained by other variables not included in this study. This result indicated that the explanatory variables have strongly explained the response variable. In addition to above, based on the multiple linear regression results of the study, the hypothesis testing result shows that the four independent variables namely (transactional and transitional) positively and (relational and balanced) ware negatively significant related with employees' turnover intentions in Amhara national regional state public sector bureaus.

5.4. Recommendations

In view of the major findings and the above conclusions, the following recommendations were made in order to promote "intent to stay of the employees in place of intent to leave" in the case Amhara national regional state public sector bureaus. In the findings of the study, the researcher had identified some flaws and strengths. To fill the gap as a consequence of shortcomings and to persist (extend) on the strengths, the following possible recommendations was drawn:

- First, when the bureaus want to make a contract with employee, it needs to pay more attention to the employee's appeal of psychological contract in the management practice; managers shall pay attention to the maintenance of the employees' relation resource. Transitional psychological contract has positive effect on employee turnover intention in ANRS bureaus. Therefore, The supervisor or the head of bureaus shall provide the employees with timely feedback on the work, give proper guidance, support to the employees, devote to building a harmonious and friendly working atmosphere, should improve mutual trust, communication with employees so that they understand the company's strategic direction, goals, and objectives. This has the potential to reduce skepticism and uncertainty so as to maximize the reduction of the employees' turnover intention.
- ❖ Management of ANRS bureaus should also have to consider nurturing the development of positive perception through alignment of employee's perception by encouraging long-term career progression, allowing employees to develop themselves, the creation of learning organization structure, and developing employee's external marketability. In order to let employees, perceive that decisions have been made with employee's interest in mind, the

- management should be more open communication is needed especially before arriving at vital decisions.
- ❖ The measure on transactional psychological contract shows the fact that indicates there was positive relation with employee turnover intention. Since, it is a very important tool for enhancing the relationships between employer and employees, Amhara national regional state bureaus management should have to provide more long term developmental opportunities and provide more opportunities of involvement in the bureau, involvement on the decision-making process, making them feel valuable for the organization and informing them about their contribution to the organization.
- ❖ When we come to the relational psychological contract has significant coefficient on employee's turnover intention with direct negative relation. Thus, Amhara national regional state bureaus management should have to drive its human resources policies and strategies to be stronger on applying relational psychological contract among employees concerning increase the enhance employee stability, and loyalty by paying stable wages, and the employer is dedicated to the well-being and interests of its employees and their families.
- According to the study, the employee/employer relationship can be overcome by clearly expressing expectations during the recruitment and induction stages of employment; establishing an organizational culture that promotes transparency on policies and procedures that affect employees; and creating a humane work environment that accommodates cooperation, consensus, and employee participation. This is necessary to ensure a healthy employment relationship that will ignite employees 'emotional stability and fulfillment of expectations in the workplace, and create a feeling of obligation for the employees to remain with the organization and contribute to the overall success of the organizations.

5.5. Limitation of the Study

The focus of this study was to investigate the effect of psychological contract on employee turnover intentions in Amhara national regional state bureaus. All findings are based on the information provided by the respondents and would be subject to the potential bias and prejudice of the people involved. Because those participants having a personal interest in painting a glossy picture. The studies were used only questioner's data collection methods because a questionnaire provides a suitable and relatively inexpensive method for collecting data, but few respondents were unable to reply the questioner's due burden of their task as well as unwillingness to fill the

questionnaires, as a result, all the questioners were not collected. The unavailability of secondary data (previously conducted researches in the public sector bureaus related to the topic and geographic limitation, confined only to ARNS public sector bureaus. Moreover, the result of this study might only be applicable to these particular bureaus where the study was conducted.

5.6. Suggestions for future studies

This research tried to investigate the effect of psychological contract on employee's turnover intentions. The study only focused on public sector bureaus employees in ANRS which is inadequate to make inference about the effect of psychological on employee's turnover intentions in the public sector in Ethiopia. Based on this the following directions for the future researchers were forwarded.

- The data collection procedures utilized by the current study was cross sectional /single point data collection using quantitative research design to gather response from employees but this is limited to one point in time. Thus, future researchers could use longitudinal design and incorporate qualitative questions to clarify the effect of each psychological contract dimensions to employee's turnover intention.
- The study has done only regional bureaus which makes it indicative but not fully conclusive.
 Hence, future studies in this area could be done in a broader & wider scope to include agency, office, and increase conclusiveness of the findings.
- In addition, further studies can be conducted on the influence of psychological contract on employee turnover intention in the context of other regional bureaus, privets sectors and countries. Finally, future researchers can investigate other factors that influence employee turnover such as evaluation oriented, content oriented, feature oriented and etc. employee's turnover intention.

