

Psychological Contract and Employee Retention in Selected Deposit Money Banks in Awka Metropolis, Anambra State Nigeria

Nnaji-Ihedinmah, Nnnadozie Chijioke

*Corresponding Authors, Department of Entrepreneurship Studies
Faculty of Management Sciences, Nnamdi Azikiwe University Awka
Anambra State, Nigeria*

E-mail: nc.nnajiihedinmah@unizik.edu.ng

Ugwu, Kelechi Enyinna

*Department of Management Technology, School of Management Technology
Federal University of Technology Owerri, Imo State, Nigeria*

Kekeocha, Mary Ezinne

*Department of Business Administration, Faculty of Management Sciences
Nnamdi Azikiwe University Awka, Anambra State, Nigeria*

Onyechere, Patricia Onyinyechi

*Department of Management Technology, School of Management Technology
Federal University of Technology Owerri, Imo State, Nigeria*

Abstract

The restructuring exercises undertaken by banks in Awka metropolis, in particular, have negatively influenced the psychological well-being of their workers. The broad objective of the study is to investigate the relationship between psychological contract and employee retention in commercial banks in Awka metropolis. The specific objectives seek to explore the relationship that exists between relational psychological contract and employee loyalty among employees. The study adopted a descriptive survey design method to explore the relationship between two variables. Primary data were sourced using a structured questionnaire. The population of the study comprised of employees of five selected banks in Awka metropolis: First Bank Nig (FBN), Union Bank (UBN), First City Monument Bank (FCMB), Guaranty Trust Bank (GT Bank) and Fidelity Bank Plc. Primary data were obtained from a population of 187. The probability (stratified) random sampling method was employed in data collection. Copies of the questionnaire were sent to the participants using five points Likert scale. The hypothesis was tested and analyzed using descriptive statistics and correlation to establish the relationship between the independent variable and the dependent variables. Findings revealed that relational psychological contract had a significant positive relationship with employee loyalty. The study recommends the followings: Banks should ensure that the psychological make-up of their staff is taken into consideration when planning their retention strategies; Managers and employers in the financial industry should pay more attention to relational psychological issues in order to achieve employee loyalty.

Keyterms: Psychological Contract, Employee Commitment, Relational Contract, Employee Loyalty, Organizational Support Theory.

1. Introduction

The concept of Psychological Contract (PC) was readdressed by Denise Rousseau in the early 1990s and applied in understanding the relationship between employer and employee in the organization. It provides a powerful rationale for employers to pay attention to the human side of the employment relationship. Psychological Contract describes the expectations and assumptions of workers in impacting productivity through a strong commitment to responsibilities (Chartered Institute of Personnel and Development, CIPD, 2021). There is not a definitive list of expectations and obligations describing the content of the psychological contract. Instead, many scholars have chosen to focus on certain aspects such as exploring the duration or stability of the exchange. Broadly, the psychological contract may cover; job security, career prospect, training and development, perceived fairness of pay and benefits, manager support and employer's reputation (CIPD, 2021; Jack, 2018).

In addition, Psychological Contract should not be misinterpreted with a written employment contract. They differ in meaning. The employment contract is a legal agreement printed on paper; while the psychological contract is not a legal agreement instead it is built from everyday actions, statements and promises on one side of the relationship and how they are received by the other. An employment contract deals with the transactional exchange of labor for reward; while psychological contract describes the more informal perception of what each side commits to the relationship and what they might receive in return (Jack, 2018).

In the past, deposit money banks in Awka metropolis and other parts of the country have witnessed unprecedented change in economic and financial pressures due to the global economic downturn. In light of the above, the industry has adopted different structural reforms and other strategies to mitigate the effect of the downsizing and redundancies in the organization. In spite of the successes recorded, structural changes in the form of mergers and acquisitions have impacted negatively the employer-employee relationship in many ways. According to Idowu (2013), the establishment of banking sector improvement has contributed to recapitalization, consolidation along with the consequent merger as well as acquisition of existing banks in 2005 and 2012 which resulted in labour problems. On their part, Malik and Khalid (2016) posited that the resultant effect of the different restructuring exercises in the banking sector affects the quality of working conditions. The authors posit that the success of any organization requires mutual understanding of the employer to design a favorable working environment to motivate employees in the organization in order to fulfill their obligations.

