Abstract. Employees are one of the most important assets of an organization. In order to retain them, it is important to evaluate and analyze the exchange relationship of the employees and the organization, known as psychological contract. This study examines the impact of psychological contract breach on employees’ turnover intention with the mediating role of work engagement. An empirical study has been conducted to test the main effects and mediating hypothesis through Hierarchical Multiple Regression. A sample of 302 responses has been collected from private and public banks of Lahore. The results indicate that a negative relationship exists between psychological contract breach and work engagement. Similarly, work engagement negatively correlates with turnover intention of employees. Work engagement partially mediates the relationship between psychological contract breach and employees’ turnover intention. Therefore, if employees perceive psychological contract breach then it leads to low work engagement and high turnover intention. Practical implications of the results have been discussed.

Keywords: Psychological contract breach, Work engagement, Turnover intention of employees, Mediation

JEL classification: M14
I. INTRODUCTION

During past few years, organizations have endured substantial changes in order to compete in the marketplace. Operating within a complex and competitive work environment has changed the internal work arrangements as well as modified the nature of psychological contract that exists between the employees and employer. To succeed in the marketplace, employers need to understand what employees expect from the organization and must pay attention on fulfilling their expectations to fulfill organization’s side of contract (Festing and Schafer, 2014). Psychological contract expresses personal promises and obligations among the employees arising from reciprocal relationship between the employees and the organization (Rousseau, 1989, 2001). There is always a written contract between the employee and employer but psychological contract exists over and above this written contract. The notion of psychological contract entails that employees have variety of expectations from their organization and organizations have variety of expectations from them respectively (Roehling, 1997).

Psychological contract evaluates the reciprocal relationship among rights, duties, responsibilities and obligations of the employee as well as the employer (Rousseau, 1989).

Smithson and Lewis (2003) view the psychological contract as the extension of the philosophical concept, which is social contract theory. According to the social contract theory, where there is a social relationship among individuals there is exchange of economic (e.g. money) as well as social resources (e.g. esteem and respect) (Conway and Briner, 2005). Morrison and Robinson (1997) describe the psychological contract breach as the failure of the employer or organizations to meet their obligations towards the employees. Where no written agreement exists, there are chances of broken and undue promises, obligations and commitments which result in psychological contract breach which in turn leads to the negative attitudes of the employees (Aykan, 2014). Literature suggests that psychological contract breach leads to reduced job satisfaction (Agarwal and Bhargava, 2013), work engagement (Parzefall and Hakanen, 2010) as well as increased employee turnover intention (Ballou, 2013).

Turnover intention is considered to be the outcome of the psychological contract breach, which is not suitable for an organization’s performance and productivity. Employees become dissatisfied with their jobs as they experience psychological contract breach, which leads to lower organizational commitment and ultimately results in increased turnover intention (Aykan, 2014).
The concept of turnover intention has attracted great attention not only from the practitioners but also from the researchers. According to Tett and Meyer (1993), turnover intention is the conscious and considered willfulness of the employees to leave the workplace. When employees perceive psychological contract breach; it might lead to an intention to quit from the organization. If the employees have intention to quit but they remain with the organization, because of other factors such as an unavailability of employment opportunities, they will remain in a constant frustration for not being fairly reciprocated for their contributions (Turnley and Feldman, 2000).

Employees are one of the most important assets for any organization. When they come up with innovative, creative and productive ideas, organizations use it to gain competitive edge. It is important to consider that what organizations can do to increase their employees’ dedication and commitment. Instead of traditional ways of management control which includes cost reduction techniques and focus on increased efficiency, the modern management techniques focus on managing human capital (Bakker and Schaufeli, 2008).

To accomplish their goals and objectives, organizations need employees who are highly engaged in their work. So, organizations must create such working conditions which motivate the employees and keep them engaged, to give their best in order to attain maximum output and to think out of the box without any fear of being criticized (Bakker and Schaufeli, 2008). According to Schaufeli and Bakker (2004), work engagement is a positive, optimistic, fulfilling, achieving and work-related state of mind. It’s multi-dimensional concept which consists the elements of vigor, dedication and absorption. Literature on work engagement reveals that it is positively associated with the mental and psychosomatic health as well as to the positive behaviours and attitudes towards work, inner motivation and high performance (Bakker et al., 2008).