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APPENDIX-1

BAHIR DAR UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

POST GRADUATE PROGRAM

RESEARCH QUESTIONNIRE

Dear Sir/Madam

I am a Master's student in Bahir Dar University, college of business and economics, currently; I am conducting a research study entitled as "The Effect psychological contract on employee turnover intentions in Amhara national regional state public sector bureaus". I have designed this questionnaire to collect data from employees working Amhara National Regional State Public Sector Bureaus.

The questionnaire was used to collect the primary data needed for a research study. Therefore, I seek your assistance to be as open, fair, and honest in terms of responding to your response to each question as much as possible you can. The researcher assures you that no individuals were being identified from their responses and there are no requests for confidential information included in the questionnaire. The result of the analysis was strictly used by the researchers for study purposes only.

The questionnaire comprises three parts:

Part one: General information questionnaire
Part two: psychological contract questionnaire and
Part three: Employee turnover intentions questionnaire

Instructions

	No need for writing your name in this questionnaire
	Read each statement carefully and give the corresponding answer correctly.
	please Tick in one box for part 1 questionnaire. For general information questions circle
in line	with the selected number in the table from 1 to 5 for part 2 and part 3 questionnaire i.e. for
nsvcho	ological contract and Employee turnover intentions questioner.

Part one: General information questionnaire

Instructions: Make a " $\sqrt{}$ " in the appropriate box.

1. Gender				
Male	Female			
2. Age				
18 to 30 years 31 to 4	40 years	41 to 50 years	51 and above	
3. Educational Level				
Diploma	Degree \square	Master	PhD	
4. Work experience				
Less than 5 years 6-1	0 years	11-15 years	above 15 years [
5. Marital status				
Single Married		oivorced	Others	
D4 4 D	O4	4		

Part two: Psychological Contract Questionnaire

Indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where: 1 to 5 where: 1= Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4= Agree (A), and, 5 = Strongly Agree (SA) Circle the number in a box which best describes your opinion of the statement.

	Transactional psychological contract	SD	D	N	A	SA
1.	I Perform only required tasks	1	2	3	4	5
2.	I Do only what I am paid to do	1	2	3	4	5
3.	I Only perform specific duties I agreed to when hired	1	2	3	4	5
4.	I am Fulfill a limited number of responsibilities	1	2	3	4	5
5.	I Quit whenever I want	1	2	3	4	5
6.	I have no future obligations to this bureau	1	2	3	4	5
7.	I Work here for a limited time only	1	2	3	4	5
8.	I Leave at any time I choose	1	2	3	4	5
	Relational Psychological Contract	SD	D	N	A	SA
1.	I Am Be loyal to this bureau	1	2	3	4	5
2.	I Make personal sacrifices for my bureau	1	2	3	4	5
3.	I Take this bureau concerns personal	1	2	3	4	5
4.	I am Commit myself personally to this bureau	1	2	3	4	5
5.	I Do what it takes to keep my job	1	2	3	4	5

6.	I am Not look for a job elsewhere	1	2	3	4	5
7.	I have Make no plans to work anywhere else	1	2	3	4	5
8.	I Remain with this bureau indefinitely	1	2	3	4	5

	Balanced Psychological Contract	SD	D	N	A	SA
1.	I Accept increasingly challenging performance standards					
		1	2	3	4	5
2.	I Respond positively to dynamic performance requirements	1	2	3	4	5
3.	I Accept frequent changes in performance demands	1	2	3	4	5
4.	I Build contacts outside this firm that enhance my career potential	1	2	3	4	5
5.	I Increase my visibility to potential employer outside the bureau	1	2	3	4	5
6.	I Build skills to increase my future employment opportunities	1	2	3	4	5
7.	I Build skills to increase my value to this bureau	1	2	3	4	5
8.	I Seek out development that enhance my value to my bureau	1	2	3	4	5
9.	I have internal opportunities for training and development	1	2	3	4	5

