

RESEARCH ARTICLE

Effect of psychological contract on employee turnover intention: Moderating role of select demographic variables

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ABSTRACT

Since the inception and the spread of COVID-19 from March 2020 in India, companies have experienced a rapid increase in the rate of unemployment as well as employee turnover intention. However, though employer appears to have additional power due to high unemployment levels, but it's also been balanced by employees having new and more alternatives over whom they get employed due to extensive adoption of remote working by all the companies. Employees are highly satisfied at the workplace, prone to get retained with the organization, develop faith in the organizational system only if there is fulfillment of their psychological contract; employer's showing concern for employees. This study aims to examine the relationship between psychological contract and employee turnover intention for the employees working in general insurance companies in India. The study further explores the moderating effect of select demographic variables for the relationship between psychological contract and employee turnover intention. These demographic variables are considered as independent groups and their moderation effect relationship between Psychological Contract and Employee Turnover Intention is tested with the help of SMART PLS software. The findings are insightful and will pave the way for the insurance companies to retain the employees by reducing their employee turnover intention and focusing on fulfillment of psychological contract.

Keywords: psychological contract; employee turnover intention; moderating variables; insurance industry; SMART PLS

JEL Classification: M12; O32; O15

1. Introduction

Retaining employees has turned out to be one of the key aspects, highly significant and challenging for the companies while sailing through the corona virus pandemic. Since the inception and the spread of COVID-19 from March 2020, companies have experienced a rapid increase in the rate of unemployment as well as employee turnover intention. However, though employer appears to have additional power due to high unemployment levels, but it's also been balanced by employees having new and more alternatives over whom they get employed due to extensive adoption of remote working by all the companies. Subsequently companies are competing at present for talent retention and acquisition across the world, as employees have extended choices to work remotely. Among the causes and factors linked to employee turnover are non-fulfillment of psychological contract, lack of job satisfaction, absence of organizational justice and perceived organizational

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support^[1]. Turnover intention among employees can adversely affect the production and organizational efficiency^[2] that is highly significant for sustainability and developing a competitive edge, specifically in this dynamic era of global competition^[3]. Employee turnover intention is the predecessor to employee turnover and is explained as the probability of the employees to leave the organization and is more likely to search for jobs in other organizations^[4]. Employee turnover is an expensive affair for any organization irrespective of the size of the company. Organizations not only lose their talented employees to competition, but also have to invest lot of time, resources and funds on recruiting, training and incorporating their replacements. According to statistics on the intention of employees to quit their employers in the insurance business, 40% of them want to do so if the employer ignores their concerns, and 20% of them will go if the company exclusively focuses on their mistakes^[5]. Annual Hays Report 2022 reveals that 65% of employees are willing to change their jobs due to lesser professional growth opportunities in the organization during COVID-19 pandemic. Meanwhile, 40% of company owners surveyed revealed that they were by now losing their talented workforce to competitors offering greater pay. In an Insurance sector, jobs such as underwriters, customer service executives, claim representatives, claim examiners and actuaries are being disrupted by the advancement in technologies. Employees in these roles necessitate recovering the purpose of the job and being up-skilled or re-skilled. Consequently, people with unstable work experience mental stress and insecurity, issues of non-fulfillment of psychological contract, leading to risk for psychological issues, bodily and relational troubles^[6]. Employees are highly satisfied at the workplace, prone to get retained with the organization, develop faith in the organizational system only if there is fulfillment of their psychological contract^[7]. Psychological capital inclusive of trust, value, hopefulness and resilience is a positive state associated with employee behavior, attitude and performance. Organizations during COVID-19 sustain in an intensifying circumstance of limited resources with ample of stress and pressure to remain competitive and sustainable (Arunachalam et al., 2020). Consequently, it leads to employees mounting with expectations in return for their efforts and contribution to the organization^[8]. And when the concerned organizations detains or holdups giving back to employees what they promised either directly or indirectly, then the sense of breach of psychological contract is activated among employees^[9]. However, if an employee feels that their psychological contract has been broken, they are more likely to work inefficiently, look for alternative employment, and display less positive behavior towards the company.

