

## **UNDERSTANDING THE LINK BETWEEN PSYCHOLOGICAL CONTRACT FULFILMENT AND EMPLOYEE COMMITMENT: A MEDIATED MODEL APPROACH**

**Jasleen Kaur**

Research Scholar, School of Management Studies (SMS), Punjabi University Patiala.

---

### **ABSTRACT**

This study investigates the influence of psychological contract dimensions on organizational commitment, with job satisfaction as a mediating variable, among faculty members in higher education institutions in Punjab. Drawing on data from 431 respondents across six universities, the research examines five psychological contract dimensions: transactional, training and development, relational, balanced, and socio-emotional fulfilment. Results from structural equation modelling reveal that all dimensions except socio-emotional fulfilment significantly impact both job satisfaction and employee organizational commitment. Job satisfaction also significantly mediates the relationships between most psychological contract dimensions and organizational commitment. However, socio-emotional fulfilment did not show a significant direct or indirect effect. The findings underscore the importance of balanced obligations, developmental support, and relational trust in strengthening faculty commitment. The study highlights job satisfaction as a key mechanism linking psychological contracts to organizational outcomes and provides actionable insights for higher education institutions aiming to enhance faculty engagement and retention.

### **INTRODUCTION**

In contemporary organizational setup, employee commitment remains a crucial determinant of workforce stability, productivity, and overall organizational success. A key factor influencing organizational commitment of employees is psychological contract- an implicit, unwritten agreement between employers and employees that encompasses mutual expectations, perceived obligations, and reciprocal promises. When employees perceive their psychological contract as fulfilled, they are more likely to exhibit higher levels of engagement, loyalty, and discretionary effort towards their organization. However, breaches in this contract often leads to dissatisfaction, decreased commitment, and increased turnover intentions.

This study seeks to deepen the understanding of the relationship between psychological contract fulfilment and employee organizational commitment by adopting a mediated model approach. While the research work conducted previously on these constructs suggests a direct link between the two, emerging evidence suggests that mediating factors may further shape this relationship. Job satisfaction is the key mediator taken up in this study. These factors are being studied to check their influence on the strength and direction of the relationship of two constructs under focus. By identifying and analyzing these mediating variables, this study aims to provide a more comprehensive framework for understanding how psychological contract fulfilment translates into sustained employee commitment.

The findings of this research work will contribute to both theoretical as well as practical implications. From a theoretical standpoint, it will be extending the existing literature by integrating a mediated model. From practical perspective, organizations will gain valuable insights into creating a work environment that nurtures trust, engagement, and mutual fulfilment of expectations.

The following sections will elaborate on the research framework, methodological approach applied in order to fulfil the study's objectives. By examining both direct and mediated relationships, this study aspires to offer a holistic understanding of how psychological contracts influence employee commitment in organizational contexts.

## **REVIEW OF LITERATURE**

### **Psychological Contract: The Concept**

The concept of psychological contract was first introduced by Argyris (1962). It was further developed by many notable authors over the years but major work contribution was by Denise Rousseau. Therefore, in this study we follow the definition of psychological contract given by Rousseau. This definition centers around the idea of reciprocal exchange agreement (obligation and fulfilment) between focal person and another party. The birth of psychological contract happens when one party believes that the promises regarding future returns have been made, one side of input has been made, obligation has been created. Whenever one party to this promise fails to fulfill their side of obligation, perceived psychological contract breach is said to have taken place. This results in feelings of betrayal, anger, resentment,

Psychological contract mechanism is explained the best in a framework of Social Exchange Theory. Social Exchange Theory (Blau, 1964) suggests that the support that employees receive from their organization, in the form of training and career advice will help them feel obligated to reciprocate (Eisenberger et al., 1990). This theory also brings forward how individuals look for fair and balanced exchange relationships. Perceived organizational trust (Robinson & Rousseau, 1994) and support has been positively linked to job performance, health enhancing and negatively linked to behaviors such as absenteeism and turnover (Rhoades & Eisenberger, 2002). Thus, it might be expected that experience of organizational trust and support will be associated with superior job performance (Robinson, 1996).

A number of previously conducted studies have laid emphases on workplace outcomes that take place due to perceived breach. The employee organizational commitment (intent to stay) is significantly and positively correlated with psychological contract. Therefore, it becomes easier to understand why perceived psychological contract breach leads to feelings of dissatisfaction with current position at work and reduction in the contributions towards the organization. This is done in order to restore the perceived imbalance in their exchange relationship (Robbinson, 1996).

