

Introduction

In current competitive environment, the survival of any organization depends on their innovative and flexible employees who are willing to go an extra mile for organization. Employees' creative and unique ideas are source of competitive advantage. It is essential for organizations to work towards enhancing commitment and dedication of their employees. Instead of adopting traditional management methods of cost reduction and efficiency improvement, modern management techniques should be applied that focus on managing their key asset, i.e. human capital. (Bakker and Schaufeli, 2008)

The constantly changing business world requires organizations to adopt certain strategies including downsizing, reorganizing and outsourcing. The purpose of the modifications is to improve the overall productivity, performance and competitiveness. Though these strategies are developed for the sustainability of organization, but they have strong impact on employee's attitude and behaviors, and the relationship between employee and employer. These changes in attitude might bring unexpected negative consequences including insecurities and uncertainties. Employee might perceive these strategies as violation of their psychological contract by employer and thus decrease the level of employee engagement.

The objective of this research is to study the role of psychological contract in predicting employee engagement. It is the study to explore how breach of psychological contract impact employee to change their engagement level. 'Psychological contract' is defined as a perceptual concept where employee holds certain promissory expectations from employer (Aggarwal, Datta, & Bhargava, 2007). It is the unwritten set of obligations that employee and employer have towards each others. The 'employee engagement' is the physical, mental and emotional involvement of employees in their work role (Aggarwal, Datta, & Bhargava, 2007). The positive impact of perceived fulfillment of psychological contract takes place through employee engagement.

Building and sustaining culture of employee engagement is an important component of success of organization. Employee engagement makes employee dedicated and passionate about their work. It compels employee to go above and beyond the call of duty because they feel accountable for their work. Engaged employee work proactively, collaborate with others, take responsibility of their work and commit to high quality work performance. They take pride in their work and feel a strong connection with their organization and its goals and objectives. They help organization achieve strategic goals and take organization to new heights of success by increasing customer satisfaction and stakeholder's value. Furthermore, it also enhances employer's reputation as good employer thereby facilitating organization in attracting and acquiring new talent and retaining existing talent. It seems that disengaged employees impact organization through increase in turnover and absenteeism, and decrease in productivity (Basbous, 2011). If employees in an organization are not truly engaged, there is a chance of losing skilled and experienced top performers to the competitors without any apparent reason; despite of the fact that organization has been paying them good salary packages and benefits (Siddhanta & Roy, 2010).

For employee engagement to truly happen, the relationship of employee and employer need to be positive. The level of engagement depends on the ways employees are treated by employer. Employee prefers to work in the environment that promotes the culture of trust and loyalty. The relationship of employee and employer is a delicate matter and required to be dealt with care, especially when there is no job security and low training budget. To keep employees engaged, two sided relationship ought to be maintained. Employer wants an employee who is hard working, creative, enthusiastic and committed. Employee on the other hand wants to be valued, trusted, involved, heard and recognized by employer. There should be relationship of mutual trust and respect between both parties. (Huggett, 2009)

Between employee and employer, there has always been an implied psychological contract. The previous generation worked under the assumptions that employer will give job security if employee showed loyalty to the company; and employer would act according to what is good for company while keeping their focus on employees. The new contract taught employees that

for career progression they ought to be more flexible. They need to keep an eye for learning opportunity and avail it once they find one. Today, employees want to work for the organization that has effective communication mechanism, show concern for employees and advocate balanced lifestyle. They want challenging tasks, advancement opportunities, healthy working relationships with coworkers and boss, and ethical corporate culture. These intrinsic rewards are more valuable to employees than the extrinsic ones. (Rhodes, 2013) But there are aspects of psychological contract that have never changed- trust, well being, respect, commitment and equity to name a few. Then there are aspects of employee engagement that expand the concept.

To truly value employees' contributions towards the organization and providing them the opportunity to live enriched and balanced lives, employer need to focus on the constructs of employee engagement and psychological contract. It will help employer have balanced relationship with employees so that they work together towards achieving organizational goals and objectives. (Rhodes, 2013)

Problem Statement

It is not clear whether the psychological contract of PTCL employees has been fulfilled or breached. Furthermore, the impact of psychological contract on employee engagement and the relationship between the two constructs have not been explored extensively in the past research.

Objective of the Study

The primary objectives of the present research study is to

1. Explore and analyze the psychological contract and the level of employee engagement of PTCL employees and
2. Study the impact of breach of psychological contract on employee engagement.

Research Question

To what extent, the breach of psychological contract relates to and impacts employee engagement in PTCL.

The main purpose of this research is to analyze the connection between the concepts of employee engagement and psychological contract, and how the breach of psychological contract dictates and predicts the level of employee engagement.

Motivation of the Study

With the increasing importance of psychological contract and employee engagement for the organizations, in addition to the lack of research evidence and understanding of the concepts, it is required to explore the two constructs. For the purpose, current study investigates the impact of the breach of psychological contract on the level of employee engagement.

The organization chosen for the research is 'Pakistan Telecommunication Company Limited' (PTCL). The reason for selecting PTCL for research is that it has large number of employees in different categories which give wider range of choices to choose sample from. Furthermore, it can be observed that different employees have different level of satisfaction. There are employees who are enthusiastic about their work and constantly coming up with innovative solutions. Then there are employees who go through the normal work routine and meet the minimum performance requirement. And then there are employees who use PTCL's internet and office computer in working hours to search for some other job opportunity. Another contributing reason in selecting PTCL is the convenience and ease of data collection.

Organization of Study

Pakistan Telecommunication Company Limited (PTCL) is one of the major telecom operator in Pakistan with its wide spread network all across the country. It is considered as backbone of Pakistan's telecommunication infrastructure. PTCL offers telephonic and internet services to its customers all over Pakistan. From generations, its landline has always been essential part of every household and preferred choice for making domestic as well as international voice calls. It is also largest, fast growing broadband service provider in the country. With the help of its

network infrastructure in far flung areas, it is also providing infrastructure services to various corporate customers, other cellular and call center operators nationwide. These interconnected services are provided via over 3200 exchanges located across Pakistan.

Since privatization, the management of PTCL is under control of Etisalat, a UAE based Telecom Company, who bought 26% shares through open bidding in 2005. The remaining 62% shares are with Government of Pakistan and 12% with general public. Etisalat has its operations in 15 other countries located in Asia, Middle East and Africa.

Among all, DSL is most popular service of PTCL and main source of revenue generation. It has the largest chunk of market share in broadband services. Optical Fiber Access Network has also been laid by PTCL in various metropolitan centers. For international and long distance calls, submarine cables have also been expanded.

Structure of PTCL:

PTCL is divided into 3 zones i.e. North, Central and South and Head quarter. Each zone is sub divided into 6 regions each. Each zone has their respective HRBPs as POCs (point of contact). PTCL has its regional presence in Islamabad, Rawalpindi, Azad Jammu Kashmir, Hazara (Abbottabad), Peshawar, Lahore, Gujarat, Multan, Faisalabad, Hyderabad, Karachi, Sukkur and Quetta. The functional departments of PTCL are,

- Technical and IT
- Human Resource
- Business Operations
- Finance
- Procurement
- Commercial
- Digital Services
- Business Development
- Internal Audit

There are following main employee categories in PTCL,

- Regular Staff with BPS scale. These employees were hired by government before privatization of PTCL. Majority of these employees are of grade 16 and below, whereas around 3000 are 17 and above.
- Contractual Staff (NTC) are the employees with open ended contract. All the new hires and management staff come under this category.
- A small percentage of employees are from 'New Compensation Pay Group' (NCPG). These employees include daily wagers, monthly wagers, non-management, electricians etc.
- Another category of employees are the outsourced staff. These employees include call center representatives, customer premises equipment installers, security guards etc.

The management of these staff is a complex and critical task as there is different set of laws in existence for each category.

The hierarchy of PTCL's management staff (contractual) has 9 levels; with President of PTCL group (Ufone and PTCL) at the top, then CEO PTCL, CXOs, EVPs, GMs, SMs, Managers and AMs.

Significance of the Study

The current study will prove to be beneficial in following terms,

1. Quantifying and verifying the connection of employee engagement and psychological contract
2. Better understanding of the two constructs and their relationship.
3. Facilitating policy makers of the organization in the decision of investment in employees.

Assumptions of the Study

It is assumed that the psychological contract and employee engagement data collected from employees is representative of any business unit of PTCL and for any given time of the year. Additionally, the process of data collection has been conducted in an unbiased and effective manner. Assumption has also been made that the answers to the questions by the respondents of the survey are honest, unbiased, true representative of reality and according to best of their knowledge and ability. It is also assumed that the data collected for the research is collected correctly and reported accurately; and the SPSS software provided exact analysis results for the entered data. Furthermore, the analysis of the study is assumed to be successfully done and meaningful conclusion has been drawn.

Literature review

The purpose of the research is to assess how breach of psychological contract between employee and employer can impact the level of employee engagement, especially in telecom sector. In order to develop better understanding, it is advisable to explore the topic and review the research done in the area. To form concrete foundation of the concept, the paper will first investigate what is meant by the terms 'psychological contract' and 'employee engagement' and how they are defined by the various researchers. Other aspects of these constructs were also explored to some extent. Then the insight will be developed into the previous research done on the relation between psychological contract and employee engagement. It will also review some theories in support of two constructs.

Concept of Employee Engagement:

In ever changing work environment, employee engagement defines the failure and the success of an organization. It is the significant factor in deciding not only employee retention, productivity and commitment but also play a critical role in determining customer loyalty, organizational image and value to the stakeholders. Therefore, companies are actively working with their HR to make such policies and strategies that enhance employee engagement (Lockwood, 2007).