Inyang, Enuoh and Ekpenyong (2014) noted that series of reforms resulting from mergers and acquisitions in Nigerian Banking sector has affected the industrial relations systems creating anxiety and concerns for employees, labour unions and management. Banks in Awka metropolis as a result of these reforms were negatively affected due to loss of key personnel, consolidation of job functions, scaling down of their entitlements and expansion of their job function without corresponding increase in remuneration. Conversely, Okafor (2009) added that "the challenges of this exercise also include job losses, poaching, intra-wage disparity and employee low commitment to work".

Deposit money banks are confronted with unprecedented challenges as a result of increasing level of employee turnover as a result of job insecurity and dissatisfaction in the workplace. In the past, employees in the banking industry started their career in a particular establishment and rose to the apex and retire. This contributes to employee stability in the organization through mutual trust and confidence existing between employer and employee relationship. As a result, employees give their best to create organizational value which in turn promotes performance and boost employee morale and a good sense of feeling in the workplace. In recent times, broad changes across the business world have eroded this trust thereby making career advancement an employee responsibility. This loss of stability has made employees to be on alert for a job with better condition of service and organizational

climate. Again, since career advancement receives less attention from management, employees resort to professional certification that prepares them for their career development. Balogun and Olowoduroye (2012) asserted that turnover intention in the financial sector in Nigeria poses a major threat to the existence of the banks because of the unimagined level which in turn can lead to work overload, mistrust, disruption in workflow and further turnover. Another outcome could be psychological distress, reduced productivity, quality of service, and increased recruitment cost.

Previous studies have identified a strong relationship between psychological contract and employee retention with a positive and negative result. Recent studies by Kudzanayi, Noreen and Kudakwashe (2016) involving a population of 114 local authorities in Zimbabwe found that unfulfilled promises and unfair labor practices by the employer had a negative influence on employee turnover. Salisu and Kabiru (2015) using a cross-sectional research design with a sample population of 280 participants in private organizations in Nigeria found that transnational psychological contract had a strong positive relationship with turnover intention. None of these studies explored the relationship between relational psychological contract and employee loyalty among employees in commercial banks in Awka metropolis, Nigeria. The authors have identified a gap in knowledge as well as in the geographic coverage. It is in these gaps that the study is motivated and seeks to achieve research objectives.

The financial industry has initiated corporate restructuring exercises such as mergers and acquisition as a strategy to survive the global meltdown in order to remain active in the business. In spite of the numerous benefits realizable from these exercises, banking revamping has increased; trust, loyalty, permanent contract as well as job enrichment that used to characterize employment relationships in the past. This changing trend has made psychological contract central to the understanding of employer and employee relationship among banks in Awka metropolis. The restructuring exercises undertaken by banks in Nigeria and Awka metropolis, in particular, have negatively influenced the psychological well-being of the workers. This has affected the regime of lifelong careers in the organization leading to job insecurity, thereby reversing the atmosphere of stability and tranquility in the workplace. As a result, career advancements and enrichment now rest on individual employees while organizations play limited roles. This situation has led to job dissatisfaction, and high turnover intention in the sector thereby making it imperative for management to adopt strategies to attract and retain employees with talents in order to remain competitive.

This study has become necessary in view of the fact that retention of talented employees has continued to be a major challenge and has a negative effect on the stability and competitiveness of banks in Awka metropolis. Again, the near absence or poor retention strategy in some of these banks has contributed immensely to exacerbate the problem. The broad objective of the study is to investigate the relationship between psychological contract and employee retention in commercial banks in Awka metropolis.

2. Review of Related Literature

2.1 The Conceptual Review on Psychological Contract

Psychological Contract is defined as an unwritten set of expectations between the employee and employer. It includes informal arrangements, mutual beliefs, common grounds and perceptions between the two parties (Madson, 2018). It is the responsibility of both employer and employee to guide against potential breaches. On the employer perspective, it is about making sure not to give the wrong perception to an employee and to make sure promises are upheld. On the employee perspective, it is about managing their expectations so that difficult situations or adverse personal circumstances are not seen as negatively impacting productivity. This will help prevent breach and will lead to a balanced contract between the two sides.

