

**THE IMPACT OF PSYCHOLOGICAL CONTRACT
FULFILLMENT ON ORGANIZATIONAL COMMITMENT**



FAIZAL ANTANAT SHAMILA

1648.



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**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

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ABSTRACT

Employees are the essence of success in every bank. In order to be successful, a bank must ensure the organizational commitment among the employees. Psychological Contract Fulfillment has been considered as one of the most important predictors of Organizational Commitment.

In Sri Lankan context, a few empirical studies have been conducted with the relationship between Psychological Contract Fulfillment and Organizational Commitment of employees. So there is an empirical knowledge gap exists in the Psychological Contract Fulfillment and Organizational Commitment. Hence, this study attempts to fill this knowledge gap.

This research is limited to the 12 Licensed Commercial Banks (LCBs) main branches in Batticaloa District. Total of 174 questionnaires were distributed to employees in banking sector in Batticaloa District. Only 150 questionnaires were received and used for analysis. The data were analyzed using by descriptive analysis, Pearson correlation and multiple regression analyses with the support of Statistical Package for Social Science (SPSS 19.0).

The results show that the level of Psychological Contract Fulfillment and Organizational Commitment are in high levels in selected banks in Batticaloa District. Overall finding from this study is identified that, there is a strong positive relationship between Psychological Contract Fulfillment and Organizational Commitment in selected banks in Batticaloa District. Lastly, the regression analysis between Psychological Contract Fulfillment and Organizational Commitment indicated that 32% of total variance of Organizational Commitment is explained by transactional contract fulfillment and relational contract fulfillment in selected banks in Batticaloa District.

Hence, there are some policies would be developed to enhance the Fulfillment of Psychological Contract to achieve the Organizational Commitment in selected banks in Batticaloa District.

Keywords: Affective Commitment, Continuance Commitment, Normative Commitment, Transactional Contract Fulfillment, Relational Contract Fulfillment.

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