In terms of psychological contract theory, employees feel highly motivated to reciprocate when they consider their expectations i.e. psychological contract fulfilled by their employer as well as the promised future inducements (Coyle-Shapiro, 2002). Reciprocation may take place in the form of increased work-engagement (Coyle-Shapiro & Kessler, 2000; Robinson & Morrison, 1995; Robinson, 1996)

### **Organizational commitment**

Porter et al., (1974) defined organizational commitment as psychological and emotional attachment of an individual towards their hiring organization. This attachment can be judged on the basis of absenteeism, turnover, developmental engagement, and work-attitude (Mowday et al., 1979). Later the concept of organizational commitment was further developed by categorizing it into three different dimensions: affective commitment, continuance commitment, and normative commitment (Meyer & Allen, 1984,1991). Each of these dimensions leads to one main behavioral consequence, intention to remain with the organization, but with different antecedents (Lubich, 1997). In more recent work, Khandelwal

(2009); Ismail et al., (2011) have stated three attitudes that reflect commitment towards the organization:

- 1) A sense of identification with organization's goals.
- 2) A feeling of involvement in organizational duties.
- 3) A feeling of loyalty to the organization.

Individual values stated above relate more to commitment forms above and beyond the effect of the demographic variables (Cohen, 2011).

### **Psychological Contract and Organizational Commitment**

The topic of psychological contract and its relationship with organizational commitment is more important today than ever. While employee commitment is important for the sake of gaining competitive edge and financial advantage, it is still on the decline amongst working professionals. This puts the organizations under pressure to alter their employment relationships and the psychological contracts that underlie these relations. These rapid and constant changes from the organization side have also increased the chances of causing psychological contract breaches.

The relationship between two variables has also been tied together by Rousseau (1989) and Coyle-Shapiro and Kessler (2000). They argued that the two influenced employee's beliefs regarding his/her relationship with the organization. When a positive perception is held, employees tend to be more committed, leading, in turn, to uptake work-tasks and work-roles, and willingness to engage in extra-role behaviors, thereby avoiding negative behaviors such as tardiness, poor performance, absenteeism, and intentions to quit (Schalk and Roe, 2007). On the contrary, when negative perceptions are held, employee trust and their identification with the organization reduces drastically, the feelings of dissatisfaction emerge, this happens in order to restore the balance to their failing exchange relationship (Robinson, 1996; Robinson & Rousseau, 1994). Along these lines of reasoning, Lester et al., (2002) provided supporting evidence for the relationship between the two main variables.

### **OBJECTIVES:**

The specific objectives of this research work are:

1. To examine the direct relationship between psychological contract fulfilment dimensions and organizational commitment.
2. To examine the mediating role of job satisfaction in the relationship between psychological contract and employee commitment.

### **FORMULATION OF HYPOTHESES**

#### **Direct relationships**

**H1a:** There is a significant positive relationship between Transactional Contract and Organizational Commitment.

**H1b:** There is a significant positive relationship between Training and Development Contract and Organizational Commitment.