2. Literature review

2.1. Psychological contract

The concept of PC can be recollected from the history that goes back to 70 years. In 1960, Argyris and Levinson formulated the term “PC”. Argyris deliberated PC in regard to the leadership styles utilized by the superiors in the organization. The concept “Psychological Work Contract” focuses and highlights on the implicit and inherent relationship between the superior and the subordinates as an effect of the leadership style used by the superior within the organization. Set of social exchange theories including Equilibrium Theory^[10], Reciprocity Theory^[11] Social Exchange Theory or Equity Theory, were the revolutionary historical researches in Social Exchange Theories and shared an extensive acceptance and are still developing framework that defines and conceptualizes the relational behaviors in the organizational settings^[12]. The genesis of psychological contract lies in these theories.

Scholars like Abela and Debono^[13] investigated the association between psychological contract breach (PCB) and three kinds of employee attitudes, specifically organizational citizenship behavior, organizational trust and turnover intention of the employee in a chemical factory based in Malta with a survey of 258 employees, comprising 47% of the workforce in the factory. Based on the analysis^[13] argued that PCB is

positively associated with employee intention to leave the organization and negatively associated with organizational trust. It has also been found that the female employees have strong negative association between PCB and organizational trust. On the contrary, employees with longer tenure in the factory have strong positive association between PCB and intention to leave the factory.

2.2. Employee turnover intention

Subsequently over research for more than a century and ample of published literature, employee turnover still resides a significant area of study in the domain of human resource management (HRM) and organizational behavior (OB)^[14-16]. A high level of employee turnover is expensive for any organization in regard to its adverse effects on organization's overall success and effectiveness^[17-20]. Furthermore, there is panic among organizations to lose extremely skilled and talented employees, whereas employees who stay with the organization might just be there as they have not been able to secure job somewhere else^[21-23]. Loosing skilled and talented employees can adversely affects the competitiveness of the organization leading to lower morale and decrease in productivity and quality^[21,24,25]. Therefore, retention of skilled and talented employees is significant, reliable and consistent predictor of organizational excellence.

Turnover intention has been generally termed as a degree of estimated workplace turnover^[26-28]. Scholars like Price^[28] explains turnover intention as employees will to voluntarily and permanently withdraw them from the contract of employment. These days prominent concern for the attrition in several companies around the world has increased. Employee attrition has been the passive damaging force for the growth and development of an organization. There is also a huge concern among business regarding substantial influence of attrition on the financial status of the companies.

Empirical confirmations indicate that as a consequence of turnover, organizations have to bear huge financial expenses^[29,30]. Conferring to Mitrovska and Eftimov^[30], evaluation and assessment of employee turnover is a persistent issue and concern that needs to be addressed immediately.

2.3. Relationship between psychological contract and employee turnover intention

The association between PC fulfilment and employee turnover intention has been studied earlier and there is empirical proof that the PC has an impact on employee turnover and intentions of turnover^[31-33].

Scholars like Behery^[34] examined that the relational aspect of PC plays a significant influence in nurturing powerful employer-employee relationships and diminishing employee intention to leave the organization. This study was based on the data gathered from 373 employees working in semi-government, government and private sector organizations including distinct managerial levels across diverse industries.

Scholars like Malik and Khalid^[35] based on study with sample of 302 respondents working in public and private sector banks located in Lahore revealed that when employee feel PC violation, it results in reduced job engagement leading to high employee turnover intentions. It demonstrates a positive association between PC violation and employee turnover intentions.

Scholars like Karatepe and Avci^[36] considered employee turnover intention being the result of PC violation which is not appropriate for an organizational growth and sustainability. PC violation leads to employee dissatisfaction with their jobs, reduced organizational commitment and consequently leads to increased employee turnover intentions.

Conferring to Sandhya and Sulphey^[37] emphasizes on the components that influences the employee turnover intentions. It focuses on the significance of psychological contract, employee engagement and empowerment in the lessening of turnover intentions. Moreover, the study affirms a strong positive correlation between relational contracts and turnover intentions rather than between transactional contracts and turnover

intentions. Corporate executives should emphasize on the relational component of PC for strengthening employee retention in the organization.