Parzefall and Hakanen (2010) thoroughly examine the effects of psychological contract breach on work engagement. On the basis of job resource based model, it is inferred that perceived contract fulfillment is viewed as the resource by the employees and the employees expect the employer to provide rewards for their efforts and maintain a two-way exchange relationships which nurture the work engagement of the employees (Parzefall and Hakanen, 2010).

Thus, it is inferred that work engagement is related to psychological contract breach and turnover intention. Therefore, in the research, work
engagement is considered as a mediating factor that affects the relationship between psychological contract breach and employees’ turnover intention.

**PSYCHOLOGICAL CONTRACT**

Psychological contract has attracted attention of researchers in understanding the employment relationships. In the past two decades, there has been numerous numbers of publications on the topic of psychological contract, which leaves the impression that it is a significant concept which needs to be studied. Also, there is a strong need to conduct national and cross-national researches as there can be a difference in levels of psychological contract within and across societies (Rousseau and Schalk, 2000).

According to the Rousseau (1989, p. 124) psychological contract is “a mutual obligation existing at the level of the relationship (e.g. dyadic, inter-organizational)”.

This is quite obvious that sometimes organizations are unable or unwilling to meet the obligations or promises made to the employees, resulting in the breach of the contract and known as psychological contract breach. Robinson and Morrison (1997, p. 230) describe that psychological contract breach occurs when, “… one’s organization has failed to fulfill one or more obligations composing one’s psychological contract.”

In literature, several studies, such as Suazo (2009) and Zhao et al. (2007), have highlighted the outcomes of psychological contract breach. According to these studies, there are high possibilities that when organizations or workplace do not fulfill employees’ expectations, they are unsatisfied with their job. In the past, researchers have given attention to the construct of psychological contract breach (Morrison and Robinson, 1997; Zhao et al., 2007). According to Morrison and Robinson (1997), there is vagueness about foundation of the psychological contract breach in existing literature. At one end, psychological contract breach is considered to be perception of employees that organization is unable to fulfill their promises and obligations which are implied through psychological contract. Alternatively, it is referred as the emotional and affective state in which it goes beyond the cognition state of not fulfilling the promises or obligations by the organization (Berger, 2009).

**WORK ENGAGEMENT**

Psychology has been greatly criticized as it mainly addresses the mental ailment rather the mental wellness. The main focus of the psychology is “… to begin to catalyze a change in the focus of psychology from pre-occupation
only with repairing the worst things in life to also building positive qualities” (Seligman and Csikszentmihalyi, 2000, p. 5).

Bakker and Schaufeli (2008) also noticed the requisition for positive organizational behavioural (POB) research. Work engagement is one of the most researched constructs of positive organizational behavioural research which reflects a positive, fulfilling and work-related state of mind and is seen as anti-pole of job burnout. Work engagement is “a positive, fulfilling work-related state of mind that is characterized by vigor, dedication and absorption” (Schaufeli and Bakker, 2004, p. 295). Engaged employees are more excited about their work and have high levels of energy. They are fully engrossed in their work as they find it hard to detach themselves from work (Bakker et al., 2008).

**VIGOR**
It is described as the energy, vitality, and mental resilience of employees while doing their job. It is the eagerness to endow effort in their work, to be persistent and calm in time of difficulties. Vigor consists of interlocked feelings of emotional energy, physical strength and cognitive spirit of the working employees (Schaufeli and Bakker, 2004).

**DEDICATION**
It refers to a sense of significance, passion and enthusiasm in one’s job, employees’ pride while doing job and their feeling that their job is inspiring and challenging (Schaufeli and Bakker, 2004).

**ABSORPTION**
It refers that an individual is fully immersed in the job and it is difficult for one to detach himself from the job (Schaufeli and Bakker, 2004).

**TURNOVER INTENTION**
Employee turnover is one of the most researched concepts in field of organizational behaviour (Price, 2001). In every organization, what makes an employee to leave is always a troublesome issue to resolve. Without employees’ support and contribution, it is not possible for any organization to enjoy high productivity as well as good revenues. Therefore, today managers are concerned about issues and complications encountered by the employees (Perez, 2008).