Chartered Institute of Personnel and Development (CIPD, 2021) defined Psychological Contract as individual's expectations, beliefs, ambitions and obligations, as perceived by the employer and the worker. The term psychological contract entails expectations and exchange of mutual obligation emanating from promises made in the past. Consequently, the term of reference is not fulfilled by management for various reasons leading to a feeling of breach and violation. The resultant effect has caused mix feelings and employees feeling betrayed. Ugwu and Oji (2013) pointed out that, the infringement of the Psychological Contract (PC) may create feelings of anger, betrayal and resentment which can result to decreased employee motivation, dissatisfaction, loss of loyalty, and exit from the organization.

Jack (2018) also defined Psychological Contract as unwritten, intangible agreement between an employee and their employer that describes the informal commitments, expectations and understandings that make up their relationship. The quality of psychological contract may influence how employees behave from day to day. When workers perceive that the contribution they make to the organization is commensurate with the salary, there can be positive outcomes. For example, workers who perform better demonstrate more extra-role behavior and indicate a higher level of commitment to the organization. Psychological Contract is based on the employees' sense of fairness and trust and their belief that the employer is honoring the deal between both parties. A violation of the psychological contract by the employer can have sudden and prevailing consequence on both people and organization which in turn affects individual job satisfaction, commitment, performance and turnover in the workplace.

A psychological contract can be understood as "a deal between employer and employee concerning the perception of the parties; employer and employee, of what their mutual obligations are towards each other" (Chartered Institute of Personnel and Development, CIPD, 2005). It means a set of promises or expectation that is exchanged between the parties in an employment relationship. These parties include employers, managers, individual employees and their work colleagues.

2.1.2 The Concept of Relational Psychological Contract

Relational psychological contract focused on broad and long-term responsibilities and social emotions such as dedication and loyalty (Wang, Zhu, & Cong, 2008). In general, it deals with individual relationship with employers and considerably influences both personal and professional lives through training and development opportunities.

The relational psychological contract deals with the maintenance and quality of emotional and interpersonal relationships between employer and employee and between peers (MacKenzie, N. D). Relational psychological contract is concerned with a relationship built on the utmost trust, implicit emotional attachment and embrace long term employment (Rosie, N. D). This kind of contract deals with a more direct exchange of commitments between both parties (employer and employee) and is more concerned with strong emotional attachment. Relational Psychological contract offers employees opportunities for training and development for their career advancement.

Psychological Contract explains that parties to a contract develop a relationship that incorporates planning, trust and solidarity that go beyond the original document through interpersonal relationship (Bird, 2005). This involves broad, long term obligations in the exchange of socio-emotional elements like trust and commitment. Relational contract involves offer of loyalty and commitment by employees to the organization in exchange for security and longer career in the employment relationship. This type of contract is essentially controlled by the employer. Relational obligations involve the exchange of socio-emotional resources with open-ended time frame, unwritten, dynamic, pervasive and generally subjective in nature (Aselage & Eisenberger 2003, Rousseau & Wade-Bensoni, 1994).

2.1.3 Employee Loyalty

Employee loyalty can be defined as employees being committed to the success of the organization and believing that working for this organization is their best option (Iqbal, Tufail & Lodhi, 2015). A study of 200 employees using linear regression model identified a significant positive relationship between organizational commitment and employee loyalty in Pakistani organizations.

Employee loyalty deals with a feeling of commitment arising from the individual's desire to identify with their group by promoting its image, goals and values. It is defined as psychological attachment (Wan, 2012), a manifestation of organizational commitment (Peloso, 2004) and organizational citizenship behavior that reflect allegiance to the association through the promotion of its interest, the willingness of an employee to invest in the organization in long term (Khong & Tien, 2013). Retaining talented employees in the present work environment has become a major challenge for managers due to the huge cost involved when employees leave their organizations. It therefore becomes necessary that employers pay attention to the development and enhancement of employee loyalty.

Nasiri, Najafbagy and Nasiripour (2015) evaluated the role of employee loyalty in the success of commercial organizations using Pearson correlation and regression method to extract information from a sample of 280 employees of heavy equipment dealerships in Iran. Their findings revealed that employee loyalty, service quality and customer satisfaction had significant positive influence on organizational success.