**H1c:** There is a significant positive relationship between Relational Contract and Organizational Commitment.

**H1d:** There is a significant positive relationship between Balanced Contract and Organizational Commitment.

**H1e:** There is a significant positive relationship between Socio-emotional Fulfilment and Organizational Commitment.

**H2a:** There is a significant positive relationship between Transactional Contract and Job Satisfaction.

**H2b:** There is a significant positive relationship between Training and Development Contract and Job Satisfaction.

**H2c:** There is a significant positive relationship between Relational Contract and Job Satisfaction.

**H2d:** There is a significant positive relationship between Balanced Contract and Job Satisfaction.

**H2e:** There is a significant positive relationship between Socio-emotional Fulfilment and Job Satisfaction.

**H3:** There is a significant positive relationship between Job Satisfaction and Organizational Commitment.

### Hypotheses – Mediating Effects

**H4a:** Job Satisfaction mediates the relationship between Transactional Contract and Organizational Commitment.

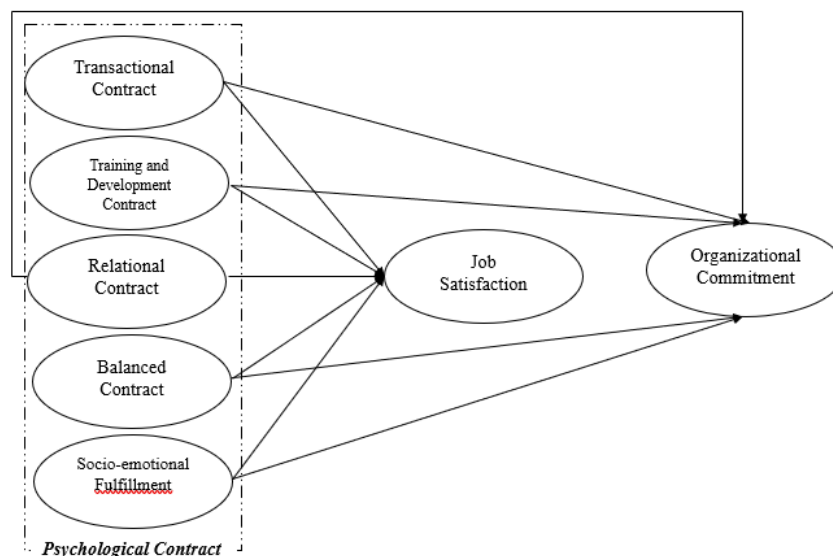
**H4b:** Job Satisfaction mediates the relationship between Training and Development Contract and Organizational Commitment.

**H4c:** Job Satisfaction mediates the relationship between Relational Contract and Organizational Commitment.

**H4d:** Job Satisfaction mediates the relationship between Balanced Contract and Organizational Commitment.

**H4e:** Job Satisfaction mediates the relationship between Socio-emotional Fulfilment and Organizational Commitment.

### Proposed conceptual model



**Figure 1: Proposed Conceptual Model**

## RESEARCH METHODOLOGY

### Sampling Design

The study employs a non-probability purposive sampling technique to select faculty members from higher education institutions in Punjab. The sampling framework includes six universities—three from the public sector and three from the private sector. These universities were chosen based on their NAAC accreditation status, student enrollment size, and recognition by the University Grants Commission (UGC), ensuring institutional credibility and diversity in the sample. The public universities selected are Punjabi University, Patiala; Panjab University, Chandigarh; and Guru Nanak Dev University, Amritsar. The private universities include Chandigarh University, Mohali; Thapar University, Patiala; and Lovely Professional University, Jalandhar. Faculty members from these universities were targeted as respondents because they are central to academic institutions and significantly influenced by organizational policies and psychological contracts. The purposive nature of sampling allowed the researcher to focus on individuals who are likely to possess relevant insights. A total of 500 questionnaires were distributed across the six institutions, aiming for a broad and balanced representation of both sectors. Final data analysis was conducted on 431 responses making a response rate of 86.2%.

### Measures and Scales Used

A systematic and structured approach was adopted for the development of the survey instrument used in this study. In line with established guidelines by Carpenter (2018), the instrument was formulated through an extensive review of relevant literature, consultations with domain experts, and pretesting procedures. The items for measuring the core constructs—dimensions of psychological contract, job satisfaction, and organizational commitment—were adapted from well-established and validated scales in prior research. The psychological contract was conceptualized through five key dimensions: Transactional Contract, Training and Development Contract, Relational Contract, Balanced Contract, and Socio-emotional Fulfillment, with scale items derived from Coyle-Shapiro and Kessler (2000), and Bal et al. (2010). Job satisfaction was measured using items adapted from Soenanta et al. (2020), while organizational commitment was assessed using the instrument developed by Kyndt et al. (2009). All items were measured using a five-point Likert scale ranging from 1 = “Strongly disagree” to 5 = “Strongly agree.” To ensure face and content validity, the questionnaire was reviewed by six academic and HRM professionals. Their feedback led to minor linguistic refinements to improve clarity and appropriateness of the items. A pilot study involving 50 faculty members was subsequently conducted to verify the reliability and consistency of the scales. Cronbach’s alpha values for all constructs exceeded the acceptable threshold of 0.70, confirming internal consistency. The finalized questionnaire consisted of two sections: the first gathered demographic data, and the second contained items measuring all core constructs of the study.