But what is employee engagement? Though being popular and trendy topic among researchers nowadays, they are unable to reach an agreement on the definition and meaning of employee engagement and thus, have defined and measured it differently in their researches (Ferguson, 2007). For the purpose of understanding, a small representative selection of definitions and explanation of concept is discussed below.

Defining Engagement:

The term was first used by William A. Kahn as 'personal engagement' and defined it as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances." The

employee engagement's physical aspect refers to the physical energy employees exert to perform their job duties. Whereas, cognitive aspect refers to the beliefs of employees about their organization, its working environment/ condition and organizational leaders. And the emotional aspect covers how employees feel about the above factors and their attitude towards the organization and its leaders. Therefore, engagement means that individual is both physically and psychologically present while performing their organizational role. (Kahn W. A., 1990)

Employee engagement, as defined by Wilmar Schaufeli and his fellows is "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption." Furthermore, the researchers stated that it is not a momentary or specific state, rather it is "a more persistent and pervasive affective cognitive state that is not focused on any particular object, event, individual, or behavior". (Schaufeli, Salanova, Gonz'alez-Rom'A, & Bakker, 2002)

An engaged employee, being familiar with the business context, work with other employees to boost job performance and achieve organizational goals (Robinson, Perryman, & Hayday, 2004). Therefore, engaged employee is the person who considers himself/ herself as an integral part of the organization and work with enthusiasm to play their role in the success of company (Gallup organization). They take calculated risks, make sure that they solve the problems identified and work hard as if they have stake in the organization. (Richman).

Brad Shuck and Karen Wollard went through the process of synthesizing definitions, understanding and exploring historical contexts and conceptual frameworks and proposed an emergent definition of the concept of employee engagement (Shuck & Wollard, 2010)

Similarities and differences of employee engagement and other organizational constructs:

Sufficient ground is available for arguing that employee engagement is somewhat related to, but is different from other construct in organizational behavior, including individual attitudes, intentions and behavior (Saks, 2006). We also find the basis of 'employee engagement' in concepts like employee commitment, organizational citizenship behavior and job satisfaction (Markos & Sridevi, 2010). But in spite of the fact that engagement contains many elements of

these concepts, it is not their exact match; because neither employee commitment nor OCB reflects truly its two way nature and the degree to which engaged employee is expected to have business awareness. (Robinson, Perryman, & Hayday, 2004).

Engagement is different from OCB in a way that engagement focuses on performing formal role of employee while OCB involves extra-role and voluntary behavior. It differ from commitment in the sense that unlike commitment, engagement is not an individual's attitude, rather it is degree to which employee is attentive towards what he/ she do and absorbed in the roles they perform at work (Saks, 2006).

To maintain a positive work environment, it is essential to keep employees satisfied. But mere satisfaction does not guarantee that top performers would not leave the organization for some other opportunity; nor it will essentially make them do more than what is mentioned in their job description, unless they are deeply happy in the job they do. Example of an employee who is satisfied but has low level of engagement, is of an individual who show up at work daily and go through the routine, assigned tasks but does not take many initiatives or 'go an extra mile' for his/ her employer. It is, therefore, essential that organization should keep their focus not only on satisfying their workforce but also on their engagement. (ADP Research Institution, 2012)

Engagement in numbers:

Gallup conducted 'State of the Global Workplace' survey in 2012, where worldwide 13% employees were found engaged in their work and for Pakistan, the engagement rate was 15% \pm 3 (Crabtree, 2013). Another study shows that lost of productivity of actively disengaged employees costs the U.S. economy \$370 billion annually (Gallup, 2010). Moreover, the global workforce study conducted by Tower Watson concludes that only four in ten employees were highly engaged (Tower Watson, 2014). These researches indicate the need for improving organization's policies to increase the employee engagement in the organization because an engaged employee make up the 90% of the productivity of the company (Gallup organization)

Importance:

Employee engagement is one of the most important organizational management topics that have an effect on the employee's performance and their behavior. The importance of the concept is proven by researchers and practitioners who agree that the outcome of employee engagement is positive (Saks, 2006). Therefore, it can be assumed that it will generate favorable work outcomes, as engagement is a positive, fulfilling work related experience and state of mind (Schaufeli, Salanova, Gonz'alez-Rom'A, & Bakker, 2002). A meta-analysis also confirmed the general belief that employee engagement has a strong impact on business results, including customer satisfaction, company's profitability and productivity and employee turnover. So modifying management practices in a way that leads to general satisfaction and engagement among employees may bring positive business-unit results, including profits (Harter, Schmidt, & Hayes, 2002).

Its consequences are not only positive for organization but also for the employee. Since employee engagement is individual level construct, high level of engagement first generates positive outcome at individual level (for example improvement in employee's work quality and overall experiences), which then affect the business outcomes (for example increased productivity and profitability of organization) (Kahn W. A., 1990).

According to research, engagement is considered to be positively related to employee commitment with the organization and negatively related to 'intension to leave organization' or turnover intension (Schaufeli & Bakker, 2004) (Sonnentag, 2003). Engagement and burnout are also considered to be the opposites of each other, where the burnout is used as a metaphor to describe "a state of mental weariness" (Schaufeli & Bakker, 2004). Moreover, engagement is expected to have an impact on the employee performance (Kahn W. A., 1990). It has also been found positively associated with performance feedback, job autonomy, variety in assigned tasks and individual's mental health (Schaufeli & Salanova, 2007).

Higher level of employee engagement compels employee to take initiatives and pursue learning goals (Sonnentag, 2003). Engaged employee are ready to go the extra mile for the organization (Lockwood, 2007) and have desire to prove themselves by meeting challenging goals and successfully performing all the job duties. Engaged employee perceive their work to be

meaningful (Kahn W. A., 1990), believes in the organization and work hard to improve things by keeping themselves up-to-date with the developments in their field (Robinson, Perryman, & Hayday, 2004).

An employee engagement is something that is in control of organization, that is they can either increase it or undermine it through their policies and practices. It depends little on employee's personality or background (Richman). It is influenced by the factors including organization's management and leadership style and the reputation of the company (Swarnalatha & Prasanna, May-2014), psychological conditions in the workplace including meaningfulness, psychological safety and availability (Kahn W. A., 1990). Culture of organization also play vital role in enduring positive impact of the engagement programs (Siddhanta & Roy, Employee engagement: Engaging the 21st Century Workforce, 2011).

Employer therefore should work to make their employees more engaged as it is reciprocal relationship (Robinson, Perryman, & Hayday, 2004). Employer should promote such policies and practices that foster the culture of engagement. They should adopt 'open door' policy and two-way communication system. This will help access and fulfill the needs of employees. It is also very important to appreciate employees for their contribution to the organization. Management should constantly communicate and align employees with the organizational strategies, goals and values. They ought to provide them opportunities and challenges (Lockwood, 2007). However, as noted by Robinson, the drivers of engagement differ depending on the organization, employee and job type and there is no single pattern that fits in all the situations (Robinson D. , 2007).

Concept of Psychological Contract:

Whenever a new employee is hired, both the employee and the organization develop certain kind of expectations of each others. Unlike documented 'employment contract' which identifies only the formal, mutual responsibilities in generic terms, they are 'psychological contract' comprising of the expectations, beliefs and informal duties to one another. They are not written or articulated in any way and plays pivotal role in determining how employee will perceive their

organization and how much effort they will put in to perform the tasks. A simple employment contract, or any other written document describing terms and conditions of employment, does not determine how the employee and employer will interact with each other and their behavior on daily basis. Rather, it is the psychological contract that determines the terms of their mutual relationship. In other words, what they will do or will not, and how they do that.

The term 'psychological contract' has been in use by researchers since 1960s. But it was not until the publication of Rousseau's work in 1989 that the idea really got attention of researchers. Before that, the idea remained undeveloped and ignored (Conway & Briner, 2005). 1990 onwards, the psychological contract emerged as the concept that deals with the changing nature of the relationship of employment (Pate, 2006).

What is Psychological Contract?

Psychological contract is a construct that describes relationship of employee with his or her organization. The basis of this relationship is on an exchange agreement, where one party will provide something valuable to other party in exchange of something the other party can provide, that is of some value to the first party. (Rousseau, 1990).

Promises itself do not formulate the contract, rather it is the paid-for-promises made in return of some consideration that constitute the contract. (Robinson & Rousseau, 1994)

This belief consists of the implicit and explicit promises that the employer and employee make to each other. The individual belief in mutual obligations, where the perception is set that employer makes a promise (e.g., of providing job security and career growth) to which employee offer consideration (e.g., of working hard and being loyal). This reciprocal obligation binds the two parties together. (Rousseau & Tijoriwala, 1998). These beliefs are formed during and after recruitment. In contrast with the employment contract, it is not one time agreement and is revised throughout the tenure of employee in the organization (Rousseau and Parks, 1993). New assignments, projects, job rotation and organizational restructuring might add some new terms to the existing contract. (Robinson & Rousseau, 1994).

Each party in the contract believes that they both have made the exchange promises and agree with the same terms of contract. However, there is no guarantee that both parties have common understanding and same interpretation of all the terms of contract. They might hold different and unique belief about their obligation to each other. Moreover, this believe is considered unilateral; only held by the individual and do not restrict any other party involved (Rousseau, 1989). It is, therefore, possible that the other party may not belief in existence of contract.