Although there is limited research on the influence of COVID-19 pandemic on the insurance sector but it has a substantial impact on attitudes of the insurance employees regarding career security and job prospects. Moreover, Sravani^[38] revealed that the toxic and harmful corona virus has elicited structural transformation in all the sectors. The insurance companies have to confront numerous challenges as the economy rediscovers and perceive many upcoming opportunities shortly. Furthermore, advancement in technologies have disrupted many job roles of the insurance employees leading to mental stress, insecurity and increased employee turnover intention. The study in this paper has significant contribution to the existing literature. Firstly, it aims to examine the relationship between psychological contract (PC) and employee turnover intention (ETI) for the employees in the insurance sector. Secondly, it seeks to study the group moderation effect of the select demographic variables for the relationship between psychological contract and employee turnover intention. And thirdly, the study will concentrate primarily on the general insurance market in India, where there have been few studies conducted despite the likelihood that it will have an impact on both employees and employers. Using the justifications offered above, we want to suggest the following hypothesis testing for the investigation:

- H1: There exists a significant influence of psychological contract on employee turnover intention for the employees working in private general insurance sector.
- H2: There exists no significant moderation effect of gender for the relationship between psychological contract and employee turnover intention
- H3: There exists no significant moderation effect of workplace designation of the insurance employees for the relationship between psychological contract and employee turnover intention.
- H4: There exists no significant moderation effect of educational qualification of the insurance employees for the relationship between psychological contract and employee turnover intention.

Conceptual relationships of the above stated hypothesis have been depicted in **Figure 1**. We emphasized on the relationship between psychological contract and employee turnover intentions, incorporating the roles played by the select demographic variables like gender, employee workplace designation and their educational qualifications.

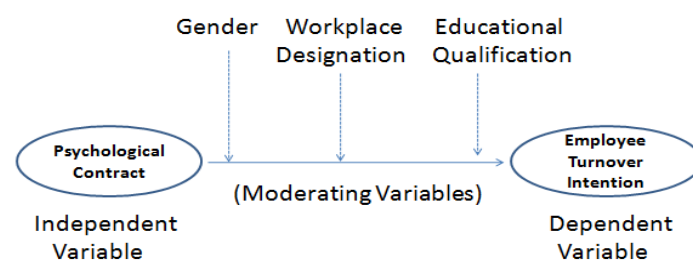


Figure 1. Conceptual model for the relationship between psychological contract and employee turnover intention with the moderation effect of select demographic variables (Source: Prepared by the authors).

3. Research design and methodology

3.1. Questionnaire design

Self-developed questionnaire was used for the study to measure psychological contract and employee turnover intention. The questionnaire was formed with the help of scales of psychological contract^[39] and employee turnover intention^[40] used by other researchers.

3.2. Sample and data collection

Employees working in Insurance sector belonging to four key metro cities of India viz. Delhi and NCR, Hyderabad, Kolkata and Mumbai were considered as population for data collection. Questionnaires were emailed to the employees and 667 finally filled questionnaires were incorporated for the hypothesis testing.

3.3. Statistical methods

The multi group moderating effect of select demographic profiles of the employees working with the private sector insurance companies is used for the relationship between the PC and ETI. The demographic variables selected in the study are gender, workplace designation and educational qualification of the employees. These demographic variables are considered as independent groups and their moderation effect relationship between PC and ETI is tested with the help of SMART PLS software.

4. Result and discussion

4.1. Test of reliability and validity

The Cronbach alpha, which is predicted to be more than 0.7, is used to quantify the internal consistency reliability of psychological contract and employee turnover intention. **Table 1** displays the Cronbach alpha for each of the criteria. According to **Table 1**, all of the included components' Cronbach alpha values—Transactional Contract (0.914), Relational Contract (0.904), and Employee Turnover Intention (0.927)—are greater than 0.7, indicating that the responses have internal consistency reliability. Confirmatory Factor Analysis (CFA) is used to assess the construct validity of the measuring scale that represents the PC and ETI factors. Construct loadings (should be larger than 0.7), Composite reliability (CR) (needed to be greater than 0.7), and Average variance extracted (AVE) (necessary) are used to assess the convergent validity.

Table 1 reported that the construct loading of each statement is found to be more than 0.7 (greater than 0.6 in few of the statements). The CR estimate of all the constructs is found to be more than 0.7 (TC = 0.914, RC = 0.904 and ETI = 0.928) and AVE of every construct is found to be more than 0.5 (TC = 0.541, RC = 0.513 and ETI = 0.562) Thus, the required conditions of convergent validity are fulfilled.