**Table 1: Demographic profile of the respondents**

Demographic Variable	Category	Frequency (n)	Percentage (%)
<b>Gender</b>	Male	229	53.10%
	Female	202	46.90%
<b>Age</b>	Below 30 years	68	15.80%
	31–40 years	165	38.30%
	41–50 years	121	28.10%

	Above 50 years	77	17.90%
<b>Type of Institution</b>	Public University	217	50.30%
	Private University	214	49.70%
<b>Designation</b>	Assistant Professor	274	63.60%
	Associate Professor	100	23.20%
	Professor	57	13.20%
<b>Work Experience</b>	1–5 years	116	26.90%
	6–10 years	144	33.40%
	11–15 years	103	23.90%
	Above 15 years	68	15.80%
<b>Academic Discipline</b>	Management/Commerce	153	35.50%
	Sciences	109	25.30%
	Humanities/Social Sciences	96	22.30%
	Engineering/Technology	73	16.90%

## RESULTS AND FINDINGS

The demographic profile of the 431 respondents reveals a well-balanced representation of faculty members across public and private higher education institutions in Punjab, with 50.3% from public universities and 49.7% from private universities. The gender distribution is relatively even, with 53.1% male and 46.9% female respondents, indicating inclusive participation. In terms of age, the majority of faculty members (38.3%) fall within the 31–40 years range, followed by 28.1% in the 41–50 years bracket, suggesting a predominance of mid-career professionals. A significant portion of the respondents hold the designation of Assistant Professor (63.6%), reflecting the common academic hierarchy in Indian universities. Regarding work experience, 60.3% of the participants have less than 10 years of experience, while 39.7% have over a decade of experience, providing a mix of early-career and seasoned professionals. Academically, the respondents come from diverse disciplines, with the highest representation from Management and Commerce (35.5%), followed by Sciences (25.3%) and Humanities/Social Sciences (22.3%).

### Assessment of Normality and Common Method Bias

To ensure the dataset met the assumptions necessary for structural equation modelling, normality tests were conducted. As per Byrne (2016), a normal distribution is a prerequisite for SEM. The skewness and kurtosis values for all scale items were found to be within the acceptable threshold of  $\pm 2$ , indicating normal distribution of data. Since the study utilized self-reported responses, the possibility of response bias was considered, in line with concerns raised by Podsakoff et al. (2003). To examine the presence of common method variance (Common Method Variance is the measurable part of the Common Method Bias), Harman's single-factor test was performed. The results showed that the first factor accounted for only 23.83% of the total variance—significantly below the 50% threshold recommended by Podsakoff et al. (2003). This suggests that common method bias is not a serious concern in this dataset.

### Model Fit Evaluation

The structural model demonstrated a satisfactory fit to the data, as indicated by multiple fit indices. The Chi-square to degrees of freedom ratio ( $\chi^2/df$ ) was calculated at 1.268, which lies

within the acceptable range of 1 to 3, supporting a good model fit as per the guidelines of Bagozzi and Yi (1988) and Hair et al. (2014). The Root Mean Square Error of Approximation (RMSEA) value was 0.042, below the recommended cutoff of 0.06, indicating a close model fit. Additionally, other goodness-of-fit indices supported the model's adequacy: the Comparative Fit Index (CFI) was 0.978, the Normed Fit Index (NFI) stood at 0.962, and the Tucker Lewis Index (TLI) was 0.963. All these values exceed the recommended thresholds (>0.95 for CFI and TLI; >0.90 for NFI), affirming that the model fits the data well.

**Table 2: Reliability and Validity statistics**

Construct	CR	AVE	MSV	TC	TDC	RC	BC	SEF	OC	JS
TC	0.912	0.775	0.251	0.881						
TDC	0.925	0.806	0.272	0.501**	0.898					
RC	0.934	0.781	0.265	0.442**	0.521**	0.884				
BC	0.948	0.82	0.282	0.463**	0.532**	0.544**	0.906			
SEF	0.918	0.784	0.265	0.406**	0.487**	0.495**	0.512**	0.885		
OC	0.901	0.758	0.282	0.429**	0.498**	0.508**	0.531**	0.476**	0.871	
JS	0.91	0.782	0.274	0.415**	0.478**	0.489**	0.517**	0.499**	0.529**	0.884

The reliability and validity table indicates that all constructs in the study exhibit strong psychometric properties. Composite Reliability (CR) values for all seven constructs exceed the recommended threshold of 0.70, confirming high internal consistency (Hair et al., 2014). Average Variance Extracted (AVE) values are all above 0.50, supporting convergent validity, which means each construct adequately explains the variance of its indicators. Discriminant validity is also established, as the square root of each construct's AVE (diagonal values) is greater than its correlations with other constructs (off-diagonal values), and the Maximum Shared Variance (MSV) for each construct is lower than its AVE (Fornell & Larcker, 1981).. These results meet the Fornell-Larcker criterion, indicating that each construct is empirically distinct from others. The inter-construct correlations are significant and within acceptable limits, suggesting meaningful but not redundant relationships among the variables. These findings validate the measurement model, ensuring that the constructs of psychological contract dimensions, job satisfaction, and organizational commitment are both reliable and valid for further structural analysis in the study.