The belief in existence of psychological contract increases when employer's promise leads the contribution made by employee, rather than follows it. It will help individual to associate their behavior with the cause. For example, announcement of bonus for the best performer before the individual exert extra effort, will likely to act as a motivator or cause of the behavior change; rather than after. (Rousseau, 1989)

The difference between psychological contract and employment contract is that psychological contract is unwritten and explicit while employment contract is written and implicit. Moreover, psychological contract do not hold any legal status whereas, employment contract legally bind organization. Psychological contract describe what people actually do at work and exert large influence on behavior, feelings and attitude. (Conway)

Psychological contract is often confused with the expectations of employees. 'Expectations' simply refers to what employee expects to get from employer. Whereas, 'psychological contract' refers to the sense of mutual obligation, that constitutes the relationship of employee with the employer. As opposed to expectations, it is the belief that employer is bound to provide, based on exchange promise. (Robinson & Rousseau, 1994)

Personality traits of individual have an impact on how he or she will interpret psychological contract. It includes the way they handle situations and changes, their ideology and do employee intentionally work on or amend their contract, other than reacting to the behavior of employee. (Lane, 2010)

Importance:

The psychological contract helps in explaining employee behavior in two ways. First, it explores how reciprocal promises compel employee to do things for their organizations and affect their behavior (for example research done by Rousseau (1990) and Coyle-Shapiro & Kessler (2002)). Second, it considers the reaction of employee if they think the promises made to them are not fulfilled or broken (for example research done by Conway & Briner (2002) and Robinson (1996)).

The behavior of employee will depend upon whether he or she believes that the promises made to them were kept or not. If employee believes that the employer has kept the promises, then the level of satisfaction and commitment will increase. Alternatively, if the perceived promises are not fulfilled or broken, then the consequences will be negative and employee may consider withdrawing from the relationship. (Conway & Briner, 2005)

Breach of Psychological Contract:

The importance of psychological contract in defining employment relationship has increased with the changing trend towards globalization, downsizing and restructuring. These trends have compelled organizations to alter the nature of employment relationship and psychological contract. The traditional contract of job security in exchange of loyalty and hard work might not be valid anymore (Sims, 1994). The changes in trend has also increased the probability of psychological contract breach and organizations are finding it difficult to fulfill all of the promises made to the employee (Robinson S. L., 1996). Moreover, the changes in contract have increased the likelihood of misunderstanding the agreement by employee and employer, and chances are that they might perceive breach in contract, even when there had been no actual violation. According to a research done by Robinson and Rousseau, more than half of the employees studied believe that their employer has violated some aspect of their contract (Robinson & Rousseau, 1994).

Various researchers, for example Robinson & Rousseau (1994) and Robinson (1996), have concluded that the breach of contract results in negative outcomes like decrease in satisfaction, commitment and perceived obligation to employer thus decreasing the overall performance of

employee. The basis of these reactions can be found in the perception of unmet expectations. Rousseau in his research said that the intensity with which individual acts, in case of contract breach, is attributed to not only unmet expectations but also about the beliefs of respect, trust, fair dealing, codes of conduct and other behaviors connected to their mutually beneficial relationship (Rousseau, 1989).

When employee thinks that the terms of contract has been violated and finds employer inconsistent in what he or she say and do, then employee perceives employer as dishonest and loses the confidence in employer's promises of future rewards for contribution. It damages the relationship between employee and employer and employee's motivation to work hard in order to achieve organizational goals declines.

When employer do breaks a promise, his/ her integrity is questioned (Robinson & Rousseau, 1994). The consequences of broken promises are more significant than unfulfilled expectations, as it results in angry feelings and loss of trust in employer. The experience of violation of psychological contract goes beyond disappointment and results in feeling of betrayal in employee (Robinson S. L., 1996). It might be challenging for employee to be motivated to do a job that no longer satisfies him/ her. They may take certain actions that alter the terms of their relationship.

It is essential to fulfill psychological contract if employer wish to maintain a progressive working relationship with employee. It might be challenging to do so, as the contract is based on perceptions and both parties might not share the same perception (Robinson S. L., 1996). Another problem with psychological contract is its unarticulated nature. The two parties do not know what their needs are and what they expect from each other. This may cause them to formulate unfair and unrealistic expectations, which if not met results in negative outcomes. Furthermore, it also makes it difficult to understand what the other party's needs are, thus making them unable to fulfill the expectations.

Psychological Contract and Employee Engagement

The current literature proves that the relationship between the two constructs has not been studied extensively, though in the past decades researchers have taken keen interest in both construct separately and large amount of literature is available. (Elst & Meurs, 2015)

The constructs that play vital role in achieving both tangible as well as intangible outcomes for organization are psychological contract and employee engagement. They help develop and retain talent and promote pro-social behaviors in employees. These construct impact the effectiveness of human resource management practices. In spite being related psychodynamic construct, i.e. a systematic study of human behaviors, emotions and feelings and the influence past experience have on them (Wikipedia, 2016), they are quite different from each other and their relationship needs to be studied. It is suggested that fulfillment of psychological contract leads to higher level of employee engagement. Past literature shows that human resource practices helps in constructing psychological contract and establish conditions for employee engagement, yet more research is required to see if human resource practices moderate their relationship. The author suggests that it is, therefore, advisable to see employee psychological contract, employee engagement and human resource practices as one integrated unit, as HR practices act as a 'linchpin' between the two construct. (Aggarwal, Datta, & Bhargava, 2007)

Feeling positive emotions triggers individual to try out and experience new things. These happy feelings make individual optimistic and satisfied in their job (Fredrickson, 2001, as referred in Parzefall and Hakanen, 2010). It can be argued that if individual perceive psychological contract has been fulfilled, it will generate positive feelings in employee which will then leads to employee engagement, along with other positive results. Individual perceive that reward will be associated with the hard work and two-way exchange relationship will be maintained by employer which will promote sense of care and support and nurture employee engagement. (Parzefall & Hakanen, 2010)

Study conducted by Behnam Heshmati and Saied Mohamad Musavi Jed explored the link of psychological contract with work engagement among university faculty in Iran. The impact of different generations on these variables was also investigated. Yet again, the survey results confirmed the existence of the positive link between two variables, i.e. psychological contract is

among the consequences of employee engagement. The more employer meet the promises made to employees, more will employee demonstrates job engagement as fulfilled promises will give rise to positive feelings, trust, self confidence and sense of belonging towards their organization. These emotions not only enhance job engagement but also increase the employee commitment, satisfaction and motivation which encourage employee to meet targets and achieve organizational goals. (Heshmati & Jed, 2015)

In 2010, Parzefall and Hakanen inspected the effects of psychological contract violation or fulfillment on employees' level of engagement. The findings revealed that fulfillment of psychological contract increases employee engagement, which leads to reduction in turnover rate and enhancement of mental health. The job engagement also mediates the relation of psychological contract and various other positive outcomes. (Parzefall & Hakanen, 2010)

The link between psychological contract, employee engagement and work commitment has been analyzed in the context of positive management, using qualitative method of research. These concepts have been researched often separately but their relation is rarely considered for research. Researchers summarized the past research by saying that when employee's expectations are met by employer, it is more likely that the employee will be engaged and feel obliged to give something in return in form of work engagement and organizational commitment. (Elst & Meursb, 2015)

For retaining employees it is necessary to access and examine psychological contract, i.e. the relationship of employees with the organization, and their engagement level. A study conducted on private and public banks in Lahore shows that breach of psychological contract have a negative impact on work engagement. Thus, employee's perception of violation of psychological contract by employer may results in lower work engagement and high level of intention to leave. (Malik & Khalid, 2016)

A longitudinal study has been conducted on the soldiers on a peacekeeping mission. The main theme of the study was to measure the impact of violation of psychological contract on soldiers' wellbeing, burnout and level of engagement. For better understanding of relationship,

research was divided into two parts. First, the data was collected during the mission and then after the mission. Research has concluded that during the mission burnout level increased while the level of engagement decreased. At completion of mission, the psychological contract breach did not impact level of burnout but engagement level kept on declining. (Chambel & Oliveira-Cruz, 2010)

Another investigation carried out by Bal and colleagues examined the connection between psychological contract, employee engagement and turnover intention, along with the influence employee's organizational tenure have on them. The authors say that the past researchers agree that psychological contract have influence on attitudes and behaviors but it is suggested that the attitudes and behaviors also impact the psychological contract of employee. The authors further argue that reciprocity relationship is more valued by employees with short tenure; therefore, the connection between the above variables would be stronger for shortly tenured employees. The result revealed that fulfillment of psychological contract is associated with high employee engagement and low intention to leave (for short tenured employees). These relations are especially important in early days of employment. For individuals with longer tenure, stability has been observed in psychological contract, employee engagement and turnover intention over time. (Bal, Cooman, & Mol, 2013)

Rayton and Yalabik examine the relation between psychological contract violation and employee engagement; and job satisfaction and employee engagement. The results indicate that the employee might feel more engaged when the perceived terms of psychological contract has been fulfilled and when employee is more satisfied with the work. It confirms the idea of exchange relation whereby employee respond to the violation of psychological contract by lower their level of engagement. In other words, employee offer work engagement in exchange for the delivery of promises by employer. (Rayton & Yalabik, 2014)

Daniel M. Seto expanded the present literature on connection between breach of psychological contract and workplace outcomes. These outcomes include employee satisfaction, commitment and engagement. The results show that if employer breaks the promise made to employee, negative counterproductive work behaviors are generated leading to decline in level

of satisfaction, commitment and engagement of employee. These reactions might cause work withdrawal behavior and employee might intend to leave the organization. (Seto, 2013)

It has found in the research by Elaine Mahon that the fulfillment of psychological contract has a significant relationship with the level of engagement, commitment and motivation of employee. Moreover, transformational leadership style helps in fulfilling psychological contract, which in turn facilitate in enhancing employee engagement. To study this relationship, regression analysis has been used. (Mahon, 2011)

Traron Moore empirically examines the connection of psychological contract fulfillment and employee engagement using the secondary data of a US retail chain. The study also explores how millennial generation impacts their relation. The author noted that the past research indicates that engaged employees tend to be more productive and contributes to the success of organization. The results of the study shows that psychological contract fulfillment is related to and plays a role in predicting employee engagement, and generational affiliation do not significantly moderates the relationship. Therefore, to overly rely on generational stereotypes might result in faulty decisions. (Moore, 2014)