Peloso, (2004), identified strong belief and acceptance of firm's goals and values, a willingness to sacrifice for the association and strong desire to retain membership as major characteristics of employee loyalty. These factors support the saying that highly committed employees are likely to remain with employing organization and work towards its goals and thus are less likely to leave. The commitment, desire to identify and be involved with the group bring up the issue of tenure of employees with the organization. The traditional view of loyalty emphasized long stay with the employing organization, however the current trend in the marketplace where layoffs, merger and talent wars (Wan, 2012) changing economy, downsizing, corporate restructuring (Khuong and Tien, 2013) have made this unrealizable. Phaneuf, Khuong and Tien (2013) stated that employees spend time on their job but should include the amount of commitment employees make while on the job.

According to the research by Boston, WFD, Inc, cited by Wan (2012), seven drivers of loyalty include communication, diversity and inclusion, job satisfaction, flexibility, manager effectiveness, work life support and career advancement. Walker report cited by the same author identified the following drivers- fairness, care and concern for employees, satisfaction with day-to-day activities, trust in employees, reputation of the organization and work and job resources.

2.2. Theoretical Framework

This study is anchored on Organizational Support Theory (OST) propounded by Eisenberger, Huntington, Hutchison and Sowa (1986). The theory states that "employees form global beliefs concerning the extent organization value their contributions and cares about their wellbeing". According to Aselage and Eisenberger (2003), employees who receive highly valued resources (e.g., pay raises, developmental training opportunities) would feel obligated based on the reciprocal norm, to help the organization reach its objectives through such behaviors as increased in-role and extra-role performance and lessened absenteeism".

According to Kottke and Sharafinski cited in Khuong and Tien (2013), "employees form global perceptions concerning their valuation by the corporation, they develop general views concerning the degree to which supervisors' value their contributions and care about their wellbeing". Literature identified three major work-experience antecedents of perceived institutional support to include-rewards and working conditions, support received from supervisors, and procedural justice (Rhoades & Eisenberger, 2002). Perceived organizational support is also attributed to the following rewards or

favorable working conditions such as (training and development) allowing employees to expand their skills, autonomy in the manner in which jobs are carried out, and visibility to and recognition from upper-level management (Rhoades & Eisenberger, 2002).

Aligning this theory to the study, it is believed that when employees perceive that their contributions are appreciated by their employers it creates a feeling of debt which makes them contribute their quota for the growth and success of their organizations and enhance employee retention.

2.3 Empirical Review

The study reviewed the following related empirical studies on the topic below.

Cavanaugh and Noe (1999) investigated the relationship between relational components of psychological contract, and work experience and work outcome. The sample is made up of 500 participants who attended informal break- fast seminars conducted by the Employer Education Service of the University of Minnesota United States and data were analyzed using regression analysis. Work outcomes studied include – job satisfaction, participation in development activities and intention to remain with the employer. Results show that relational components of psychological contract mediated the relationship between work experience and intention to remain with the employer and job satisfaction. On the other hand, no relationship was found among work experience, relational component of psychological contract and participation in developmental activities.

Dhanpat and Parumasur (2014) investigated psychological contract as a precursor to employee retention among employees of financial banking institution in South Africa. Samples of 304 employees were surveyed using structured questionnaire. Data were analyzed using descriptive statistics and correlation. The study found that there is a significant and direct relationship between employees' expectations of their corporation and the importance employees attach to these expectations being met, for their employers to trust them and them to trust their employers in return, and a significant but inverse relationship between employee satisfaction with their current job and intention to leave the organization.

DeVos, Meganck and Buyens (2006) examined the role of Psychological Contract in Retention Management and the relationship between retention factors and employees' intention to stay. The study adopted a two-step research method which involved interview of managers from large public and private companies in Belgium; and a survey of other employees using a structured questionnaire. Data analysis was done using hierarchical regression. Findings of the study show that lack of opportunities and remuneration are the two most cited reasons for voluntary turnover. Career management was the most recommended retention practice which includes-training and development, creating opportunities for career progress, high potential management and facilitating internal mobility.

