

**“THE IMPACT OF HUMAN RESOURCE MANAGEMENT  
PRACTICES ON PSYCHOLOGICAL CONTRACT”**



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## ABSTRACT

Human Resource Management Practices represent a major mechanism for implementing a firm's strategic plan. These practices create a distinct type of relationship between employee and employer which can be characterized as psychological contracts, that is, the belief people hold regarding the terms of their employment relationship. The purpose of this research was to examine the type of Psychological Contracts that exist within an organization and show the impact of Human Resource Management Practices on the different contracts. Human Resource Management Practices play a significant role in building the Psychological Contract that supports the strategy. 181 knowledge workers were selected by using simple random sampling technique from selected Garment Industry in Puttalam District and questionnaires were issued and collected the data from them and also Statistical Package for Social Science (SPSS 19.0) was used to present, analyze and evaluate data. Mainly, Descriptive analysis, correlation and Regression analysis methods were assisted to it. The result shows that the level of Human Resource Management Practices and Psychological Contract is in high level at selected Garment Industry in Puttalam District. Overall finding from this study, there is a strong positive relationship between Human Resource Management Practices and Psychological Contract at selected Garment Industry in Puttalam District. Lastly, the regression analysis between Human Resources Management Practices and Psychological Contract indicated that 53.9% of total variance of Psychological Contract was explained by Human Resources Management Practices. Therefore, there are some policies would be developed to enhance the Human Resource Management Practices and Psychological Contract at selected Garment Industry in Puttalam District.

**Key words:** Human Resources Management Practices, Recruitment and Selection, Training and Development, Performance Appraisal, Reward Management, Communication and Psychological Contract.

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