Bal and his colleagues predicted that developmental HRM would be associated with employee outcomes, including employee engagement and commitment, by changing the focus of psychological contract from transactional to relational. It was also expected that accommodative HRM would be linked to employee engagement and commitment only when employer meet certain employee needs. The results of the study supported the predictions about the role of psychological contract in determining workplace outcomes (employee engagement and commitment). Employees respond to reshaping and fulfillment of psychological contract by enhancing the level of engagement and commitment. (Bal, Kooij, & Jong, 2013)

The impact of psychological contract breach, person- organization fit and high performance work system on work engagement was investigated by Zhike Lv and Ting Xu. The sample for the study was collected from 255 employees working in China. The study concluded that the breach

of psychological contract impact employee engagement negatively. This relation is partially mediated by 'person- organization fit' whereas the 'high performance work system' does not buffer the negative relation. (Lv & Xu, 2016)

Abdhy and colleagues in their research studied interrelation between the three constructs and concluded that empowerment and psychological contract have significant and direct influence on employee engagement, separately. The findings of the study will facilitate the University management in recognizing the need of trusting employees by empowering them and fulfilling the psychological contract thus enhancing their level of engagement. (Abdhy, Kartini, Joeliaty, & Yunizar, 2016)

A study explored the impact perceived psychological contract breach, perceived organizational support and work engagement have on each other in Nigeria. In contrast to the previous researches, the perceived breach of psychological contract did not have a negative impact on employee engagement. The author suggests that this shift in paradigm might be due to the context under study. The unemployment rate is high in Nigeria and skilled, young energetic individuals are unable to find a job. Thereby, behavior at work of few privileged individuals cannot be predicted by the treatment they receive from employer. Employee believe that the employer have numerous options to replace them if they are found disengaged. So despite of broken promises, employee tries to demonstrate positive attitude and behavior. The outcomes of the study also highlight the need to consider the context and environment while studying individual's behaviors that have cultural implications. (Ugwu & Ogwuche, 2013)

Theories

The past literature shows that a positive relation is expected to exist between the fulfillment of psychological contract and the level of employee engagement (Elst & Meurs, 2015). To explain the constructs, social exchange theory is most commonly used. (Elst & Meurs, 2015) (Zhao, Wayne, Glibkowski, & Bravo, 2007) (Coyle-Shapiro, A-M., & Parzefall, 2008)

The **social exchange theory** (Blau, 1964) can help understand the relation of psychological contract and employee engagement. The theory says that whenever someone gives something

to other, it will be returned in same kind. Employee perceive employer to be liable of certain obligation, which when fulfilled, will generate desire in employee to give something back in return (Coway & Briner, 2005). The social exchange theory predicts that fulfillment of psychological contract is expected to compel employee to respond positively by demonstrating desirable behavior. Therefore, it is assumed that when expectations of employee are met, employee will become more engaged to the organization. (Elst & Meurs, 2015)

Though the theory successfully defines the connection between two concepts, it has certain limitations. Firstly, the theory fails to differentiate among various reactions or behavior of employees in case of breach of contract. Secondly, the theory supposed that employee's reaction will be cognitive in nature and based on rational thinking, while neglected the emotional element of reactions. (Zhao, Wayne, Glibkowski, & Bravo, 2007)

Another theory named as Affective Event Theory, proposed by Weiss & Cropanzano in 1996, can be used to explain the possible impact of violation on outcome (Zhao, Wayne, Glibkowski, & Bravo, 2007). The theory emphasizes that the events and experiences at workplace act as a proximal cause in determining the emotional reactions of employees (Weiss & Cropanzano, 1996). These affective experiences (emotions and moods) are essential part of workplace experience and they may fluctuate over time. Weiss and Cropanzano suggest that events at work drive affective reaction from employees which might not be rational or objective response. After a negative event, it is most likely that immediate response of employee would not be a rational one (Weiss & Cropanzano, 1996). Rather a negative event would generate feelings of fear or anger in employee and the intensity of reaction will depend on importance of the event to individual (Zhao, Wayne, Glibkowski, & Bravo, 2007).

Following Affective Event Theory, Zhao and colleagues proposed that psychological contract breach is a significant event for employee that generates emotional responses. These responses determine the behavior at work, including employee engagement, satisfaction and turnover intentions. (Zhao, Wayne, Glibkowski, & Bravo, 2007).

Theoretical Framework and Methodology

Problem Statement and Research Question

Problem Statement:

There is lack of research evidence in the past studies regarding the connection between the concepts of employee engagement and psychological contract and how the breach of psychological contract dictates and predicts the level of employee engagement.

Research Question:

Based on the above mentioned problem statement, following research question can be drawn,

To what extent, the breach of psychological contract relates to and impacts employee engagement in PTCL.

The research question can be further divided into following sub questions,

- Is the psychological contract of PTCL employees breached?
- What is the level of employee engagement of PTCL employees?
- What is the impact of breach of psychological contract on employee engagement of PTCL employees?

Psychological Contract and Employee Engagement

Both, psychological contract and employee engagement play vital role in achieving both tangible as well as intangible outcomes for organization. They help develop and retain talent and promote pro-social behaviors in employees. Moreover, these construct impact the effectiveness of human resource management practices. (Aggarwal, Datta, & Bhargava, 2007) Furthermore, the employee might feel more engaged when the perceived terms of psychological contract has been fulfilled and when employee is more satisfied with the work (Rayton & Yalabik, 2014). The psychological contract breach model (Morrison & Robinson,

1997) predicts that when individual employee perceives a violation of reciprocal promises made by employer, they response by decreasing the level of satisfaction and trust on employer, perceived obligation towards organization and desire to remain with organization. (Robinson & Rousseau, 1994). It also affects negatively the attitude and behavior of employee, results in either causing employees to decrease their contribution or leave the organization (Robinson & Rousseau, 1994). These employees with breach of psychological contract are expected to be less loyal to their employer, feel great deal of anger and betrayal, and procedural injustice (Morrison & Robinson, 1997). It can be noted, based on the Social Exchange Theory (Blau, 1964), that the perception of contact breach leads to negative outcomes and cause employee to decrease their performance level (Turnley, Bolino, Lester, & Bloodgood, 2003). Similarly, many studies have noted the negative outcomes of psychological contract but quite few have noted the relationship of psychological contract and employee engagement and the impact of contract breach on employee engagement level (Elst & Meurs, 2015). It is predicted that as psychological contract violation causes in other negative outcomes, employee's perception of psychological contract breach may also negatively affect employee engagement. It is therefore hypothesized that

Hypothesis 1 (H1): Perceived psychological contract violation have negative relationship with employee engagement.

Similarly, the null hypothesis would be,

Null Hypothesis (Ho): Perceived psychological contract violation do not have negative relationship with employee engagement.

More hypotheses can be made based on hypothesis 1;

Hypothesis 2a (H2a): The feelings of violation have negative relationship with vigor.

Hypothesis 2b (H2b): The feelings of violation have negative relationship with dedication.

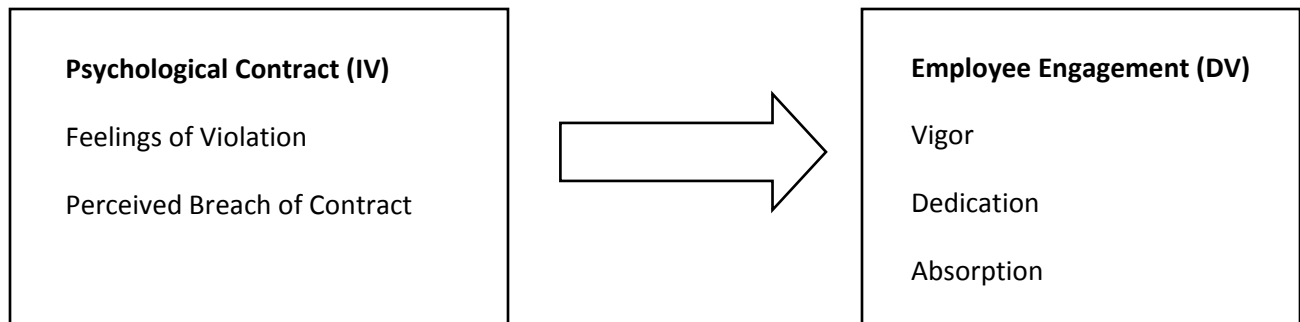
Hypothesis 2c (H2c): The feelings of violation have negative relationship with absorption.

Hypothesis 3a (H3a): The perceived breach have negative relationship with vigor.

Hypothesis 3b (H3b): The perceived breach have negative relationship with dedication.

Hypothesis 3c (H3c): he perceived breach have negative relationship with absorption.

Model



Measures:

The question items were adopted from the two research papers where the focus of research was on employee engagement and psychological contract, respectively. The purpose of using measuring tool from the research article is to be sure of validity and reliability of the items.

Dependent Variable

Employee Engagement:

For measuring employee engagement 17 items was used, developed by Schaufeli, Salanova, Gonz´Alez-Rom´A, and Bakker (2002). It is 17 items scale with three dimensions which includes vigor, dedication and absorption. A 5 point Likert type answer format was adopted with range starting from 1 (strongly disagree) to 5 (strongly agree). The Cronbach's alpha is 0.92 for the employee engagement scale in current study, obtained using SPSS tool. The items include,

Vigor: it is the demonstration of high enthusiasm, energy level and resilience during work. The readiness to put extra effort in work and showing persistence even in difficult times are some of the associated qualities. (Schaufeli, Salanova, Gonz' Alez-Rom'A, & Bakker, 2002).