	Transitional Psychological Contract	SD	D	N	A	SA
1.	I have no trust in this bureau	1	2	3	4	5
2.	I cannot believe what this bureau tells me	1	2	3	4	5
3.	Inconsistency exists between what this bureau says and does	1	2	3	4	5
4.	I am uncertain what my obligations are to this bureaus	1	2	3	4	5
5.	It's difficult for me to predict the future of this relationship	1	2	3	4	5
6.	I'm getting less pay for more work	1	2	3	4	5
7.	I expect less from this bureau tomorrow than I receive today	1	2	3	4	5

Part Three: Employee Turnover Intentions Questionnaire

Indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where: 1=strongly disagree, 2=disagree, 3=neutral, 4= agree, 5=strongly agree. Circle the number in a box which best describes your opinion of the statement.

	Employee turnover intentions	SD	D	N	A	SA
1.	I frequently think of quitting my job.	1	2	3	4	5
2.	I am planning to search for a new job during the next 12 months	1	2	3	4	5
3.	If I have my own way, I will be working for this firm one year from now	1	2	3	4	5

APPENDIX-II

ባህርዳር ዪኒቨርሲቲ

ቢዝነስና ኢኮኖሚክስ ኮሌጅ

ጣኒጅመንት ክፍል የድሀረምረቃ ፕሮግራም

በሰራተኞች የሚሞላ መጠይቅ፡-

ውድ ተሳታፊዎች በመጀመሪያ ውድ ጊዚያችሁን በመሰዋት ሕና በመተቀም መልስ በመስተታችሁ ክልብ የመነጨ ምስጋና አቀርባለሁ።

እኔ የባህር ዳር ዩኒቨርሲቲ የቢዝነስና ኢኮኖሚክስ ኮሌጅ የስራ አመራር ትምህርት ክፍል የድህረምረቃ ሁለተኛ ዲግሪ ተጣሪ ስሆን ባሁት ጊዜ የመመረቂያ ጥናቴን በአጣራ ብሔራዊ ክልላዊ መንግስት የህዝብ ሴክተር ቢሮ ሰራተኞች ላይ ‹‹የሰራተኞች ስነ-ልቦናዊ ውል ከስራቸው ከመልቀቅ እሳቢ ጋር ያለው ተጽእኖ ›› በሚል ነው፡፡

መሆኑም እርስዎ በዚህ ጥናት በመሳተፍ የሚሰጡት መረጃ ሰጥናቱ እጅግ በጣም አስፈላጊ ስለሆነ መጠይቁን በመመሪያው መሰረት በመሙላት ትብብር እንዲደርጉልኝ ስል በአክብሮት አጠይቃለሁ፡፡የሚሰጡት መረጃ በሚስጥር የሚያዝ እና ለዚህ ጥናት ብቻ የሚውል ነው፡፡
የዚህ ፅሁፍ መጠይቅ ሶስት ክፍሎችን ይይዛል፡፡

- ♦ ክፍል አንድ፡- ስለማለሰብ አጠቃላይ መረጃ
- ❖ ክፍል ሁለት፡ የስነ ልቦና ውል መጠይቅ ሕና
- ❖ ክፍል ሶስት፡ የሰራተኛ የስራ መልቀቅ አላማዎች መጠይቅ

አጠቃሳይ መረጃ

- ስም መጻፍ አያስፈልማም።
- ሕያንዳንዱን ዓረፍ ተነገር በአማባቡ በማንበብ መልስ ይስጡ።
- ▶ ለግለሰብ ጠቅሳሳ መረጃ መልስዎን ከባዶ ቦታው ሳይ"√"በመጠቀም ይሙሉ።
- ለክፍል ሁለት እና ለክፍል ሶስት ጥያቄዎች ከ1-5 ካሉት ምርጫዎች አንዱን በማክበብ መልስ ይስጡ።