**Table 3:cResults of Hypothesis Testing**

Hypothesi s	Path	Standardized Estimate ( $\beta$ )	t-value	Result
H1a	Transactional Contract → Organizational Commitment	0.21	3.45***	Supporte d
H1b	Training & Dev. Contract → Organizational Commitment	0.33	4.82***	Supporte d
H1c	Relational Contract → Organizational Commitment	0.29	4.21***	Supporte d
H1d	Balanced Contract → Organizational Commitment	0.38	5.16***	Supporte d
H1e	Socio-emotional Fulfilment → Organizational Commitment	0.11	1.64	<b>Not Support ed</b>
H2a	Transactional Contract → Job Satisfaction	0.24	3.11***	Supporte d
H2b	Training & Dev. Contract → Job Satisfaction	0.36	4.76***	Supporte d
H2c	Relational Contract → Job Satisfaction	0.31	4.29***	Supporte d
H2d	Balanced Contract → Job Satisfaction	0.28	3.98***	Supporte d
H2e	Socio-emotional Fulfilment → Job Satisfaction	0.09	1.47	<b>Not Support ed</b>
H3	Job Satisfaction → Organizational Commitment	0.42	6.11***	Supporte d

The hypothesis testing results reveal significant insights into how various dimensions of psychological contract influence job satisfaction and organizational commitment. Among the direct relationships with organizational commitment, balanced contract had the strongest positive effect ( $\beta = 0.38$ ,  $t = 5.16$ ,  $p < 0.001$ ), followed by training and development contract ( $\beta = 0.33$ ,  $t = 4.82$ ,  $p < 0.001$ ), relational contract ( $\beta = 0.29$ ,  $t = 4.21$ ,  $p < 0.001$ ), and transactional contract ( $\beta = 0.21$ ,  $t = 3.45$ ,  $p < 0.001$ ). These results indicate that employees' perceptions of fair exchanges, developmental opportunities, and balanced obligations significantly enhance their commitment toward the organization. However, socio-emotional fulfilment ( $\beta = 0.11$ ,  $t = 1.64$ ) did not significantly impact organizational commitment, suggesting that emotional bonding alone may not be a sufficient driver of commitment in this context. Regarding the relationships with job satisfaction, all four contract dimensions—training and development ( $\beta = 0.36$ ,  $t = 4.76$ ), relational ( $\beta = 0.31$ ,  $t = 4.29$ ), balanced ( $\beta = 0.28$ ,  $t = 3.98$ ), and transactional ( $\beta = 0.24$ ,  $t = 3.11$ )—showed strong and significant positive

effects. In contrast, socio-emotional fulfilment again showed a non-significant influence ( $\beta = 0.09$ ,  $t = 1.47$ ). Finally, job satisfaction emerged as a significant positive predictor of organizational commitment ( $\beta = 0.42$ ,  $t = 6.11$ ,  $p < 0.001$ ), confirming its pivotal mediating role in enhancing employee commitment.

**Table 4: Mediation results:**

H.	Indirect Path (IV $\rightarrow$ JS $\rightarrow$ OC)	Std. Indirect Effect ( $\beta$ )	95 % CI (LB, UB)	Media tion
H4a	Transactional Contract $\rightarrow$ Job Satisfaction $\rightarrow$ Org. Commitment	0.10***	0.05, 0.17	Support ed
H4b	Training & Development Contract $\rightarrow$ Job Satisfaction $\rightarrow$ Org. Commitment	0.15***	0.09, 0.23	Support ed
H4c	Relational Contract $\rightarrow$ Job Satisfaction $\rightarrow$ Org. Commitment	0.13***	0.07, 0.21	Support ed
H4d	Balanced Contract $\rightarrow$ Job Satisfaction $\rightarrow$ Org. Commitment	0.12***	0.06, 0.19	Support ed
H4e	Socio-emotional Fulfilment $\rightarrow$ Job Satisfaction $\rightarrow$ Org. Commitment	0.04	-0.01, 0.10	<i>Not supported</i>