Table 1. Reliability and validity analysis (Source: Author's own research).

Item code	Construct name	Construct loadings	Composite reliability (CR)	Average variance extracted (AVE)	Maximum shared variance (MSV)	Cronbach alpha	Critical ratio
TC1	<--- Transactional contract	0.726	0.914	0.541	0.477	0.914	-
TC2		0.724					18.425
TC3		0.817					20.879
TC4		0.751					19.115
TC5		0.772					19.698
TC6		0.705					17.918
TC7		0.768					19.590
TC8		0.625					15.810
TC9		0.717					18.225
RC1	<--- Relational contract	0.723	0.904	0.513	0.147	0.904	-
RC2		0.676					16.895
RC3		0.845					21.169
RC4		0.736					18.420

Table 1. (Continued).

Item code	Construct name	Construct loadings	Composite reliability (CR)	Average variance extracted (AVE)	Maximum shared variance (MSV)	Cronbach alpha	Critical ratio
RC5	<---	0.685					17.125
RC6	<---	0.628					15.668
RC7	<---	0.818					20.492
RC8	<---	0.666					16.636
RC9	<---	0.635					15.846
ETI10	Employee turnover intention	0.774	0.928	0.562	0.383	0.927	21.01
ETI9	<---	0.767					-
ETI8	<---	0.736					19.884
ETI7	<---	0.753					20.430
ETI6	<---	0.769					20.940
ETI5	<---	0.767					20.888
ETI4	<---	0.713					19.168
ETI3	<---	0.750					20.330
ETI2	<---	0.758					20.589
ETI1	<---	0.707					18.967

4.2. Hypothesis testing and results

Structural diagram in PLS-SEM as shown in **Figure 2** reveal the relationship between psychological contract and employee turnover intention.

- H1: There exists a significant influence of psychological contract on employee turnover intention for the employees working in private general insurance sector.

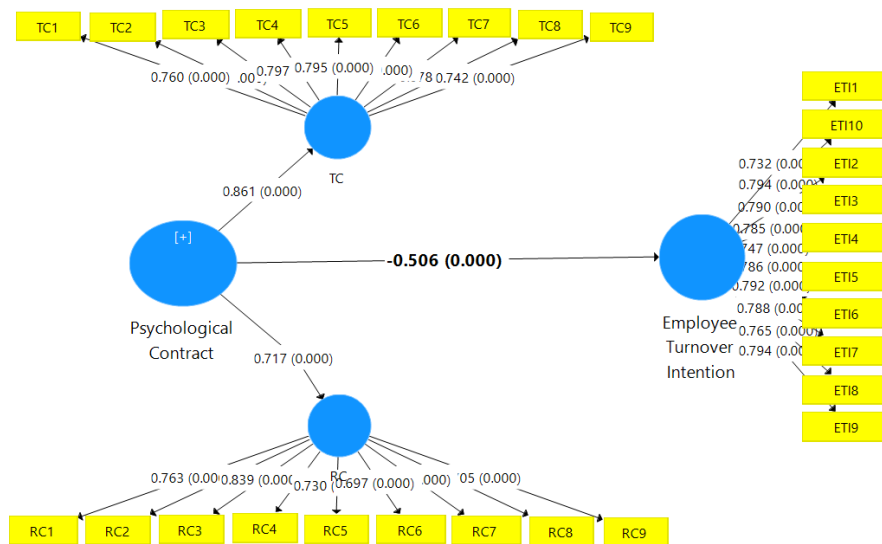


Figure 2. Structural Diagram in PLS-SEM (Source: Author’s own research).

The results of the SEM analysis as shown in **Table 2** supports the hypothesis that Psychological Contract has a negative influence on the Employee Turnover Intention of the employees working in the insurance. The ETI can be explained by 30.4% with the help of this model. The results also indicate that ETI is significantly measured by 10 statements and PC is found to be significantly represented by TC and RC.

Table 2. Results of PLS-SEM (Source: Author’s own research).

