

Determinants of Retention of Psychological Contract of IT Professionals in Sri Lanka

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Job hopping of employees has become a tremendous issue in IT firms across the world. Literature reveals that the average period of an IT professional remains in a company is around two years. Further, Literature stated that this issue has arisen because many of the IT firms have failed to retain the psychological contract of IT professionals which is formed at the recruitment and the socialization stages successfully. Building a positive psychological contract at the recruitment stage is not enough to retain the talent in the current business environment. It is vital to retain the psychological contract.

The purpose of this study was to identify the determinants of psychological contract retention in the domain of IT professionals in Sri Lanka. This is a cross sectional field study which was carried out among a sample of 80 IT professionals. Convenience sampling was applied to select the sample. A self-administered, standard questionnaire was used to collect data. Exploratory Factor Analysis (EFA) was performed to identify the determinants of psychological contract retention with the aid of SPSS. KMO statistics was used to determine the sampling adequacy while factor loading values and extraction sums of squared loadings (cumulative) values were used to draw the conclusion about significant determinants.

The results of the current exploratory study revealed that work atmosphere is the most prominent factor which contributes to retain the psychological contract of IT professionals. Further, stimulating job, task description, autonomy, salary satisfaction were found to be significant determinants of psychological contract retention. Job security, intra-organizational mobility, and work life balance & career development were found to be insignificant in retaining the psychological contract of IT professionals in the Sri Lanka. Thus, it is recommended to pay a serious attention to create and maintain a proper work atmosphere through possible policies, procedures and systems in IT firms to retain a sound psychological contract within employees which is to be created at the beginning of once employment.

Keywords: *Psychological Contract, IT professionals, Retention*