Dedication: Dedication is the full involvement in job and willingness to do more than what is required. It is feeling of being important, challenged and inspired. (Schaufeli, Salanova, Gonz' Alez-Rom'A, & Bakker, 2002)

Absorption: Absorption refers to being completely engrossed in the job and difficulty in separating oneself from organization or job. (Schaufeli, Salanova, Gonz' Alez-Rom'A, & Bakker, 2002)

Independent Variable

Psychological Contract:

The scale used for assessing psychological contract was developed by Robinson and Morrison (2000). The questions were divided into two dimensions i.e. feelings of violation and perceived breach of psychological contract. The measure of 'feelings of violation' had four items whereas the 'perceived breach of psychological contract' had five items. Respondents were asked to rate each item on scale of 1 to 5 where 1 being 'strongly disagree' and 5 being 'strongly agree'. The Cronbach's alpha is 0.801 for the instrument in present study. The items include

Feelings of Violation

Perceived Breach of Psychological Contract

Research Methods

In order to develop research design, the help of 'research onion', developed by Saunders and his colleagues (2007), is taken. The research onion demonstrates the stages that ought to be covered while formulating research strategy. As we move from outer layer to inner layer of 'onion', each layer illustrate the more detailed stage (2007).

The quantitative research method is used for the present study. It is an approach that uses quantitative data i.e. numbers. This research method can be used to explore social phenomena, like emotions and subjective point of view. It can be used most effectively when the number of participants is large, and data can be analyzed by quantitative techniques (2015). The current research will be descriptive study, where the purpose would be to depict accurate description of data and characteristics of person or situation under consideration (Robson, 2002). It is essential that before collecting data, researcher have clear picture of the phenomenon on which the data is being collected. It answers the 'what' question and is also called as 'statistical research' because of its used in statistical inference. (Descriptive research, 2016). The results of this type of study are considered accurate and provide better understanding of the issue, although it does not describe the 'cause' behind the situation. (Descriptive research, 2016)

The research strategy adopted is survey questionnaire, as it helps in standardization of data from sizable population and consumes less time and cost. Respondents also find it easy to respond and are more familiar with this type of data collection method. It allows analyzing the data quantitatively through descriptive and statistical calculation. (Saunders, Thornhill, & Lewis, Research Methods for Business Students, 5th edition). For the present research, the choice of method would be 'mono method', meaning only quantitative data collection (i.e. questionnaires) and data interpretation method (i.e. SPSS) would be used. Moreover, the study would be cross-sectional. The cross-sectional study is the study of some specific phenomena at some specific time. The research data would be collected through the primary source.

Data Collection and Sampling

Sampling Technique

For selecting the respondents of the survey, probability sampling technique has been used. The probability sampling technique, also known as representative sampling, is the most popular method for research that is based on survey. According to Saunders and his colleagues (Saunders, Thornhill, & Lewis, Research Methods for Business Students, 5th edition), to obtain a sample using probability sampling technique requires following four steps,

1. Select the suitable sampling frame that must be according to the objective of the study.
2. Determine an appropriate sample size.
3. Identify the most suitable sampling technique and select sample.
4. Make sure that sample selected represents the entire population

Step 1: Select suitable sampling frame according to the objective of the study.

Sampling frame is full list of all the cases under consideration for the study. The sample will be drawn from the sampling frame. The population size for the current study is drawn from PTCL Head Quarter employees. Rest of the criteria for selecting the respondents for the study includes,

- The age limit of 21 to 65.
- Gender: both male and female.
- Comes under the category of management employees.
- Considered as full time employees.
- Have employment level of AM, Manager, SM and GM
- Not on any kind of leave during the duration of survey administration.

The reason for assessing the above mentioned age limit and gender is to include employees from various groups. The study also considers only full time management employees, as they have different level of understanding and awareness of employee engagement and psychological contract as compared to half time and/ or non management employees. (Conway & Briner, 2002).

The population size for the current study is 890 employees. These employees are selected on the basis of above mentioned criteria.

Step 2: Determine an appropriate sample size.

The present study have 95 per cent of level of certainty, which means that if the sample is selected 100 times, approximately 95 of them would have the characteristics of the population

(Saunders, Thornhill, & Lewis, Research Methods for Business Students, 5th edition). It refers to the precision of the population estimates being within the margin of error. To find the required minimum sample size from the chosen population size with 95 per cent of level of certainty, following formula can be used.

$$n^a = \frac{n \times 100}{re \%}$$

Where

- n^a = actual sample size required.
- n = minimum/ adjusted minimum sample size
- $re \%$ = percentage value of estimated response rate

The estimated sample size calculated using online tool is 269 for the population of 890 employees (Sample Size Calculator). The estimated response rate is adjusted at 99 percent. To calculate actual sample size, following calculation is done,

$$n^a = \frac{269 \times 100}{99} = 272$$

The collection of responses for current study will be done from the entire sample of 272 employees.

Step 3: Identify the most suitable sampling technique and select sample

Third step is the selection of the most suitable sampling technique from probability sampling technique. The choice of sample depends on the objective of the study and research question. Simple random sampling technique is used for the present study, as it help selecting sample without any biasness and considered to be most appropriate method of selecting sample from large population. It is a method used to obtain small sample from large population that can represent entire population. It is easy to use and have high accuracy level for representing the whole population. Furthermore, in this sampling technique, all the member of population has equal possibility of being chosen as part of sample. While making the generalization regarding

the large population, the element of biasness in sample might result in faulty conclusion. So to avoid biasness, this technique can be used, as it selects items of sample at random.

For selecting sample using simple random sampling technique, first, all the cases are given a unique number. The first case is given number '0', second case '1', third case '2' and so on. After assigning numbers to the entire population, the cases are selected at random until the actual sample size is reached. (Saunders, Thornhill, & Lewis, Research Methods for Business Students, 5th edition)

For the present study, the sample of 272 employees was selected using simple random sampling technique.

Step 4: Make sure that sample selected represents the entire population

The sample obtained can be assumed to represent the entire population (management employees of PTCL head quarter), as the sample includes both male and female employees who are from different department and employment status.

Survey Questionnaire

For the purpose of study, questionnaire has been as tool to data collection. The advantage of using it is that the participants find it easy to use and are familiar with the process and format. Moreover it is easy to analyze, consume less time and cost, and provide standardization. It can also be used to suggest possible cause of the relation of variables. (Saunders, Thornhill, & Lewis, Research Methods for Business Students, 5th edition)

The questionnaire was divided into two parts and consists of total 29 questions. The first part consists of 3 questions related to employee's personal data i.e. questions of gender, age and employment level. The second part had 26 statements regarding employee engagement and psychological contract. The respondents were to rate each statement, on likert scale, from 1 to 5, where 1 refers to 'Strongly Disagree' and 5 refers to 'Strongly Agree'. The participants were asked to answer the questions as honestly as possible. It was also required that all the

respondents agree to the terms of the consent form and sign it. The questionnaire has been attached in the appendix for reference.

Collection of Data

The questionnaires were distributed among the participants in the sample in form of hard copy. Among the 272 questionnaires distributed, 1 questionnaire was incomplete whereas 2 questionnaires were never returned. Rest of the 269 respondents completed the survey entirely.

Data analysis tool:

The interpretation of the data will be done using the statistics software, i.e. statistics package for social science (SPSS). It is most common tool used by social scientists and researchers for quantitative statistical analysis. The software is used to generate tabulated reports, charts, descriptive statistics, and complex statistical analysis. (What is SPSS). It facilitates in carrying out complex data interpretation and analysis.

Results and Analysis

Reliability of questionnaire items

For measuring the overall reliability of questionnaire, Cronbach's alpha has been applied for questions of both variables separately, using SPSS tool. Cronbach's alpha is used in statistics to predict the reliability and consistency of scale items of a test. The validity of coefficients of Cronbach's alpha varies from 0 to +1 where 0 represents instability and 1 represents complete. Though high value do not show that the measures have a single dimension, but as rule of thumb, the value ought to be more than 7 for assuming instrument to be reliable.

The value of Cronbach's alpha for 9 items of psychological contract turn out to be 0.801 (Table 1). As the value 0.801 is greater than 7, so it can be assumed that the instrument is reliable.

Table 1: Reliability analysis of psychological contract

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .801 | 9 |

Whereas, the value of Cronbach's alpha for 17 items of employee engagement is 0.926 (Table 2). As the value 0.926 is greater than 7, so it can be assumed that the instrument is reliable.

Table 2: Reliability analysis of employee engagement

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .926 | 17 |

Frequency

Once the reliability of the questionnaire has been confirmed, the data was coded. After assigning codes, all the responses of the participants were entered into the SPSS software. The frequency test was run on personal information data and the results were found.