ለሚያደርጉት ትብብር ከወዲሁ ከልብ አመሰግናለሁ።

ክፍልአንድ ፡- የግስሰብ ጠቅሳሳ መረጃ
መመሪያ፡- በተ7ቢው ሳጥን ወስጥ የ"√"ምልክት <i>ያድርጉ</i> ፡፡
1. 8步
ወንድ <u></u> ሴት <u></u>
2. <i>ዕድሜ</i>
h 18 እስከ 30 አመት 🔲 - ከ 31 እስከ 40 አመት - 🖂
ከ 41 እስከ 50 አመት 🔲 ከ 50 አመት በሳይ 🔲
3. የትምህርትደረጃ
ዲፕሎማ የመጀመሪያ ዲግሪ
ሁ ለ ተኛ ዲግ
4. የአንልግሎት ዘመን
ከ 5 ዓመት ያነስ 🔲 ከ 6-10 ዓመት 🔲
h 11-15 ዓመትስ 🔲 h 15 ዓመት በሳይ 🔙
5. የ <i>ጋ</i> ብቻ ሁኔታ
ያሳንባ/ች
የፌታ/ች 🔲 ሴሳ 🔛
ክፍልሁስት፡- የስነ-ልቦና ውል መጠይቅ
መመሪያ:-
1. ከ1 እስከ 5 ያለውን ሚዛን በመጠቀም ከሚከተሉት መግለጫዎች <i>ጋ</i> ር የሚስማሙበትን መጠን ያመልክቱ፡ 1 እስከ 5፡ 1=በጣም አልስማማም 2= አልስማማም 3= መወሰን

ውስጥ ክበብ ይህም የመግለጫውን አስተያየት በተሻለ ሁኔታ የሚገልጽ ነው።

አልችልም 4= እስማማለሁ 5= በጣም እስማማለሁ በሚል ይወከላሉ። ቁጥሩን በሳጥን

ሀ. ስራ ክንውን /ፍሰትግብይት ሥነ ልቦናዊ ውል መጠይቅ

የ ስራ ክንውን /ፍስት ሥነ ልቦናዊ ውል <i>መ</i> ጠይቅ	በጣም አልስማማ	አልስማም	<i>መ</i> ወሰን አልቾልም	<i>አስማማለሁ</i>	በጣም እስማማለሁ
1.የሚጠበቅብኝ ተግባራት ብቻ አከናውናለሁ።	_	_		_	_
	1	2	3	4	5
2. በሚከፈለኝ ልክ ስራየን አሰራስሁ።			•		_
	1	2	3	4	5
3. በቅጥር ውል ወቅት ለመስራት የተስማጣሁትን			•		_
ተግባራት ብቻ አከናውናስሁ።	1	2	3	4	5
4. ተቆጥሮ የተሰጠኝን ኃላፊነት በአማባቡ እፋጽማስሁ።	1	2	3	4	5
5.በፈለግኩ ጊዜ ሥራዬን ሕለቃለሁ።	1	2	3	4	5
6. ለመስሪያ ቤቴ የሚጠበቅብኝ ተጨማሪ ግደታ የለብኝም።	1	2	3	4	5
7. ከዚህ መስሪያ ቤቴ ለተወሰነ ጊዜ ብቻ ነው መስራት የምፈልገው።	1	2	3	4	5
8. ስራየን በድንንት ልተወው	1	2	3	4	5

ሰ. ተዛማጅ የስነ-ልቦና ውል መጠይቅ

ተዛማጅ የስነ-ልቦና ውል መጠይቅ	Ո <i>Պ</i> Դ& <i>Դ</i> Պ <i>ՊՊ</i>	አልስማም	መወሰን አልችልም	<i>ት</i> ስማማስ	በጣም አስማማለሁ
1. ለመስሪያ ቤቴ ታማኝ ነኝ ብየ አስባለሁ።					
	1	2	3	4	5
2. ለመስሪያ ቤቴ መስዋትነት ከፍያለሁ።					
	1	2	3	4	5
3. የመስሪያ ቤቴ ስ <i>ጋ</i> ቶች <i>ሕ</i> ኔንም ይመ ለ ከተኛል።					
	1	2	3	4	5
4. ለመስሪያ ቤቴ የሚጠበቅብኝን በቁርጠኝነት					
ሕሰራ ስሁ።	1	2	3	4	5
5. በስራዬ ለመቀጠል የሚጠበቅብኝን ሕሰራለሁ።					
	1	2	3	4	5

5. ስራዬን መልቀቅ አልፈልግም።					
	1	2	3	4	5
6. ስራ ለመቀየር እቅድ የለኝም።					
	1	2	3	4	5
8. ለረጅም ጊዜ በዚህ መስሪያቤት መስራት					
ሕ ፌል <i>ጋ</i> ስሁ።	1	2	3	4	5