Cho, Johanson and Guchait (2008) examined the influence of perceived organizational support, perceived supervisor's support and firm commitment on intention to leave and intention to stay. A total of 416 employees of the hospitality industry in United States were surveyed. The analysis of the data was done using structural equation modeling to determine the effects of POS, PSS and OC on intention to leave and intention to stay. The result shows that perceived organizational support and commitment decreased intention to leave while perceived organizational support had a positive impact on intention to stay.

Kim, Lim and Kim (2009) explored the role of Psychological Contract in intention to continue volunteering. The study identified factors that influence volunteer retention to include- volunteer motivation, commitment and human resource practices. The study examined whether empowerment partially or fully mediated the relationship between person environment fit and intention to continue volunteering, and whether fulfillment moderated the relationship between person environment fit and empowerment. A total of 224 volunteers from Olympic state summer games in the US were surveyed. Results showed that empowerment fully mediated the relationship between person-environment fit and

intention to continue volunteering. Also, PC fulfillment moderated the relationship between fit and empowerment. The study therefore concludes that in retaining quality volunteer organizations should ensure proper match among the individual, job requirement and organizational missions and goals.

Agarwal (2011) in his study empirically linked the relationship between Psychological Contract and Organizational Commitment in India. The study adopted correlational research design, focusing on the Indian IT industry. The author argued that the formation of a healthy psychological contract would guarantee a stable employment relationship and enhance value commitment among employees. The findings of the study revealed that intent to stay and value commitments are positively and significantly related to psychological contract.

Cheung and Chiu (2005) investigated the Mediating Role of Perceived Organizational Support (POS) and Leader-Member Exchanges (LMX) on the effect of Psychological Contract Fulfillment on the Work Attitudes and Behavioral Outcomes of Employees in Hong Kong. The study adopted survey design and collected data from a population of 354 supervisors working in Chinese manufacturing firms were surveyed. The result of the study showed that Psychological Contract fulfillment has a positive relationship with attitudinal (affective and attachment to supervisors) and behavioral outcomes (task and contextual performances). Perceived Organizational Support and Leader Member Exchange fully mediate between perceived contract fulfillment and task performance also partially mediate between contract fulfillment and affective commitment and attachment to supervisors. Finally, Turnover intentions fully mediated between Leader Member Exchange and not Perceived Organizational Support.

Collins (2008) investigated the effect of Psychological Contract fulfillment and turnover intentions of 328 managers in four different organizations that operate franchise restaurant in different parts of United States. Using a structural equation modeling, the author further explored the mediating role of PC fulfillment between Leader Member Exchange and turnover intention. The result of the study shows that PC fulfillment is significant as a predictor of turnover intentions.

2.3.1. Gap in Knowledge

This study looked at psychological contract as a measure of achieving employee retention in selected banks in Awka metropolis. Previous studies on the subject affirm that there exists a statistical link between psychological contract and employee retention. However, none of the studies reviewed by the researcher looked at employee loyalty as a variable of employee retention in the banking sector.

Again, none of the studies reviewed focused on the relationship between PC and retention of bank employees in Nigeria as majority were done in South Africa, Asia and the United states. So, the extent to which such research findings can be applied to bank employees in Awka metropolis in particular remains a lacuna. Therefore, this study intends to examine the relationship between psychological contract and employee retention in selected banks in Awka metropolis to fill this gap.

3. Research Methodology

The study adopted a descriptive survey design method to explore the relationship between two variables. Primary data were sourced using a structured questionnaire. The survey design was adopted in this study to enable the researcher to use interview and questionnaire to gather accurate information for the study. Again, this method gives the researcher the opportunity to achieve desired results using scientific methods.

The population for this study is made up of employees of five selected banks in Awka metropolis as follows: First Bank Nig Plc (FBN), Union Bank Plc (UBN), First City Monument Bank Plc (FCMB), Guaranty Trust Bank Plc (GT Bank) and Fidelity Bank Plc. The population of the study is made up of all staff of the five banks studied as indicated below. The population of the study is 187. The sample was drawn using a stratified sampling method. The Central bank tier 1 and 2 classification

of banks was used while Bowley’s proportional allocation formula was used to draw the proportionate sample from each stratum.