Endogenous construct	Exogenous construct	Path coefficient	Standard error	T statistics	P value	R square
Employee turnover intention	Psychological contract	-0.506	0.025	20.621	0.000	30.4%
Outer model						
Relational contract	Psychological contract	0.717	0.031	23.155	0.000	30.4%
Transactional contract	Psychological contract	0.861	0.010	89.533	0.000	30.4%

Results clearly show that, despite positive perceptions of training sessions and other human resource practices, serious psychological contract violations lead to intentions to leave. The results are consistent with scholars, who argued that challenging work tasks that result in new obligations, self-sufficiency, and opportunities to develop and use skills and abilities are important, and when employers fail to fulfil these obligations, employees choose to leave the organization. Findings in this regard to the negative influence of PC on ETI asserted that insurance employees who perceive the breach of PC by their employers intend to demonstrate strong turnover intention, exhaustion, indifference and absenteeism.

- H2: There exists no significant moderation effect of gender for the relationship between psychological contract and employee turnover intention.

In this study the responses are collected from both male employees and female employees working with the insurance sector. The moderating effect of the gender (male and female employees) is examined for the relationship between Employee Turnover Intention, and Psychological Contract and the results are shown in **Table 3** below.

Table 3. Moderation effect of gender (Source: Author’s own research).

Constructs		Male			Female			(Diff in Beta)
Endogenous construct	Exogenous construct	Estimate	(T statistics)	P value	Estimate	(T statistics)	P value	T value (P value)
Employee turnover intention	Psychological contract	-0.313	5.606	(0.000)	-0.096	1.160	(0.246)	0.217; 2.187 (0.029)

Results failed to support the hypothesis that “there exists no significant moderation effect of the gender for the relationship between psychological contract and employee turnover intention”. The male insurance employees in the Indian insurance companies are found to have high inverse effect of psychological contract on employee turnover intention as compared to the female insurance employees. The slope coefficient in case of male insurance employees is found to be -0.313 with *p* value 0.000. The slope coefficient of female employees is found to be -0.096 with *p* value 0.000. Hence, it is concluded that that male insurance employees have more adverse influences of psychological contract on employee turnover intention as compared to the female insurance employees in the Indian insurance companies. This suggests that male and female insurance employees have different expectations from the employer and perceive fulfillment of PC differently. Moreover, male insurance employees have strong and high expectations of PC fulfillment and its effect on employee turnover intention as compare to female insurance employees. Hence, the gender acts as a moderating variable for the relationship between PC and ETI for the insurance employees working with private general insurance companies in India.

- H3: There exists no significant moderation effect of workplace designation of the insurance employees for the relationship between psychological contract and employee turnover intention.

The workplace designation of the insurance employees is assumed here as a moderating variable. Middle level and senior level employees are being surveyed to evaluate the moderation effect of workplace

designation of the insurance employees for the relationship between PC and ETI and the results are shown in **Table 4** below.

Table 4. Moderation effect of workplace designation (Source: Author’s own research).

Constructs		Middle level management		Senior level management		(Diff in Beta) T value (P value)
Endogenous construct	Exogenous construct	Estimate	(T statistics) P value	Estimate	(T statistics) P value	
Employee turnover intension	Psychological Contract	-0.392	4.097 (0.000)	-0.289	5.376 (0.000)	-0.104; 0.889 (0.375)

Results support the hypothesis that “There exists no significant moderation effect of the workplace designation for the relationship between employee turnover intention and psychological contract”. The middle level management insurance employees in the Indian insurance companies are found to have similar inverse effect of psychological contract on employee turnover intention as senior level management insurance employees. The slope coefficients in case of middle level management insurance employees in insurance companies are found to be -0.392 with *p* value = 0.000. The slope coefficients of senior level management insurance employees are found to be -0.289 with *p* value = 0.000. Thus, it is concluded that both middle level and senior level management insurance employees in the Indian insurance sector have similar inverse effect of psychological contract on employee turnover intention. The insurance employees both at the middle level and senior level management in the private general insurance companies in India have similar expectations when it comes to meeting the psychological contract, displays similar organizational citizenship behavior and have similar effect on employee turnover intentions. The workplace designation of the insurance employees does not significantly influence the relationship between psychological contract and employee turnover intention.

- H4: There exists no significant moderation effect of educational qualification of the insurance employees for the relationship between psychological contract and employee turnover intention.