ሐ. ሚዛናዊ የስነ-ልቦና ውል መጠይቅ

ሚዛናዊ የስነ-ልቦና ውል መጠይቅ	በጣም አልስማማማም	አልስማዋም	መወሰን አልችልም	እስማማለሁ	በጣም እስማማለሁ
1. ከጊዜ ወደ ጊዜ	1	2	3	4	5
2. ለተለዋዋጭ የአፈጻጸም መስፈርቶች አዎንታዊ ምላሽ	1	2	3	4	5
3. ለአ ፈጻጸም አ <i>ጋ</i> ዥ የሆኑ ተደ <i>ጋጋሚ</i> ለውጦችን <i>እቀ</i> በላለሁ።	1	2	3	4	5
4. ሙያዬን የሚያጎስብቱ ስራዎች ከሌሎች መ/ቤቶች ጋር እሰራስሁ፡፡	1	2	3	4	5
5.	1	2	3	4	5
6. የወደፊት የስራ እድሎችን ለማስፋት <i>የመ</i> ፈጸም ችሎታየን ማሳደግ እፈል <i>ጋ</i> ለሁ።	1	2	3	4	5
7. ሙያየን በማሻሻሌ በተቋሙ ያለኝን ተፌሊጊነት ማሳደግ ሕፌሌ <i>ጋ</i> ሇሁ፡፡	1	2	3	4	5
8. መ/ቤቴ ሕሴት የሚጨምሩ የአቅም ግንባታ ሕድልችን ሕልሌጋሇሁ፡፡	1	2	3	4	5
9. በመ/ቤቴ የስሌጠና	1	2	3	4	5

መ. የሽግግር ስነ-ልቦናዊ ውል

የሽማግር ስነ-ልቦናዊ ውል <i>መ</i> ጠይቅ	በጣም አልስማማም	አልስማም	መወሰንአልች ልም	እስማማስ	በጣም እስማማለሁ
1. በመስሪያ ቤቴ ላይ እምነት የለኝም።	1	2	3	4	5
2. መስሪያ ቤቴ የገባውን ቃል ይፈጽማል የሚል					

<i>ሕምነት</i> ∙ የለኝም።	1	2	3	4	5
3. መስሪያ ቤቴ የገባውን ቃል ወፕነት ባለው					
<i>መ</i> ልኩ አይፈጽምም።	1	2	3	4	5
4. በመስሪያ ቤቱ ስለሚጠበቅብኝ ግደታ					
አይደ ሰ ሁም።	1	2	3	4	5
5. ከመስሪያ ቤቴ <i>ጋር</i> ስለሚኖረኝ የወደፊት					
<i>ግንኙነት</i> ለመገመት ሕርግጠኛ አይደለሁም።	1	2	3	4	5
6. በሰራሁት ልክ በቂ ክፍያ እየተከፈለኝ አይደለም					
::	1	2	3	4	5
7. መስሪያ ቤቱ አሁን ከሚከፈለኝ ወደፊት ሲቀንስ					
እንደሚችል ስ <i>ጋት</i> አሰኝ።	1	2	3	4	5

ክፍል ሶስት፡ የሰራተኞች የስራ መልቀቅ ፍላቶች /አዝማሚያዎች ጥያቂዎች

ከ1 እስከ 5 ያለውን ሚዛን በመጠቀም ከሚከተሉት መግለጫዎች *ጋር* የሚስማሙበትን መጠን ያመልክቱ፡ 1= በጣም አልስማማም ፣ 2=አልስማማም ፣ 3=መወሰን አልችልም ፣ 4= እስማማለሁ ፣ 5=በጣም እስማማለሁ። የመግለጫውን አስተያየት በተሻለ ሁኔታ የሚገልጽ ቁጥሩን በሳጥን ውስጥ ያክብቡ።

የስራተኞች የስራ መልቀቅ ፍላቶች /አዝማሚያዎች በሚሰው ጥያቂዎች	በጣም አልስማማም	አልስማም	<i>መ</i> ወሰን አልችልም	እስማማለሁ	በጣም አስማማለሁ
1. ብዙ ጊዜ ስራዬን ለመልቀቅ አስባለሁ።	1	2	3	4	5
2. በሚቀጥሉት 12 ወራት ውስጥ አዲስ ሥራ ለመፈለግ እቅድ አለኝ።	1	2	3	4	5
3. የራሴን ስራ ለመስራት እቅድ ቢኖረኝም ለአንድ አመት ያህል ለመስሪያ ቤ/ቴ መስራት እፈል <i>ጋ</i> ለሁ፡፡	1	2	3	4	5