Table 3.1: Allocation of Questionnaire

S/N	Name of Banks	No of Employees	Allocation of Questionnaire
1	Fidelity	45	30
2	FBN	72	49
3	GT Bank	26	18
4	UBN	19	13
5	FCMB	25	17
	Total	187	127

Source: (Field Survey, 2020).

Questionnaire was used as the instrument of data collection which comprised of demographic details of the respondents and a set of 23 questions addressing the variables of the study using a five-point Likert scale. The instrument was distributed to a sample size of 127 people determined using the Taro Yamane (1964) method of sample size determination. Bowley’s proportional allocation formula was used to allocate copies of the questionnaire to each of the banks. Responses were categorized as follows- (1) ‘Strongly Agree’, (2) ‘Agree’, (3) ‘Undecided’, (4) ‘Disagree’ (5) ‘Strongly Disagree’.

Data for this study were analyzed using descriptive statistics and correlation to establish the nature of the relationship between the independent variable and the dependent variables.

Content and construct validity for the research instrument was achieved using Industrial and Clinical Psychologists, both from the Department of Psychology, Nnamdi Azikiwe University, Awka. A sample of the questionnaire was delivered to each of them independently and they were asked to evaluate the adequacy and suitability of the questions in eliciting the desired responses. Their comments were incorporated into the final draft of the questionnaire.

Cronbach alpha was used to test the internal consistency reliability of the instrument of measurement which showed a coefficient level of 0.713 or 71.3% (table 2 below) which fell within the acceptable region. The size of the coefficient is determined by both the number of items and the inter-item correlation. Some managers were also interviewed and responses helped to validate the results of the questionnaire.

Table 1: Case Processing Summary

		N	%
Cases	Valid	93	100.00
	Excluded	0	
	Total	93	100.00

Source (SPSS, Version 20)

Table 2: Reliability Statistics

Cronbach's Alpha	N of Items
0.713	30

Source: (SPSS Version 20).

4. Data Presentation and Analysis

This section presents data below.

Table 3: Demographic Information

S/N	Demographic Details					
1	Gender	Male	Female			
	Frequency	42	51			
	Percentage	45%	55%			
2	Age	20-30	31-40	41-50	Above 50	
	Frequency	44	44	5	-	
	Percentage	47%	47%	6%		
3	Work Experience	Below 5 years	6-10 years	11-20 years	Above 20 years	
	Frequency	47	29	11	6	
	Percentage					
4	Job Level	Contract Staff	Executive Training	Supervisor	Manager	
	Frequency	59	19	12	3	
	Percentage	64%	20%	13%	3%	
5	Educational Level	High School Cert.	Graduate	Post Graduate		
	Frequency	5	59	29		
	Percentage	5%	64%	31		
6	Job Tenure	Below 1 year	1-5 years	6-10 years	Above 10 years	
	Frequency	8	56	27	2	
	Percentage	9%	60%	29%	2%	
7	Employer Organization	UBA	Fidelity	First Bank	GTB	FCMB
	Frequency	11	22	26	16	18
	Percentage	12%	24%	28%	17%	19%

Source: (Field Survey, 2021).

Table 4: Correlations Result

		Rel Psycho. Contr.	Employee Loyalty
Rel Psycho. Contr.	Pearson Correlation	1	.020
	Sig. (2-tailed)		.849
	N	93	93
Employee Loyalty	Pearson Correlation	.020	1
	Sig. (2-tailed)	.849	
	N	93	93

Source: (SPSS version 20)

4.1. Findings and Discussion

The result in table 4 above showed the value of $r = 0.020$, $N = 93$, and $P = 0.849$. From the obtained result, a unit increase in relational psychological contract results in a 0.020 unit increase in employee loyalty. Since the p-value obtained (0.020) was less than the 0.05 significance level, the null hypothesis was rejected, while the alternate hypothesis was accepted. The findings showed that relational psychological contract had a significant positive relationship with employee loyalty. However, previous studies conducted in other countries by Grimmer and Oddy (2007) found a positive correlation between relational contract and organizational commitment and trust while transactional contract showed lower organizational commitment but unrelated to trust.