Turnover is defined as “individual movement across the membership boundary of an organization” (Price, 2001, p. 600). In this definition word
“individual” refers to employees of the company and “movement” refers to separation from the organization. Bester (2012) suggests that turnover intention is rarely defined in researched studies. This is because of the assumption that people take this term as self-explanatory. It is argued that turnover intention is the last step of employees’ decision making when they actually leave the organization (Mobley, 1982) and an indicator of an employee’s psychological attachment with the organization (Zhao et al., 2007).

Lacity et al. (2008, p. 228), defined turnover intention as “the extent to which an employee plans to leave the organization”. It is also defined as the conscious and intentional willfulness and tenacity to leave an organization (Matz et al., 2014). Theoretical framework of Fishbein and Ajzen (1975) suggests that turn over intention is a “behavioural intention” and it is also an important determinant of actual turnover.

The actual turnover is explicit in nature whereas turnover intention is implicit. Turnover intent is probability of an individual that he will change his job within specified period (Sousa-Poza and Henneberger, 2004). Literature suggests that a relationship exists between actual turnover and turnover intention (Hom and Griffeth, 1991). It is not necessary that employees’ intention to change their job always results in actual turnover (Perez, 2008).

RELATIONSHIPS AMONG THE CONSTRUCTS

Behavioural and attitudinal changes occur in employees when they feel that their psychological contract is breached (Kickul and Lester, 2001). It can lead to employees exhibiting deviant behaviours at workplace. When employees extend their full support but their obligations are not fulfilled by organizations, then they feel betrayed. Studies have suggested that psychological contract breach is significantly and positively related to the employees’ turnover intention (Haq et al., 2011; Suazo, 2009; Umar and Ringim, 2015; Zhao et al., 2007).

The theory which relates psychological contract breach and employee engagement is “social exchange theory (SET)”. It suggests that when an individual enters in employment relationship, he does not only consider the economic benefits (e.g., pay) but also the socio-economic benefits such as esteem and care (Mael and Ashforth, 1992). The core belief of theory is that the relationship gradually builds trust, loyalty and mutual commitment. And that relationship continues till both parties remain on the rules of exchange. It refers to the give and take relationship, means the action of one person has
influence on the response of other (Cropanzano and Mitchell, 2005). Therefore, it is inferred from the above discussion that psychological contracts are also the form of social exchange that develops between organization and employees. Thus, when employees feel their psychological contract is fulfilled, it leads to higher work engagement.

Job demands-resources (JD-R) model plays significant role to explain the relationship of turnover intention with the related constructs (Bakker and Demerouti, 2007). It gives plausible reasons why employees decide to leave the organization. JD-R model indicates that employees’ turnover intention is due to job-demands that cause burnout (Bothma and Roodt, 2013). Bester (2012) also support this argument by suggesting that when job demands are high and resources are less, it leads to the exhaustion which is opposite of engagement, which in response, stimulates turnover intention (Bakker and Demerouti, 2007; Schaufeli and Bakker, 2004).

According to Schaufeli and Bakker (2004), well-established relationship exists among work engagement, burnout and turnover. With lack of job resources; disengagement occurs, which increase the turnover intention (Bothma and Roodt, 2013). When employees perceive that their psychological contract is being fulfilled by the organization, their attitudes reflect higher work engagement and lower turnover intention. Social exchange theory explains the positive relation of psychological contract fulfillment and work engagement. According to which, when people engage themselves in interacting with others, they are motivated by expectations of taking incentives from opposite party (Blau, 1964).

Mutual obligations are established when each party reiteratively reciprocate the act of other party. It is inferred from the above discussion that when employees assume their promises are fulfilled by the employer, they act accordingly by reciprocating this fulfillment in the form of positive work attitudes and work behaviours. Therefore, higher psychological contract fulfillment leads to higher work engagement and low turnover intention (Turnley et al., 2003).

CONTRIBUTION OF THE STUDY
Based on the above mentioned literature, this study aims to make a contribution in the following ways:

1. Previous studies on psychological contract breach have explored its relationship with job satisfaction and organizational commitment. This current research will contribute to the literature by studying the mediating effect of work engagement on the relationship between
psychological contract breach and employee’ turnover intention. The present study will contribute by providing empirical evidence about the levels of work engagement of employees as well as its dynamics with psychological breach and turnover intentions.