The educational qualification of the insurance employees is assumed here as a moderating variable. Graduate and post graduate employees are being surveyed to evaluate the moderating effect of educational qualification of insurance employees for the relationship between PC and ETI and the results are shown in **Table 5** below.

Table 5. Moderation Effect of Educational Qualification (Source: Author’s own research).

Constructs		Graduates		Post graduates		(Diff in Beta) T value (P value)
Endogenous construct	Exogenous construct	Estimate	(T statistics) P value	Estimate	(T statistics) P value	
Employee turnover intension	Psychological contract	-0.294	4.158	-0.198	3.053	0.095; 0.995 (0.320)

Results support the hypothesis that “There exists no significant moderation effect of the educational qualification for the relationship between employee turnover intention and psychological contract”. The post graduate insurance employees in the Indian insurance companies are found to have similar inverse effect of psychological contract on employee turnover intention as graduate insurance employees. The slope coefficients in case of post graduate insurance employees in insurance companies are found to be -0.198 with *p* value = 0.000. The slope coefficients of graduate insurance employees are found to be -0.294 with *p* value = 0.000. Thus, it is concluded that both graduate and post graduate insurance employees in the Indian insurance sector have similar inverse effect of psychological contract on employee turnover intention. The insurance

employees having post graduate as their educational qualification are found to have similar inverse effect of PC on ETI as compared to the employees having graduate as their qualification. Graduate and post graduate insurance employees have no significant difference for the fulfillment of psychological contract from the employer and its effect on employee turnover intention. They have similar expectations from their employers irrespective of their level of education. Hence, the educational qualification does not act as a moderating variable for the relationship between PC and ETI for the insurance employees working with private general insurance companies in India.

4.3. Discussion

Since the inception and the spread of COVID-19 from March 2020 in India, companies have experienced a rapid increase in the rate of unemployment as well as employee turnover intention. However, though employer appears to have additional power due to high unemployment levels, but it's also been balanced by employees having new and more alternatives over whom they get employed due to extensive adoption of remote working by all the companies. Employees are highly satisfied at the workplace, prone to get retained with the organization, develop faith in the organizational system only if there is fulfillment of their psychological contract; employer's showing concern for employees.

The current study explored the effect of psychological contract on employee turnover intention of employees in the insurance sector. Also studied the group moderation effect of the select demographic variables for the relationship between psychological contract and employee turnover intention. We obtained the following four findings after analyzing sample of 667 employees. Firstly, insurance employees who perceive the breach of PC by their employers intend to demonstrate strong turnover intention, exhaustion, indifference and absenteeism. Secondly, gender acts as a moderating variable for the relationship between PC and ETI for the insurance employees working with private general insurance companies in India. Male employees are found to have high inverse effect of psychological contract on employee turnover intention as compared to the female employees. Thirdly, workplace designation of the insurance employees does not significantly influence the relationship between psychological contract and employee turnover intention. Fourthly, educational qualification does not act as a moderating variable for the relationship between PC and ETI for the insurance employees. Indeed, earlier empirical investigations uncovered the direct relationship between psychological contract and employee turnover intentions^[35-37], but this study tried to fill the gap by concentrating specifically on the general insurance sector in India and highlighting the special case of select demographic variables. The study focused primarily on the general insurance market in India, where there have been few studies conducted despite the likelihood that it will have an impact on both employees and employers.

Employees working in the insurance industry, PC is the cornerstone of perception formation. Thus, it is imperative that managers, who are viewed as the employers' representatives, must keep their promises rational and realistic. If insurance firms identify and take supportive, caring measures, then workers will come to have a positive perception of PC fulfilment. By concentrating on satisfying workers' socioeconomic needs and improving their personal wellbeing at work, employers in the insurance sector play a critical role in fostering PC fulfilment. Employees are supposed to stick with an organization that values their individual contributions, cares about them, and is concerned about their well-being.

Based on the findings of the research, psychological contract of the employees can be improved by employer being transparent and explicit in terms of commitment, clarity on job roles and constructive feedback.

This study primarily aims to validate the PC research framework from the viewpoint of the employee. There is also scope to validate the study from the employer's viewpoint to have a comprehensive lookout.

Also, additional moderators can be applied to explain the accurate linking between various variables which might be interacting with each other.