The data of total of 270 questionnaires have been entered into SPSS. Out of which one questionnaire was found incomplete i.e. the data was missing, while 269 were complete and usable for analysis. (Table 3)

Table 3: Questionnaire statistics

| | | Gender | age | employment level |
|---|---------|--------|-----|------------------|
| N | Valid | 269 | 269 | 270 |
| | Missing | 1 | 1 | 0 |

The frequency of gender, age and employment level of participants was also checked. These items will assist us in understanding our respondents and might also give us better inside of their responses. Out of 270 of our respondents, 184 were male i.e. 68%, whereas 85 were female i.e. 32%. The gender data of 1 respondent was missing. (Table 4)

Table 4: Frequency table- Gender

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|--------|-----------|---------|---------------|--------------------|
| Valid | Male | 184 | 68.1 | 68.4 | 68.4 |
| | Female | 85 | 31.5 | 31.6 | 100.0 |
| | Total | 269 | 99.6 | 100.0 | |
| Missing | System | 1 | .4 | | |
| Total | | 270 | 100.0 | | |

Out of 270, the age of 104 (38.5%) respondents was below 30, 117 (43.3%) was between 31 and 40, 37 (13.7%) was between 41 and 50, and 11 (4%) was 50 above. The age data of 1 respondent was missing. The results show that most of the respondents were between the age of 31 and 40 while slightly lesser number of respondents were below 30. (Table 5)

Table 5: Frequency table- Age

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|----------|-----------|---------|---------------|--------------------|
| Valid | below 30 | 104 | 38.5 | 38.7 | 38.7 |
| | 31-40 | 117 | 43.3 | 43.5 | 82.2 |
| | 41-50 | 37 | 13.7 | 13.8 | 95.9 |
| | 50 above | 11 | 4.1 | 4.1 | 100.0 |
| | Total | 269 | 99.6 | 100.0 | |
| Missing | System | 1 | .4 | | |
| Total | | 270 | 100.0 | | |

159 (58.9%) respondents were Assistant Manager, 79 (29.3%) were Managers, 28 (10.4%) were Senior Manager while 4 (1.5%) were General Manager. The results show that more than half of respondents were at lower management level, i.e. Assistant Manager. (Table 6)

Table 6: Frequency table- Employment Level

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------|-----------|---------|---------------|--------------------|
| Valid | AM | 159 | 58.9 | 58.9 | 58.9 |
| | Manager | 79 | 29.3 | 29.3 | 88.1 |
| | SM | 28 | 10.4 | 10.4 | 98.5 |
| | GM | 4 | 1.5 | 1.5 | 100.0 |
| | Total | 270 | 100.0 | 100.0 | |

Descriptive Statistics

The descriptive statistics, including mean, standard deviation, variance, skewness and Kurtosis, for the dimensions of variables being studied is given in the table 7.

Table 7: Descriptive Statistics of Variable

| | N | Minimum | Maximum | Mean | Std. Deviation | Skewness | | Kurtosis | |
|-----------------------|-----------|-----------|-----------|-----------|----------------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Vigor_EE | 270 | 1.17 | 5.00 | 3.8053 | .70780 | -.735 | .148 | 2.012 | .295 |
| Dedication_EE | 270 | 1.80 | 5.00 | 3.9881 | .70104 | -.807 | .148 | .829 | .295 |
| Absorption_EE | 270 | 1.33 | 5.00 | 3.6167 | .67074 | -.645 | .148 | .494 | .295 |
| FeelingofViolation_PC | 270 | 1.00 | 4.00 | 2.0324 | .56098 | .254 | .148 | .544 | .295 |
| PerceivedBreach_PC | 270 | 1.00 | 4.60 | 2.7474 | .65604 | -.058 | .148 | .104 | .295 |
| Valid N (listwise) | 270 | | | | | | | | |

The mean in statistics refer to the average of two or more values. It is also known as measure of central tendency and is calculated by adding values all the items and dividing by the total number of items. The standard deviation is a statistics that indicates extend of data spread or dispersion around the mean value. The low value illustrates that data spread is closer to the mean value whereas, the high value illustrates that the data values are spread over a larger area, away from mean. The skewness is statistical measure of distributive symmetry of data. The value of skewness would be positive if the spread of data is more towards left with a longer right tail. Whereas, the value of skewness would be negative if the spread of data is more towards right with a longer left tail. The kurtosis is statistical measure that determines whether the spread of data have peaks or valleys as compared to normal spread. The value would be

positive if there are peaks of distribution, and known as leptokurtic. Otherwise, if the spread of data is flatter, the value would be negative and known as platykurtic.

Vigor

The mean value for all the questions regarding vigor is 3.8. As the value is closer to 4, it can be said that most of the participants 'agree' (option 4) to the statements of vigor. While slightly lesser number selected 'neutral' (option 3). To conclude, this means that employees are mildly enthusiastic about their work and put energy and effort to do a better job.

The value of standard deviation is 0.7. The low value means that the spread of data is closer to mean value, that is to say the mean value and the conclusion drawn from it is true for most of the respondents.

The skewness value is -0.735. The negative sign indicates that the spread of data is more towards right side of highest frequency with a long left tail. This shows that most of the employees agree to the statement but very small number of employees did select option for disagreeing i.e. they do not feel enthusiastic about their work. As the value is between -1 and -0.5, the data for vigor is moderately skewed.

The value for Kurtosis is 2.0. The value is high and positive; indicating that as compared to normal distribution, there is tall and sharp peak of data distribution and has heavy tail, and known as leptokurtic. So it can be interpreted that response of most of the employees is concentrated around mean value, making sharp peak.

Dedication:

As the mean value of dedication is 3.98, which is very close to 4, it means that most of the participants 'agree' (option 4) to the statements of dedication. Therefore, it can be concluded that employees are involved in their job and are willing to go an extra mile for employer. They feel valued and challenged by their job.

The value of standard deviation is 0.7. The low value means that the spread of data is closer to mean value, that is to say the mean value and the conclusion drawn from it is true for most of the respondents.

The skewness value for dedication is -0.807. The negative sign indicates that the spread of data is more towards right side of highest frequency with a longer left tail. This shows that most of the employees agree to the statement but few employees did selected option for disagreeing with the statements i.e. they are not involved in their work and their job neither challenge them nor inspire them. As the value is between -1 and -0.5, the data for vigor is moderately skewed.

The value for Kurtosis is 0.829. The positive value indicates that as compared to normal distribution, there is a peak of data distribution, has heavy tail, and known as leptokurtic. So it can be interpreted that response of most of the employees is concentrated around mean value, making a prominent peak.

Absorption:

As the mean value of dedication is 3.62, which is close to 4, it means that most of the participants 'agree' (option 4) with the statements of dedication. While somewhat lesser number selected 'neutral' (option 3). Therefore, it can be concluded that employees are engrossed in their job and recognize themselves by their organization.

The value of standard deviation is 0.67. The low value means that the spread of data is closer to mean value, that is to say the mean value and the conclusion drawn from it is true for most of the respondents.

The skewness value for dedication is -0.645. The negative sign indicates that the spread of data is more towards right side of highest frequency with a longer left tail. This shows that most of the employees agree to the statement but few employees did selected option for disagreeing with the statements i.e. they are not engrossed in their job. As the value is between -1 and -0.5, the data for vigor is moderately skewed.

The value for Kurtosis is 0.494. The positive value indicates that as compared to normal distribution, there is a peak of data distribution with heavy tail, and known as leptokurtic. So it can be interpreted that response of most of the employees is concentrated around mean value, making a prominent peak.

Feeling of Violation:

The mean value of 'feeling of violation' is 2.03, it means that most of the participants 'disagree' (option 2) with the statements of feeling of violation. Therefore, it can be concluded that employees do not feel that psychological contract has been violated.

The value of standard deviation is 0.56. The low value means that the spread of data is closer to mean value, that is to say the mean value and the conclusion drawn from it is true for most of the respondents.

The skewness value for feeling of violation is 0.254. The positive sign indicates that the spread of data is more towards left side of highest frequency with a long right tail. This shows that most of the employees disagree to the statement but few employees did selected option for agreeing with the statements i.e. they do feel betrayed by organization and feel anger towards it, but as the value is between -0.5 and 0.5, the data is approximately symmetrical.

The value for Kurtosis is 0.544. The positive value indicates that as compared to normal distribution, there is a peak of data distribution with a tail, and known as leptokurtic. So it can be interpreted that response of most of the employees is concentrated around mean value, making a peak.

Perceived Breach

The mean value of 'perceived breach' is 2.74, which is close to 3, it means that most of the participants selected 'neutral' (option 3) for the statements. While slightly lesser number selected 'disagree' (option 2). Therefore, it can be concluded that some of the employees, for choosing neutral option, had either no preference, or are indifferent about the statements, or they want to avoid negative feelings and avoid effort to choose among their positive or

negative emotions on the matter. But a very significant number of employees choose disagreeing (option 2), which mean they do not perceive breach of contract by employer.

The value of standard deviation is 0.656. The low value means that the spread of data is closer to mean value, that is to say the mean value and the conclusion drawn from it is true for most of the respondents.

The skewness value for perceived breach is -0.058. The very low value indicates that the data is approximately symmetrical (the value is between -0.5 and 0.5) and spread is almost equal on both sides but the negative sign shows that the spread of data is slightly towards right side with a left tail. This shows that the respondents who choose disagreeing option (no breach) and those who chose neutral or agreeing (breach happened) are approximately equal.

The value for Kurtosis is 0.104. The positive value indicates that as compared to normal distribution, there is a peak of data distribution with heavy tail, and known as leptokurtic. But as the value is small, it can be said that the peaks of data are small. The interpretation would be that response of most of the employees is concentrated around mean value.

Correlation

The correlation coefficient (r) is used to determine the strength of linear relationship of the two variables in numerical value (Saunders, Thornhill, & Lewis). The value of coefficient would be between -1 and +1. The positive sign indicates positive relation while negative sign shows negative relation. If the value of r is ± 1 , it means the relationship is perfect; if it is around ± 0.7 , it indicates strong connection; while value around ± 0.3 reveals weak link and the 0 value says that both variables are quite independent of each others. (Saunders, Thornhill, & Lewis).

Though in business research, it is nearly impossible to get a perfect connection between variables as there are many other factors that are also contributing to overall results.

SPSS software also determines the significance of ' r ', i.e. whether the connection is significant or the value for r came by chance. Value for significance below 0.05 indicates that the value of r

is statistically significant and if the significance is above 0.05, it means that the link is not significant statistically.