2. Furthermore, the study has been conducted in the banking sector of Pakistan. Banking sector of Pakistan is facing numerous challenges along with mergers and acquisition, which lead to the possible issues of job security, increase in job uncertainty and aggravate the quality of working conditions. This study makes an important contribution to the service sector because the concept of psychological contract breach is highly relevant given the increased recognition of importance of human resources in achieving organizational objectives and improving performance.

SCHEMATIC DIAGRAM
Figure 1 shows graphical representation of the variables under study.

FIGURE 1
Conceptual Framework of the Study

HYPOTHESES
The proposed hypotheses are:
H₁: There is positive relationship between psychological contract breach and employee turnover intention.

H₂: There is negative relationship between psychological contract breach and work engagement.

H₃: There is negative relationship between work engagement and employee turnover intention.

H₄: Work engagement mediates the relationship between psychological contract breach and employee turnover intention.

II. METHOD

PARTICIPANTS
The sample consisted of 302 employees working in the different public and private banks of Lahore. The demographic section requires participants to report their gender, department, position held, number of years in current position, qualification and bank name. The highest percentage of the employees (68.5%) were between 24 to 33 years and the age breakdown was: 34-43 (21.2%), 44-53 (4.0%), 54 and above (2.0%), and did not respond (5%). The percentages of the male participants were 78.1% whereas the percentage of females was 21.9%.

Under the category of position held, majority of the participants were assistant managers (42.7%), followed by managers (24.2%), executive managers (11.9%), senior managers (11.9%), regional manager (4.6%) and did not respond (5%). Under the category of qualification, 66.6% of the respondents were holding master’s degree, 31.1% were holding bachelor’s degree, followed by intermediate degree holders (0.7%) and did not respond (2%).

MEASURE
Close ended questionnaire has been used to collect the responses. All scales of measurement were adopted from previous studies.

PSYCHOLOGICAL CONTRACT BREACH
Psychological contract breach is measured by six-factor instrument established by Lester et al. (2002). The Cronbach’s Alpha of this scale is 0.91. Respondents are asked to indicate for each item the amount they actually receive in comparison with the amount promised by the organization on a scale ranging from 1 = “receive much more than promised” to 5 = “receive much less than promised”.
WORK ENGAGEMENT
The concept of work engagement was measured by short version of Utrecht Work Engagement Scale (UWES) developed by Schaufeli et al. (2006). Schaufeli et al. (2006) demonstrate that this scale has psychometric properties similar to those of previous version of scale (Balducci et al., 2010). Respondents are asked to rate the statements by using a 5-point Likert scale which ranges from 1 = “strongly disagree” to 5 = “strongly agree”. The Cronbach’s Alpha value of this scale is 0.89.

TURNOVER INTENTION
This construct is measured by a scale developed by Roodt (2004). It consists of 14 items, measured by using 5-point Likert scale which ranges from 1 = “strongly disagree” to 5 = “strongly agree”. The Cronbach’s Alpha value of this scale is 0.79.

III. DATA COLLECTION
To increase the accuracy of the results, questionnaires were pre-tested. For pilot study, 35 questionnaires were distributed. Consequently, 350 questionnaires were distributed among different employees of public and private banks of Lahore. Public banks were coded as 1 and private banks were coded as 2. Response rate is given in Table 1.

<table>
<thead>
<tr>
<th></th>
<th>Distributed</th>
<th>Responses Received</th>
<th>Valid Responses</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Banks</td>
<td>50</td>
<td>42</td>
<td>40</td>
<td>95.23%</td>
</tr>
<tr>
<td>Private Banks</td>
<td>300</td>
<td>269</td>
<td>262</td>
<td>97.39%</td>
</tr>
<tr>
<td>Total</td>
<td>350</td>
<td>311</td>
<td>302</td>
<td>97.10%</td>
</tr>
</tbody>
</table>

IV. RESULTS
For testing hypothesis “The relationship between psychological contract breach and turnover intention of employees is mediated by work engagement” multiple regression analysis is employed.
DESCRIPTIVE STATISTICS
AND CORRELATION ANALYSIS
In order to get meaningful results of regression analysis, it is compulsory to perform correlation analysis first. The higher correlation depicts the stronger relationships among variables. Table 2 shows the correlation coefficient of all the variables of the study.

