

PSYCHOLOGICAL CONTRACT AND EMPLOYEE RETENTION IN SELECTED DEPOSIT MONEY BANKS (DMB) IN AWKA METROPOLIS, NIGERIA

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ABSTRACT

Employees of Deposit Money Banks (DMBs) in Nigeria have faced several challenges as a result of many restructuring exercises undertaken in response to globalization. These restructuring exercises resulted in downsizing and other redundancies, which have put a strain on the employer-employee relationship leading to a feeling of violation, anger, betrayal and resentment. As a result, employees now seek career progression by changing jobs. This study seeks to determine the influence of the psychological contract in achieving employee retention in Deposit Money Bank in Awka metropolis. The study adopted the descriptive survey research design. A structured questionnaire made up of 23 questions was used to collect primary data from the field using a 5-point Likert scale. A sample size of 127 randomly selected employees of First Bank Plc, Union Bank Plc, First Monument Bank Plc, Guaranty Trust Bank Plc and Fidelity Bank Plc were surveyed. The primary data generated from the field were analyzed using descriptive statistics and Pearson Product Moment Correlation Coefficient. The findings of the study show that there is a significant positive relationship between relational psychological contract and employee loyalty while there is a weak positive relationship between transactional psychological contract and employee job satisfaction. The study therefore concludes that a positive relationship exists between psychological contract and employee retention in Deposit Money Banks in Awka Metropolis. The study recommended that employers in the banking sector should seek to understand and ensure that the psychological contract make-up of their employees are considered when planning their retention strategies while at the same time paying attention to relational psychological factors to ensure employee loyalty.

Keywords: Psychological Contract, Relational Contract, Transactional Contract, Deposit Money Banks, Employee Retention, Employee loyalty and Employer-employee relationship.

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