The mediation analysis examined the indirect effects of psychological contract dimensions on organizational commitment through job satisfaction. The results reveal that four out of five dimensions significantly influence organizational commitment via job satisfaction. Specifically, Training and Development Contract showed the strongest mediated effect ( $\beta = 0.15$ , 95% CI [0.09, 0.23]), followed by Relational Contract ( $\beta = 0.13$ , 95% CI [0.07, 0.21]), Balanced Contract ( $\beta = 0.12$ , 95% CI [0.06, 0.19]), and Transactional Contract ( $\beta = 0.10$ , 95% CI [0.05, 0.17]). All of these mediation effects were statistically significant at  $p < 0.001$ , and their confidence intervals did not include zero, indicating robust support for hypotheses H4a to H4d. However, the indirect effect of Socio-emotional Fulfillment on organizational commitment through job satisfaction was not significant ( $\beta = 0.04$ , 95% CI [-0.01, 0.10]), as the confidence interval crossed zero. This suggests that job satisfaction does not mediate the relationship between socio-emotional fulfilment and organizational commitment in this study. Overall, these findings confirm that job satisfaction is a key mechanism through which most psychological contract dimensions enhance organizational commitment, with the exception of socio-emotional aspects.

## DISCUSSION OF FINDINGS

The findings of the study provide substantial evidence on the role of psychological contract dimensions in shaping job satisfaction and organizational commitment among faculty members in higher education institutions. Among the direct relationships, the balanced contract emerged as the strongest predictor of organizational commitment. This implies that when faculty perceive a well-rounded exchange between what they give and receive—encompassing both transactional and relational elements—they are more likely to feel committed to the organization. Such perceptions of fairness and mutual obligation tend to create a sense of trust and loyalty, which are fundamental for long-term organizational alignment.

Training and development contracts also demonstrated a strong positive influence on commitment, underlining the importance of professional growth opportunities in fostering loyalty among academic staff. In the higher education sector, opportunities for skill enhancement and academic progression can significantly influence faculty members' intention to stay and invest in institutional goals. Relational contracts, which involve long-term associations and emotional bonds, also showed a meaningful impact, suggesting that when employees believe the organization values and supports them, they reciprocate with greater commitment. The transactional contract, while significant, had a relatively modest effect, indicating that while economic and task-related expectations matter, they are not the sole contributors to commitment.

On the other hand, socio-emotional fulfilment did not show a significant direct influence on organizational commitment. This could be attributed to the professional and performance-driven environment in academia, where tangible rewards and opportunities for advancement may be prioritized over emotional closeness or interpersonal warmth. Faculty members may value emotional recognition, but it does not appear sufficient in isolation to drive organizational loyalty.

In terms of job satisfaction, all contract dimensions except socio-emotional fulfilment had significant positive effects. This reinforces the idea that job satisfaction in the academic setting is closely tied to perceptions of support in professional development, fair exchanges, and long-term investment from the institution. Socio-emotional aspects, while important for workplace climate, may not directly translate into satisfaction unless supported by structural and developmental policies.

Job satisfaction also emerged as a significant predictor of organizational commitment, establishing its role as a crucial mediator. The mediation analysis confirmed that job satisfaction effectively channels the influence of transactional, training and development, relational, and balanced contracts into enhanced commitment. This suggests that when faculty feel satisfied with their job experiences—driven by perceived support, fairness, and development—they are more likely to be committed. However, the lack of a mediating role for socio-emotional fulfilment again highlights its limited influence in this context, possibly due to a misalignment between emotional support and institutional structures. Overall, the study emphasizes the centrality of job satisfaction in translating psychological contracts into meaningful employee commitment.