<table>
<thead>
<tr>
<th></th>
<th>PCB</th>
<th>WE</th>
<th>TOI</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCB</td>
<td>1</td>
<td>-0.76**</td>
<td>0.65**</td>
<td>2.9</td>
<td>0.68</td>
</tr>
<tr>
<td>WE</td>
<td></td>
<td>1</td>
<td>-0.58**</td>
<td>2.7</td>
<td>0.75</td>
</tr>
<tr>
<td>TOI</td>
<td></td>
<td></td>
<td>1</td>
<td>2.9</td>
<td>0.67</td>
</tr>
</tbody>
</table>

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

There is a strong positive correlation between psychological contract breach and employees’ turnover intention \((r = 0.65)\), strong negative correlation between psychological contract breach and work engagement \((r = -0.76)\), and negative correlation between work engagement and turnover intention \((r = -0.58)\).

HIERARCHICAL MULTIPLE REGRESSION
All the hypotheses were tested by using hierarchical multiple regression. In step 1, control variables (age, gender, position held, and number of years in current position, qualification, and bank name) were entered followed by the psychological contract breach in the step 2 and work engagement in the step 3.

Table 3 depicts that psychological contract breach shows significant variation in turnover intention of employees \(\Delta R^2 = 0.43, \beta = 0.65, p < 0.05\). It shows that a positive relationship exists between psychological contract breach and employees turnover intention \(H_1\) supported. Psychological contract breach was negatively related to work engagement \(\Delta R^2 = 0.57, \beta = -0.84, p < 0.05\) \(H_2\) supported. Work engagement and employee turnover had negative relationship \(\Delta R^2 = 0.32, \beta = -0.51, p < 0.05\) \(H_3\) supported.
TABLE 3
Hierarchical Multiple Regression Predicting Turnover Intention from Psychological Contract Breach through Mediation of Work Engagement

<table>
<thead>
<tr>
<th>Model</th>
<th>Dependent Variable</th>
<th>Independent Variable(s)</th>
<th>$R^2$</th>
<th>$\Delta R^2$</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TOI</td>
<td>(i) CVs</td>
<td>0.07</td>
<td>0.07</td>
<td>0.65*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) CVs</td>
<td></td>
<td>0.50*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ PCB</td>
<td></td>
<td>0.43*</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>WE</td>
<td>(i) CVs</td>
<td>0.03</td>
<td>0.03</td>
<td>-0.84*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) CVs</td>
<td></td>
<td>0.60*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ PCB</td>
<td></td>
<td>0.57*</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>TOI</td>
<td>(i) CVs</td>
<td>0.07</td>
<td>0.07</td>
<td>-0.51*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) CVs</td>
<td></td>
<td>0.39*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ WE</td>
<td></td>
<td>0.32*</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>TOI</td>
<td>(i) CVs</td>
<td>0.07</td>
<td>0.07</td>
<td>-0.14*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) CVs</td>
<td></td>
<td>0.50*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ PCB</td>
<td></td>
<td>0.43*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ WE</td>
<td></td>
<td>0.51*</td>
<td></td>
</tr>
</tbody>
</table>

*Significant at 0.05 level of significance.
CV = Control Variables; PCB = Psychological Contract Breach; TOI = Turnover intention; WE = Work engagement

Control Variables: Bank Name, Qualification, Gender, Position Held, Number of Years, Age, Psychological Contract Breach, Work Engagement

After controlling for mediator, the significant relationship between psychological contract breach and employee turnover intention ($B = 0.53$, $p < 0.05$) was less than the direct relationship between psychological contract breach and turnover intention without controlling for employee engagement ($B = 0.65$, $p < 0.05$). Furthermore, the variance accounted by mediated model ($R^2 = 0.51$, $p < 0.05$) was more than the variance accounted by direct model ($R^2 = 0.50$, $p < 0.05$) (see Table 3) which proves that employee engagement partially mediated the relationship between psychological contract breach and employee turnover intention. Thus, $H_4$ was supported. The Sobel Test was conducted to gain additional support for mediation model. After calculating values of $a = -0.83$, $b = -0.51$, $S_a = 0.04$ and $S_b = 0.04$, these values were input into Sobel calculator. Results ($z = 10.86$, $p < 0.05$) indicate association between psychological contract breach and turnover intention is significantly mediated by work engagement.
V. DISCUSSION