For determining the relation between the dimensions of variables and its strength, the Pearson Correlation has been used because the data is in numbers and the sample has been picked at random. The Table 8 shows the correlation results using SPSS software.

| Table 8: Correlation of Dimensions of Independent and Dependent Variables | | | | | | |
|--|---------------------|----------|---------------|---------------|-----------------------|--------------------|
| | | Vigor_EE | Dedication_EE | Absorption_EE | FeelingofViolation_PC | PerceivedBreach_PC |
| Vigor_EE | Pearson Correlation | 1 | .697** | .630** | -.230** | -.142* |
| | Sig. (2 tailed) | | .000 | .000 | .000 | .020 |
| | N | 270 | 270 | 270 | 270 | 270 |
| Dedication_EE | Pearson Correlation | .697** | 1 | .631** | -.295** | -.267** |
| | Sig. (2 tailed) | .000 | | .000 | .000 | .000 |
| | N | 270 | 270 | 270 | 270 | 270 |
| Absorption_EE | Pearson Correlation | .630** | .631** | 1 | -.249** | -.238** |
| | Sig. (2 tailed) | .000 | .000 | | .000 | .000 |
| | N | 270 | 270 | 270 | 270 | 270 |
| FeelingofViolation_PC | Pearson Correlation | -.230** | -.295** | -.249** | 1 | .477** |
| | Sig. (2 tailed) | .000 | .000 | .000 | | .000 |
| | N | 270 | 270 | 270 | 270 | 270 |
| PerceivedBreach_PC | Pearson Correlation | -.142* | -.267** | -.238** | .477** | 1 |
| | Sig. (2 tailed) | .020 | .000 | .000 | .000 | |
| | N | 270 | 270 | 270 | 270 | 270 |

** . Correlation is significant at the 0.01 level (2 tailed).
 * . Correlation is significant at the 0.05 level (2 tailed).

The above table shows that vigor has a strong positive relation with dedication (0.697) and absorption (0.630) as both values are high and positive, i.e. if one increase, the other will also increase and vice versa. The value of significance is 0 for both, meaning the relation is

statistically significant. On the other hand, it has negative relation with feelings of violation (-0.23) and perceived breach (-0.142). The relationship is weak as both the values are small. It means that though the relation is negative (i.e. if one increase, the other will decrease); there are other factors that also contribute to the decrease and increase. The value of significance for both dimensions is less than 0.05, meaning the relation is statistically significant.

The dedication also has a strong positive relation with absorption (0.631) as the value is high and positive, i.e. if one increase, the other will also increase and vice versa. The value of significance is 0 for both, meaning the relation is statistically significant. The relation of dedication with feelings of violation (-0.295) and perceived breach (-0.267) is weak negative, as the value is small and negative. The interpretation of the relation would be same as of relation of vigor with feeling of violation, and vigor with perceived breach (mentioned above). The value of significance is 0, meaning the relation is statistically significant.

The relation of absorption with feelings of violation (-0.249) and perceived breach (-0.238) is also weak and negative and the value of significance is 0, representing the relation is statistically significant. The relation of feelings of violation and perceived breach is mildly positive (0.48) and statistically significant.

So it can be concluded that the dimensions of employee engagement and psychological contract are negatively related, though the relationship is weak indicating other factors that also have an impact on them and their relations. The level of significance is less than 0.05, meaning the relation is statistically significant.

Regression

The current study hypothesizes that the psychological contract (independent variable) has an impact on employee engagement (dependent variable). To prove it, simple regression analysis would be used.

The (R^2) is the coefficient of determination and indicates the variance in dependent variable due to independent variable. The F value in ANOVA determines that the difference of means

from one another. It is used to test hypothesis, whether the effect is real or not. Larger value shows that there are more chances of effects being real, not by chance. The value of significance should be below 0.05 for the relation to be statistically significant.

B is the unstandardized Coefficient. It indicates the likely change in dependent variable due to one unit increase in independent variable. The standardized coefficient beta, tells that the change in dependent variable in units of standard deviation due to one standard deviation increase in independent variable.

Following are the results of regression test conducted using SPSS.

Relationship of Vigor and Feelings of Violation:

The regression analysis for vigor and feelings of violation is given in Table 9.

| Table 9: Regression Analysis- Vigor and Feelings of Violation | | | | | | |
|--|------------------------------------|-------------------|-------------------|----------------------------|--------|-------------------|
| A: Variables Entered/ Removed ^b | | | | | | |
| Model | Variables Entered | Variables Removed | Method | | | |
| 1 | FeelingofViolation_PC ^a | . | Enter | | | |
| a. All requested variables entered. | | | | | | |
| b. Dependent Variable: Vigor_EE | | | | | | |
| B: Model Summary | | | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .230 ^a | .053 | .049 | .69008 | | |
| a. Predictors: (Constant), FeelingofViolation_PC | | | | | | |
| C: ANOVA ^b | | | | | | |
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 7.142 | 1 | 7.142 | 14.997 | .000 ^a |
| | Residual | 127.623 | 268 | .476 | | |
| | Total | 134.765 | 269 | | | |

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|-----------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.396 | .158 | | 27.800 | .000 |
| | FeelingofViolation_PC | -.290 | .075 | -.230 | -3.873 | .000 |

a. Dependent Variable: Vigor_EE

The value of coefficient of determination (R^2) in Table 9 B is 0.053, which means that 5.3% variance in vigor is determined by feelings of violation.

Table 9 C shows results of the Analysis of Variance (ANOVA) on Vigor and Feelings of violation. The significance value for F is 0, which is less than 0.05 and means that the regression model is statistically significant i.e. there is significant relation between feelings of violation and vigor which did not occur by chance. The value of F is 14.997; it shows that the means are significantly different from one another

On the basis of these findings, the hypothesis 2a can be accepted, i.e. the feelings of violation have negative impact on Vigor.

The value of B is -0.29. The negative sign indicates a negative relation. It means that one unit increase in 'feelings of violation' will decrease vigor by 0.29 units. The beta value -0.23 indicates that increasing 'feelings of violation' by one standard deviation (SD: 0.56) will decrease vigor by 0.23 standard deviation (SD: 0.707).

Relationship of Dedication and Feelings of Violation:

The regression analysis for dedication and feelings of violation is given in Table 10.

Table 10: Regression Analysis- Dedication and Feelings of Violation

A: Variables Entered/ Removed^b

| Model | Variables Entered | Variables Removed | Method |
|-------|--|-------------------|---------|
| 1 | FeelingofViolation_P C ^a | | . Enter |

- a. All requested variables entered.
- b. Dependent Variable: Dedication_EE

B: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .295 ^a | .087 | .084 | .67111 |

- a. Predictors: (Constant), FeelingofViolation_PC

C: ANOVA^b

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 11.496 | 1 | 11.496 | 25.525 | .000 ^a |
| | Residual | 120.706 | 268 | .450 | | |
| | Total | 132.202 | 269 | | | |

- a. Predictors: (Constant), FeelingofViolation_PC
- b. Dependent Variable: Dedication_EE

D: Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.737 | .154 | | 30.807 | .000 |
| | FeelingofViolation_PC | -.369 | .073 | -.295 | -5.052 | .000 |

- a. Dependent Variable: Dedication_EE

The value of coefficient of determination (R^2) in Table 10 B is 0.087, which means that 8.7% variance in dedication is determined by feelings of violation.

Table 10 C shows results of the Analysis of Variance (ANOVA) on dedication and feelings of violation. The significance value for F is 0, which is less than 0.05 and means that the regression

model is statistically significant i.e. there is significant relation between dedication and feelings of violation which did not occur by chance. The value of F is 25.525; it shows that the means are significantly different from one another.

On the basis of these findings, the hypothesis 2b can be accepted, i.e. the feelings of violation have negative impact on dedication.

The value of B is -0.369. The negative sign indicates a negative relation. It means that one unit increase in ‘feelings of violation’ will decrease dedication by 0.369 units. The beta value -0.295 indicates that increasing ‘feelings of violation’ by one standard deviation (SD: 0.56) will decrease dedication by 0.295 standard deviation (SD: 0.701).

Relationship of Absorption and Feelings of Violation:

The regression analysis for absorption and feelings of violation is given in Table 11.

Table 11: Regression Analysis- Absorption and Feelings of Violation

A: Variables Entered/ Removed ^b

| Model | Variables Entered | Variables Removed | Method |
|-------|------------------------------------|-------------------|---------|
| 1 | FeelingofViolation_PC ^a | | . Enter |

a. All requested variables entered.

b. Dependent Variable: Absorption_EE

B: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .249 ^a | .062 | .059 | .65078 |

a. Predictors: (Constant), tion_PC

C: ANOVA ^b

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 7.519 | 1 | 7.519 | 17.754 | .000 ^a |
| | Residual | 113.500 | 268 | .424 | | |
| | Total | 121.019 | 269 | | | |

| D: Coefficients ^a | | | | | | |
|------------------------------|-----------------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.222 | .149 | | 28.317 | .000 |
| | FeelingofViolation_PC | -.298 | .071 | -.249 | -4.214 | .000 |

a. Dependent Variable: Absorption_EE

The value of coefficient of determination (R^2) in Table 11 B is 0.062, which means that 6.2% variance in absorption is determined by feelings of violation.

Table 11 C shows results of the Analysis of Variance (ANOVA) on dedication and feelings of violation. The significance value for F is 0, which is less than 0.05 and means that the regression model is statistically significant i.e. there is significant relation between absorption and feelings of violation which did not occur by chance. The value of F is 17.754; it shows that the means are significantly different from one another.

On the basis of these findings, the hypothesis 2c can be accepted, i.e. the feelings of violation have negative impact on absorption.

The value of B is -0.298. The negative sign indicates a negative relation. It means that one unit increase in 'feelings of violation' will decrease dedication by 0.298 units. The beta value -0.295 indicates that increasing 'feelings of violation' by one standard deviation (SD: 0.56) will decrease absorption by 0.249 standard deviation (SD: 0.670).

Relationship of Vigor and Perceived Breach:

The regression analysis for vigor and perceived breach is given in Table 12.

