

**THE IMPACT OF PSYCHOLOGICAL CONTRACT ON
TURNOVER INTENTION OF INSURANCE AGENTS IN
BATTICALOA DISTRICT**

BY

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REG NO: EU/IS/2014/MS/66

INDEX NO: MS 1716



A project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the Degree of Specialization in Bachelor of Business Administration (BBA).

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EASTERN UNIVERSITY, SRI LANKA

2019

ABSTRACT

Sri Lankan insurance companies are competing to become edge over other financial sector as well as to achieve their business goals. Insurance sector is generally considered as innovative sector because everyday insurance is trying to introduce new innovative products and services to their customers.

The aim of this study is to identify the impact of Psychological Contract on Turnover Intention of Insurance agents in Batticaloa District. A knowledge gap has been observed regarding the impact of Psychological Contract on Turnover Intention of Insurance agents in the insurance sector.

The primary data were gathered from 184 employees from selected ten insurance companies based on stratified random sampling method through self-reported questionnaires and five-point Likert scale was assigned to measure the variables. The collected data were analyzed by using univariate, bivariate and multivariate technique in a computer based Statistical package for the Social Science 22.0 version software and analyzed using descriptive statistics, correlation and regression analysis in order to find the results of study objectives.

Based on the findings of the study, it can be concluded that Psychological Contract is a moderate level, Work engagement is a high level and Turnover intention is a low level. Psychological Contract is a significant and negative moderate relationship of Turnover intention, Psychological Contract is a significant and moderate positive relationship of Work engagement and Work engagement is a significant and strong negative relationship of Turnover intention.

And also, the research found work engagement mediates the relationship between psychological contract and turnover intention. The study can positively contribute as a strategy level document in formulating human resource policies in insurance companies. Therefore, the findings of this study have importance in relation to promoting work engagement when designing an organization.

Keywords: *Psychological Contract, Turnover Intention, Work Engagement*

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