Data collection method used in the study was quantitative in nature, using a mixed method study i.e., involvement of qualitative method too would allow a researcher to determine the ways to fulfill employee's psychological contract and the qualitative reasons why employees of a target population intend to leave their jobs. Applying qualitative method of data collection along with the quantitative method could be helpful for the better understanding of the variables used in the study for the insurance sector in India.

5. Conclusion

For Indian insurance employees working for private general insurance businesses, psychological contracts affect their intention to leave their jobs. It is evident from the analysis of the data that psychological contract and employee turnover intention are significant variables to the study of general insurance sector in India. A significant negative relationship between PC and ETI has been found. Because of this psychological contract violation, insurance employees have less faith and reliance in the advantages of sticking with and maintaining the legal employment contract. Employee turnover is therefore likely inside the company.

Procuring talented people and retaining them in the insurance sector has been an important matter of concern and challenging for the insurance companies, where PC and ETI play a crucial role. PC is the foundation of perception making for the insurance sector employees. Hence, the managers who are considered as the agents of the employers must commit to the rational and realistic promises. Employees will develop a positive belief about PC fulfilment if insurance companies recognize and implement empathetic and favorable actions. Employers in the insurance industry play a vital role in promoting PC fulfilment by focusing on meeting employees' socioeconomic demands and enhancing their personal well-being at work. Insurance Employees are expected to stay with a company that cares about them, values their unique contributions, and shows concern for their welfare. Employers and HR managers must take into account and comprehend the variable PC from the employee's point of view. As a result, this will make it possible for insurance businesses to keep their staff for longer periods of time. Moreover, male and female insurance employees have different expectations from the employer and perceive fulfillment of PC differently as gender act as a moderating variable for the relationship between PC and ETI.

6. Theoretical implications

The study contributes to the existing academic literature and knowledge of General Insurance Sector in India. For the academicians it gives better understanding of psychological contract and employee turnover intention in Indian General Insurance Companies. The study has extended the applicability and predictive power of Social Exchange Theory in the literature. The use of all possible sources of psychological contract and employee turnover intention information pertaining to the general insurance sector in India significantly increases the data comparability and consistency. The present research provides base for studies of psychological contract and employee turnover intention relationship in insurance and other sectors in other developing countries.

7. Managerial implications

The findings of the study have practical implications for managers and employers of the insurance industry. The empirical evidence for the proposed structural model recommends that PC is the foundation of perception making for the insurance sector employees. Hence, the managers who are considered as the agents of the employers must commit to the rational and realistic promises. They must perform their actions based on

their commitments made to their employees. Managers must be aware of the real inducements rather than of the promised, as it will have an effect on the promises managers make toward employees. If the employees perceive and believe the reciprocal relationship with the employers to be positive resulting in fulfillment of PC, they will be confident in investing their time and energy more constructively for the effectiveness of the organization.

8. Scope for future research

There are numerous opportunities for future research on the relationship between psychological contract and employee turnover intention. Firstly, this study primarily aims to validate the PC research framework from the viewpoint of the employee. There is also scope to validate the study from the employer's viewpoint. As a result, it is difficult to generalize from a broad viewpoint. Secondly, the study considered only selected moderating variables to study the moderation effect for the relationship between PC and ETI. Additional moderators will provide mechanism to explain the accurate linking between various variables which might be interacting with each other. Thirdly, data collection method used in the study was quantitative in nature, using a mixed method study i.e., involvement of qualitative method too would allow a researcher to determine the ways to fulfill employee's psychological contract and the qualitative reasons why employees of a target population intend to leave their jobs. Applying qualitative method of data collection along with the quantitative method could be helpful for the better understanding of the variables used in the study for the insurance sector in India. Finally, the variables used in the study can be extended to further research in to other sectors and other developing countries too.

Author contributions

Conceptualization, NS and SK; methodology, NS and SK; software, NS and SK; validation, NS and SK; formal analysis, NS and SK; investigation, NS and SK; resources, NS and SK; data curation, NS and SK; writing—original draft preparation, NS and SK; writing—review and editing, NS and SK; visualization, NS and SK; supervision, SK; project administration, NS and SK. All authors have read and agreed to the published version of the manuscript.

Conflict of interest

The authors declare no conflict of interest.

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