5. Conclusion, Recommendations and Future Research

The broad objective of the study is to investigate the relationship between psychological contract and employee retention in commercial banks in Awka metropolis. The specific objectives of the study seek to explore the relationship between relational psychological contract and employee loyalty among employees in commercial banks in Awka metropolis. The study concludes that relational psychological contract had a significant positive relationship with employee loyalty. Finally, the result of the present study is therefore in agreement with the literature. This can be interpreted that there is conformity between the hypothesis (theory) and practice.

5.1. Recommendations

The following recommendations are made for employee retention in commercial banks in Awka metropolis.

1. Banks should ensure that the psychological make-up of their employees is taken into consideration when planning their retention strategies.
2. Managers and employers in the banking industry should pay more attention to relational psychological issues in order to achieve employee loyalty.
3. Caution should be applied when organizations or their agents make promises during the selection process as these are avenues where psychological contracts are formed. For management to earn employee trust, it must be seen to fulfill its promises at least to a reasonable extent. Organizations should not make promises they do not intend to keep.

5.2. Future Research and Limitations of the Study

The study deals with the relationship between relational psychological contract and employee loyalty among employees in commercial banks in Awka metropolis. The geographic coverage of the study is limited to Awka metropolis. The sample size was small and cannot be used to apply in other locations in Anambra State Nigeria. Sequel to this, the results of this study cannot be used to make a generalization. Future researchers are advised to explore multiple locations in order to generalize findings. Further study can explore the relationship between transactional psychological contract and employee satisfaction in Nigeria.

References

- [1] Agarwal, P (2011) The Relationship between Psychological Contract and Organisational Commitment in Indian IT Industry, *The Indian Journal of Industrial Relations*, Vol. 47 (2), 290-305.
- [2] Aselage, J., & Eisenberger, R. (2003), Perceived organisational support and psychological contracts: A theoretical integration. *Journal of Organizational Behavior*, 24(5), 491-509.
- [3] Balogun and Olowoduroye (2012), Psychological Factors as Predictors of Turnover Intention among Employees of Post-Consolidated Banks in Nigeria, *European Scientific Journal*, 8(20): 81-95.
- [4] Bird, R. C. (2005), Employment as a Relational Contract, *U. PA Journal of Labour and Employment Law*, 8 (1), 149-217.
- [5] Cavanaugh, M. A., & Noe, R. A. (1999). Antecedents and Consequences of Relational Components of the New Psychological Contract. *Journal of Organizational Behavior*, 20, 232-340.
- [6] Chartered Institute of Personnel and Development (CIPD, 2005). Managing Change: The Role of the Psychological Contract. Change Agenda. London: CIPD. Retrieved from https://www.researchgate.net/publication/325060099_Managing_the_New_Psychological_Contract.