Banking sector of Pakistan is facing numerous challenges along with mergers and acquisitions, which lead to issues of job security, increased job uncertainty and aggravate the quality of working conditions. Thus, the need of the hour is to re-evaluate the exchange relationship of employees (psychological contract). Findings of this study contribute in advancing the body of knowledge and answer the call to study more about the dynamics of psychological contract in non-Western societies (Rousseau and Schalk, 2000; Westwood et al., 2001). As predicted, psychological contract breach significantly impacts turnover intention of employees ($\Delta R^2 = 0.43$, $\beta = 0.65$, $p < 0.05$). The results suggest that in case of breach of psychological contract, disagreement occurs between the expected outcomes and received ones, which give rise to decline in employees’ performance and contribution (Antonaki and Trivellas, 2014) and results in increased turnover intention as predicted by psychological contract theory. The results are consistent with the study of Rigotti (2009) in which important relationships were established between psychological contract breach and work related outcomes (job satisfaction, affective organizational commitment, intention to quit, violation, and trust). The results are also similar to the study of Ballou (2013) in which effects of psychological contract breach was examined on job outcomes and support the study of Paracha (2014), conducted in telecom sector of Pakistan which indicated that a positive relationship exists between psychological contract breach and intention to quit and psychological contract fulfillment is negatively correlated with employee intention to leave the organization.

Based on findings of $H_4$, this study contributes to literature by providing empirical evidence about mediating effect of work engagement on the relationship between psychological breach and employee turnover intention. In investigating the mechanisms through which psychological contract breach exerts its effects on turnover intention of employees it was found that work engagement partially mediates this relationship. This means that engaged employees are energetic and fully absorbed in their work. Thus, when an employee’s work engagement is high it would lead to lower psychological contract breach which in turn leads to lower turnover intention. This study provides insights about the relationships between psychological contract breach, turnover intention and work engagement in banking sector of Pakistan.

LIMITATIONS

No matter how rigorous the research is, it always carries some limitations which must be addressed by the future researchers. As it is a one-shot study;
therefore, it is not possible to draw any causal conclusions. The research is conducted in banking sector, where responses have been collected from one city. The results need to be validated in other sectors and geographical areas. Furthermore, personal biasness of the respondents may also affect the genuineness of the research.

VI. RECOMMENDATIONS FOR FUTURE RESEARCH

Most of the researches on psychological contract have focused how psychological contract breach affects employees. But one of the main future prospects for researchers would be to study the antecedents and effects of customers’ psychological contract. One of the implications of the current findings is that when employees interpret that the breach of psychological contract is due to non-fulfillment of the employees’ demands; it will influence employees’ behavioural reaction. Based on this finding, it is important to concentrate on those mechanisms that an organization can adopt to avoid negative behavioural reactions. In order to minimize the undesirable behavioural and attitudinal reaction, organizations should know what to do and how to satisfy their employees’ obligations, when the organization is about to make any decision. The mechanisms which maintain the trust of the employees should be explored in the future researches.

VII. PRACTICAL IMPLICATIONS

This research provides implications for HR managers to know the content of psychological contract and how to avoid the negative consequence of the psychological contract breach, i.e. lower work engagement and high turnover intention; as organizations are not aware of the contents of psychological contract as well as the factors which cause breach of the psychological contract.

The human resource staff, directly involved in the recruitment process, should exercise caution while conveying promises to the job candidates and to the existing employees as well. The parameters and conditions of the job, incentives and obligations of the employees towards the organization must be clearly communicated. The managers and administrators should make realistic promises to the employees at the time of recruitment, as later on, if the organization fails to meet its obligations this will result in increased employees’ burnout and higher turnover intentions. In case of unmet promises they should also know the ways to satisfy their employees so that they will not engage in some counterproductive activities as a reaction.
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