## **IMPLICATIONS OF THE STUDY**

### **Theoretical Implications**

This study contributes meaningfully to the existing literature on psychological contracts by unpacking the nuanced roles of its distinct dimensions—transactional, training and development, relational, balanced, and socio-emotional—in predicting job satisfaction and organizational commitment. It validates and extends psychological contract theory by empirically demonstrating that not all components of the psychological contract exert equal influence. Particularly, the findings reinforce the multidimensionality of the construct and highlight the differentiated impact of each dimension. The study confirms the mediating role of job satisfaction, positioning it as a key psychological mechanism through which contract fulfilment fosters stronger organizational commitment. This affirms the application of social exchange theory and the norm of reciprocity in an academic work setting, where fulfilment of employee expectations enhances affective and normative commitment. Interestingly, the non-significance of socio-emotional fulfilment challenges traditional assumptions about emotional

bonding in professional contexts, suggesting that its impact may be contextually dependent. Thus, this research invites further exploration into sector-specific expectations and how they shape the psychological contract. Overall, the study provides a robust framework for understanding how different contract expectations function in academia, offering direction for future models that examine employee attitudes and retention.

### **Practical Implications**

From a practical standpoint, the study offers several actionable insights for higher education administrators and HR practitioners seeking to enhance faculty satisfaction and commitment. First, the strong influence of balanced, training and development, and relational contracts on both job satisfaction and organizational commitment underscores the need for institutions to invest in holistic employment relationships. Universities should ensure that their policies and communication reflect a fair balance of expectations and obligations. This includes transparent role definitions, performance evaluations, and mutual goal alignment between faculty and the institution.

Investment in continuous professional development is particularly vital. Faculty members place high value on opportunities for growth, such as attending conferences, engaging in research, obtaining grants, and participating in skill-enhancement workshops. Institutions that create a structured and well-supported environment for career progression are more likely to foster long-term loyalty among their academic staff.

The positive role of relational contracts highlights the importance of trust, respect, and long-term engagement. Leadership should prioritize participatory governance, collegial support systems, and mentorship opportunities to strengthen relational ties. Regular feedback, inclusive decision-making, and visible appreciation of faculty contributions can go a long way in nurturing commitment.

Although transactional contracts had a positive impact, their relatively lower influence suggests that financial rewards and workload fairness, while necessary, are insufficient in isolation. Thus, remuneration and benefits should be complemented with development and recognition strategies.

The finding that socio-emotional fulfilment did not significantly impact either satisfaction or commitment calls for a revaluation of how emotional support is positioned in HR strategies. While a warm and inclusive climate remains important, it must be embedded in a structure of professional support and career utility to yield meaningful outcomes.

Finally, since job satisfaction mediates the effects of most contract dimensions on organizational commitment, universities should regularly assess satisfaction levels and use those insights to refine HR practices. Pulse surveys, exit interviews, and faculty development programs can serve as important tools to monitor and enhance job satisfaction, which in turn builds a more committed and productive academic workforce.

### **Limitations, Future Scope, and Conclusion**

Despite offering valuable insights into the relationship between psychological contracts, job satisfaction, and organizational commitment, this study has certain limitations. First, the research is cross-sectional in nature, capturing perceptions at a single point in time. This limits the ability to establish causal relationships among the variables. Longitudinal studies in the future could provide a deeper understanding of how these relationships evolve over time. Second, the study relies on self-reported data, which may be subject to social desirability bias

or respondent subjectivity. Employing mixed-method approaches or incorporating supervisor evaluations could help validate the findings further.

Additionally, the study was confined to faculty members from six higher education institutions in Punjab, which may limit the generalizability of the results to other geographical or institutional contexts. Future research could include a more diverse sample across multiple states or countries to enhance external validity. Moreover, socio-emotional fulfilment did not show a significant impact, suggesting the need for deeper exploration of cultural or contextual factors that may influence its role in academic settings.

The study opens avenues for future research to investigate moderating variables such as organizational culture, leadership style, or tenure, which might influence the strength or direction of the observed relationships. Exploring psychological contracts in non-academic or corporate settings may also offer comparative insights.

In conclusion, the study affirms the significance of psychological contract dimensions—particularly balanced, training and development, and relational contracts—in fostering job satisfaction and organizational commitment among faculty members. Job satisfaction emerged as a pivotal mediator, highlighting its central role in the employment relationship. The findings underscore the importance for academic institutions to actively invest in fair, developmental, and mutually fulfilling practices to enhance employee morale and retention. By aligning organizational practices with faculty expectations, institutions can build stronger, more committed academic communities.