- [7] Chartered Institute of Personnel and Development (CIPD, 2021). *The Psychological Contract*. Royal Charter: Broadway, London.
- [8] Cheung, M. F., & Chiu, W. C. (2005), Effects of psychological contract fulfillment, perceived organizational support, leader-member exchange, and work outcomes: A test of a mediating model, Hong Kong Polytechnic University Working Paper.
- [9] Cho, S., Johanson, M., & Guchait, P. (2008). Is Intention to leave the same as Intention to stay, International CHRIE Conference-Atlanta Georgia, USA, 104-110.
- [10] Collins, M. D. (2008). The effect of Psychological Contract Fulfillment on Manager Turnover Intentions and its Roles as a Mediator in a Casual, Limited-Service Restaurant Environment. Proceedings of International CHRIE Conference- Atlanta Georgia USA, 119-127.
- [11] DeVos, A., Meganck, A., & Buyens, D. (2006). The Role of The Psychological Contract in Retention Management: Confronting HR-Managers' and Employees' Views on Retention Factors and the Relationship with Employees' Intentions to Stay. Working Paper Ghent University, Belgium, D/2006/7012/19.
- [12] Dhanpat, N., & Parumasur, S. B. (2014). Re-establishing the Psychological Contract as a Recursor to Employee Retention. *Problems and Perspectives in Management*, 12 (4), 77- 90
- [13] Eisenberger, R, Huntington, R, Hutchinson, S., & Sowa, D. (1986). Perceived Organizational Support. *Journal of Applied Psychology*, 71 (3), 500 – 507.
- [14] Idowu, O. F. (2013). Labour and Banking Sector Reforms in Nigeria, *European Scientific Journal*, 8(9), 166-183
- [15] Inyang, B. J., Enuoh, R. O., & Ekpenyong, O. E. (2014). The Banking Sector reforms in Nigeria: Challenges for Labour Management Relations. *Journal of Business Administration Research*, 3(1), 82-90
- [16] Iqbal, A., Tufail, M. S., & Lodhi, R. N. (2015). Employee Loyalty and Organizational Commitment in Pakistan. *Global Journal of Human Resource Management*, 3 (1), 1-11.
- [17] Jack, E. (2018). What is Psychological Contract? Retrieved Online from www.charliehr.com
- [18] Khuong, M. N., & Tien, B. D. (2013). Factors Influencing Employee Loyalty Directly and Indirectly through Job Satisfaction- A Study of Banking Sector in HO Chi Minh City, *International Journal of Current Research and Academic Review*, 1 (14), 81-95.
- [19] Kim, M., Trail, G. T., Lim, J., & Kim, Y. K. (2009). The Role of Psychological Contract in Intention to Continue Volunteering. *Journal of Sport Management*, 23, 549-573.
- [20] Kudzanayi, G., Noreen, G. S., & Kudakwashe, S. (2016). Role of the Psychological Contract in Employee Retention for Local Authorities in Zimbabwe. *Quest Journal of Research in Business and Management*, 4 (8), 30-36.
- [21] MacKenzie, B. (N. D). What is Psychological Relational Contract” Retrieved online from www.alchemyformanagers.co.uk
- [22] Madson, S. (2018). The Importance of Psychological Contract. Retrieved Online from www.hrexchangenetwork.com
- [23] Malik, S. Z., & Khalid, N. (2016). Psychological Contract Breach, Work Engagement and Turnover Intention, Parkinstan. *Parkinstan Economic and Social review*, 4 (1), 37-54.
- [24] Nasiri, S., Najafbagy, R., & Nasiripour, A. A. (2015). The Impact of Employee Loyalty on the Success of Commercial Organizations: A Case Study on the Dealerships of Heavy Equipment in Iran. *Journal of Human Resource Management*, 3 (3), 27-32.
- [25] Okafor, E. E (2009). Post-Consolidation Challenges and Strategies for Managing Employees' Resistance to Change in the Banking Sector in Nigeria. *Journal of Social Sciences*, 19(2): 129-139.
- [26] Peloso, A. F (2004). The Antecedents of the Employee Loyalty- Customer Loyalty Relationship. Doctoral (PhD) Dissertation Submitted to Queensland University of Technology.

- [27] Phaneuf, W. (2013). *Employee Loyalty Doesn't Equal Longevity*. The Training Source. Retrieved from: http://www.leadingforloyalty.com/employee_loyalty.html accessed January 2017.
- [28] Rhoades, L., & Eisenberger, R. (2002), Perceived Organizational Support: A Review of Literature. *Journal of Applied Psychology*, 87(4), 698-714.
- [29] Rosie, C. (N. D). The Psychological Contract. Are Unmet Expectations Harming Your Employee Relationship?
- [30] Rousseau, D.M & Wade-Benzoni, K.A (1994), Linking Strategy and HR Practices: How employee and Customer Contracts are Created, *Human Resources Management*, 33 (3) 463-489.
- [31] Salisu, U., & Kabiru, J. R. (2015). Psychological Contract and Employee Turnover Intention Among Nigerian Employees in Private Organizations. Management International Conference (MIC) at Potoroz Slovenia, Volume 1
- [32] Ugwu, L. I & Oji, I. (2013). Psychological Contract Breach, Work-family Conflict and Self-Efficacy as Predictors of Pro-social Behaviours among Sample of Nigeria Bank Employees. *International Review of Social Sciences and Humanities*, 6(1), 135-145
- [33] Wan, H. L. (2012). Employee Loyalty at the Workplace: The Impact of Japanese Styles of HRM, *International Journal of Applied HRM*, 3 (1), 1-17.
- [34] Wang, Y., Zhu, Z. & Cong, Q. (2008). "An Analysis on the Knowledge Workers' Turnover: A Psychological Contract Perspective". *International Journal of Business and Management*, 3(2), 62-65.