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The Impact of Psychological Contract on Employee Motivation with Special Reference to Apparel Industry in Sri Lanka

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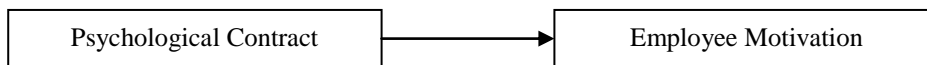
Area of the Study

The psychological contract is a contemporary issue in the field of HRM which draws the attention of most of the researchers. This study examines the impact of psychological contract on employee motivation in the apparel industry in Sri Lanka.

Problem

There is an empirical knowledge gap in the Sri Lankan context on the psychological contract and employee motivation in the apparel industry. This study is aimed to reveal the relationship between psychological contract and employee motivation in the apparel industry in Sri Lanka.

Conceptual Framework



Hypothesis

H₁: There is a positive relationship between psychological contract and employee motivation in the apparel industry in Sri Lanka.

Method

The data were collected from a sample of 200 staff members in the four casual wear garment factories representing Koggala export processing zone. Data were collected using a structured questionnaire which consisted of 27 questions with five point Likert scales. The collected data were analyzed by using univariate analysis, correlation and regression analysis with the Statistical Package of Social Science (SPSS).

Reliability

Table 01: Reliability Results

Instrument	Cronbach's Alfa	No of items
Psychological Contract	0.790	08
Employee Motivation	0.870	14

Data Analysis

Table 02: Descriptive statistics on psychological contract and employee motivation

	PC	EM
Valid	200	200
Mean	4.195	4.02
Median	4.375	4.14
Mode	4.25	4.36
Std. Deviation	0.659	0.610

Variance	0.434	0.373
Skewness	-2.473	-1.242
Std. Error of	0.172	0.172
Kurtosis	7.260	1.732
Std. Error of	0.342	0.342
Minimum	1.5	2.07
Maximum	5	5

Table 03: Correlation between Psychological Contract and Employee Motivation

	PC+EM
Pearson Correlation	0.224
Sig. (1-tailed)	0.001

Table 04: Results of Regression Analysis

Variables	Employee Motivation
Method	Linear
R Square	0.050
Adjusted square	0.045
F	10.457
Significance	0.001
B- constant	3.149
b-value	0.208

Finding of the Study

1. There exists a weak but positive relationship between psychological contract and employee motivation of the employees in the apparel sector.
2. As R squared, 4.5% of the variance of employee motivation is explained by the psychological contract of the sample.

Conclusion

It is concluded that there exists a weak but positive impact of psychological contract on motivation of the staff members in the apparel industry in Sri Lanka.



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