Table 12: Regression Analysis- Vigor and Perceived Breach

A: Variables Entered/ Removed ^b

| Model | Variables Entered | Variables Removed | Method |
|-------|---------------------------------|-------------------|--------|
| 1 | PerceivedBreach_PC ^a | | Enter |

a. All requested variables entered.

b. Dependent Variable: Vigor_EE

B: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .142 ^a | .020 | .016 | .70198 |

a. Predictors: (Constant), PerceivedBreach_PC

C: ANOVA ^b

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|-------|-------------------|
| 1 | Regression | 2.699 | 1 | 2.699 | 5.478 | .020 ^a |
| | Residual | 132.065 | 268 | .493 | | |
| | Total | 134.765 | 269 | | | |

a. Predictors: (Constant), PerceivedBreach_PC

b. Dependent Variable: Vigor_EE

D: Coefficients ^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|--------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.225 | .184 | | 22.928 | .000 |
| | PerceivedBreach_PC | -.153 | .065 | -.142 | -2.340 | .020 |

a. Dependent Variable: Vigor_EE

The value of coefficient of determination (R^2) in Table 12 B is 0.02, which means that 2.0% variance in vigor is determined by perceived breach.

Table 12 C shows results of the Analysis of Variance (ANOVA) on vigor and perceived breach.

The significance value for F is 0.02, which is less than 0.05 and means that the regression model

is statistically significant i.e. there is significant relation between vigor and perceived breach which did not occur by chance. The value of F is 5.478; it shows that the means are different from one another.

On the basis of these findings, hypothesis 3a can be accepted, i.e. the perceived breach has negative impact on vigor.

The value of B is -0.153. The negative sign indicates a negative relation. It means that one unit increase in perceived breach will decrease vigor by 0.153 units. The beta value -0.142 indicates that increasing perceived breach by one standard deviation (SD: 0.656) will decrease vigor by 0.142 standard deviation (SD: 0.707).

Relationship of Dedication and Perceived Breach:

The regression analysis for dedication and perceived breach is given in Table 13.

Table 13: Regression Analysis- dedication and Perceived Breach

A: Variables Entered/ Removed^b

| Model | Variables Entered | Variables Removed | Method |
|-------|---------------------------------|-------------------|--------|
| 1 | PerceivedBreach_PC ^a | . | Enter |

a. All requested variables entered.

b. Dependent Variable: Dedication_EE

B: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .267 ^a | .071 | .068 | .67689 |

a. Predictors: (Constant), PerceivedBreach_PC

C: ANOVA^b

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 9.411 | 1 | 9.411 | 20.540 | .000 ^a |
| | Residual | 122.791 | 268 | .458 | | |
| | Total | 132.202 | 269 | | | |

a. Predictors: (Constant), PerceivedBreach_PC

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.771 | .178 | | 26.855 | .000 |
| | PerceivedBreach_PC | -.285 | .063 | -.267 | -4.532 | .000 |

a. Dependent Variable: Dedication_EE

The value of coefficient of determination (R^2) in Table 13 B is 0.071, which means that 7.1% variance in dedication is determined by perceived breach.

Table 13 C shows results of the Analysis of Variance (ANOVA) on dedication and perceived breach. The significance value for F is 0, which is less than 0.05 and means that the regression model is statistically significant i.e. there is significant relation between dedication and perceived breach which did not occur by chance. The value of F is 20.54; it shows that the means are significantly different from one another.

On the basis of these findings, the hypothesis 3b can be accepted, i.e. the perceived breach has negative impact on dedication.

The value of B is -0.285. The negative sign indicates a negative relation. It means that one unit increase in perceived breach will decrease dedication by 0.285 units. The beta value -0.267 indicates that increasing perceived breach by one standard deviation (SD: 0.656) will decrease dedication by 0.267 standard deviation (SD: 0.701).

Relationship of Absorption and Perceived Breach:

The regression analysis for absorption and perceived breach is given in Table 14.

Table 14: Regression Analysis- Absorption and Perceived Breach

A: Variables Entered/ Removed ^b

| Model | Variables Entered | Variables Removed | Method |
|-------|---------------------------------|-------------------|---------|
| 1 | PerceivedBreach_PC ^a | | . Enter |

a. All requested variables entered.

b. Dependent Variable: Absorption_EE

B: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .238 ^a | .057 | .053 | .65267 |

a. Predictors: (Constant), PerceivedBreach_PC

C: ANOVA ^b

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 6.858 | 1 | 6.858 | 16.098 | .000 ^a |
| | Residual | 114.162 | 268 | .426 | | |
| | Total | 121.019 | 269 | | | |

a. Predictors: (Constant), PerceivedBreach_PC

b. Dependent Variable: Absorption_EE

D: Coefficients ^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.285 | .171 | | 25.013 | .000 |
| | PerceivedBreach_PC | -.243 | .061 | -.238 | -4.012 | .000 |

a. Dependent Variable: Absorption_EE

The value of coefficient of determination (R^2) in Table 14 B is 0.057, which means that 5.7% variance in absorption is determined by perceived breach.

Table 14 C shows results of the Analysis of Variance (ANOVA) on absorption and perceived breach. The significance value for F is 0, which is less than 0.05 and means that the regression

model is statistically significant i.e. there is significant relation between absorption and perceived breach that did not occur by chance. The value of F is 16.098; it shows that the means are significantly different from one another.

On the basis of these findings, hypothesis 3c can be accepted, i.e. the perceived breach has negative impact on absorption.

The value of B is -0.243. The negative sign indicates a negative relation. It means that one unit increase in perceived breach will decrease absorption by 0.243 units. The beta value -0.238 indicates that increasing perceived breach by one standard deviation (SD: 0.656) will decrease absorption by 0.238 standard deviation (SD: 0.670).

Conclusion and Recommendation

Conclusion:

The study was conducted with the basic aim to develop insight into the connection of psychological contract and employee engagement. The results and analysis of the study showed that the psychological contract breach have a negative influence on employee engagement. This signifies that if employer keeps on violating and breaching psychological contract, the engagement of employee in work will decrease. The results also reveal that the existed relationship is not strong. The reason for the weak relation might be the context in which the research was conducted. The employment opportunities in Pakistan are very scarce and unemployment rate is high. Many skilled individuals are either unemployed or doing job that is far below their caliber and qualification. Though the situation is getting better, people still fear that if they quit their current job, they might not be able to find some another opportunity. They are afraid that any signs of disengagement and dissatisfaction may cause negative consequences like replacement by some other individual. Therefore, even though employer breaks his/ her promises from time to time, employees try not to get their behavior at work affected by this. But with the increase in breach of contract, engagement level decreases steadily, making employee disengaged eventually (as the existence of relation predicts).

Implications of the Study:

The current study have few implications for organizations to adopt, especially for the organization under study i.e. PTCL. First of all, the employer should not make unrealistic promises with employee especially during recruitment process, everyday work place interactions and social gatherings. These tactics might seem to be promising, but in the long run, they might cause problems if the promises are not fulfilled and perceived psychological contract is breached. During recruitment process the employer should avoid painting rosy picture conditions and practices in organization, in front of candidate rather should give a true and unbiased account of reality. One may find it an effective technique for attracting skilled and high performing workers, but soon after joining, once they find the reality, their performance

and engagement level might fall significantly. Employer should keep an eye on the changes in attitude and emotional state of employees and address the grievances before they are translated into negative behavior and cause decrease in employee engagement. This can be done through effective communication mechanism where employees should have access to the senior management. The employees' concerns should be heard and addressed. If, due to some reason, employer is unable to keep the promises made in the past, then it would be wise to take employees in confidence by informing them why it is necessary to break the promise made. Moreover, there should be facility of counseling available for employees to deal with the negative emotions that employees face including stress, depression, anger and anxiety. Such steps cause employees to feel valued and significant, and eliminate any negative impacts. They perceive that their employer care about them and feel obliged to return the favor by working hard and being more engaged in work. Employer should actively participate in formulating realistic expectations and psychological contract. They should carefully assess the needs of employees and sincerely make an effort to meet the reasonable expectations and obligations. The confidence of employee might restore if he/ she sees employer making an effort. If employer keep on breaching the psychological contract, the negative impact on employee engagement is inevitable.

The study also has academic contribution. The research will add up in understanding of psychological contract and employee engagement and their relationship with each other.

Recommendations:

Based on above mentioned implications, following recommendations are drawn for employers;

- Employer should avoid setting unrealistic expectations of current and prospective employees.
- Employer should be honest with employees and present true and unbiased account of reality of organization.
- Open and two way communication should be promoted.
- Employer should regularly interact with employees at all levels and listen to their concerns.
- Effort should be made to fulfill promises and the needs of employee

- Attention should be given to the employees who are not engaged and the reason behind disengagement should be found and addressed.
- Giving employees tasks that are challenging and providing them necessary resources will make them more involved and engaged.

Limitation:

Every study faces certain limitations. Some of the limitations current study was subjected to are reported below.

- There is lack of research evidence of relationship of employee engagement and psychological contract.
- Only PTCL headquarters' (Islamabad) management employees were part present research.
- Small sample size from only one organization was used
- Outcomes of the study are only based on survey results.
- Responses of participants might got influenced by what is acceptable socially versus what is true or some recent work related incident

Future Research

It is recommended that an acceptable definition and measures for both the constructs of psychological contract and employee engagement should be developed. The relationship of both constructs should be explored more extensively, as there is very little past literature available on their relationship. Moreover, these constructs can be measured in future studies using different variables, scale and question items. The interview method for the data collection would give researcher opportunity of more interaction with participants. This will help in getting deeper insight in the matter of perceived psychological contract and employee engagement. Future research can also check the psychological contract and engagement level of non management employees or upper management employees. Lastly, the present research could be replicated for some other organization, with different sample size and using different tools and by overcoming below limitations.