## REFERENCES

1. Coyle-Shapiro, J., & Kessler, I. (2000). Consequences of the psychological contract for the employment relationship: A large scale survey. *Journal of management studies*, 37(7), 903-930
2. Bal, P. M., Jansen, P. G., Van der Velde, M. E., de Lange, A. H., & Rousseau, D. M. (2010). The role of future time perspective in psychological contracts: A study among older workers. *Journal of vocational behaviour*, 76(3), 474-486.
3. Soenanta, A., Akbar, M., & Sariwulan, R. T. (2020). The effect of job satisfaction and organizational commitment to employee retention in a lighting company. *Issues in Business Management and Economics*.
4. Kyndt, E., Dochy, F., Michielsen, M., & Moeyaert, B. (2009). Employee retention: Organisational and personal perspectives. *Vocations and learning*, 2, 195-215.
5. Argyris, C. *Understanding Organisational Behaviour*. 1960. London: Tavistock Publications.
6. Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structural equation models. *Journal of the academy of marketing science*, 16(1), 74-94.
7. Bal, P. M., Jansen, P. G., Van der Velde, M. E., de Lange, A. H., & Rousseau, D. M. (2010). The role of future time perspective in psychological contracts: A study among older workers. *Journal of vocational behaviour*, 76(3), 474-486.
8. Blau, P. (1964). *Power and exchange in social life*.
9. Byrne, B. M. (2016). Adaptation of assessment scales in cross-national research: Issues, guidelines, and caveats. *International Perspectives in Psychology*, 5(1), 51-65.

10. Cohen, A., & Liu, Y. (2011). Relationships between in-role performance and individual values, commitment, and organizational citizenship behavior among Israeli teachers. *International journal of psychology*, 46(4), 271-287.
11. Coyle-Shapiro, J. A. M. (2002). A psychological contract perspective on organizational citizenship behavior. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 23(8), 927-946.
12. Coyle-Shapiro, J., & Kessler, I. (2000). Consequences of the psychological contract for the employment relationship: A large scale survey. *Journal of management studies*, 37(7), 903-930.
13. Coyle-Shapiro, J., & Kessler, I. (2000). Consequences of the psychological contract for the employment relationship: A large scale survey. *Journal of management studies*, 37(7), 903-930
14. Eisenberger, R., Fasolo, P., & Davis-LaMastro, V. (1990). Perceived organizational support and employee diligence, commitment, and innovation. *Journal of applied psychology*, 75(1), 51.
15. Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
16. Hair, J. F., Gabriel, M., & Patel, V. (2014). AMOS covariance-based structural equation modeling (CB-SEM): Guidelines on its application as a marketing research tool. *Brazilian Journal of Marketing*, 13(2).
17. Ismail, A., Mohamed, H. A. B., Sulaiman, A. Z., Mohamad, M. H., & Yusuf, M. H. (2011). An empirical study of the relationship between transformational leadership, empowerment and organizational commitment. *Business and Economics Research Journal*, 2(1), 89.
18. Khandelwal, K. A. (2009). Organisational commitment in multinationals: A dynamic interplay among personal, organisational and societal factors. *ASBM Journal of Management*, 2(1), 99.
19. Kyndt, E., Dochy, F., Michielsen, M., & Moeyaert, B. (2009). Employee retention: Organisational and personal perspectives. *Vocations and learning*, 2, 195-215.
20. Lester, S. W., Turnley, W. H., Bloodgood, J. M., & Bolino, M. C. (2002). Not seeing eye to eye: Differences in supervisor and subordinate perceptions of and attributions for psychological contract breach. *Journal of organizational behavior*, 23(1), 39-56.
21. Lubich, R. D. (1997). *Organizational commitment: an examination of its linkage to turnover intention*. Nova Southeastern University.
22. Meyer, J. P., & Allen, N. J. (1984). Testing the "side-bet theory" of organizational commitment: Some methodological considerations. *Journal of applied psychology*, 69(3), 372.
23. Meyer, J. P., Bobocel, D. R., & Allen, N. J. (1991). Development of organizational commitment during the first year of employment: A longitudinal study of pre-and post-entry influences. *Journal of management*, 17(4), 717-733.

24. Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The measurement of organizational commitment. *Journal of vocational behavior*, 14(2), 224-247.
25. Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: a critical review of the literature and recommended remedies. *Journal of applied psychology*, 88(5), 879.
26. Porter, L. W., Steers, R. M., Mowday, R. T., & Boulian, P. V. (1974). Organizational commitment, job satisfaction, and turnover among psychiatric technicians. *Journal of applied psychology*, 59(5), 603.
27. Rhodes, L., & Eisenberger, R. (2002). Perceived Organizational Support: A review of the literature. *Journal of Applied Psychology*, 87, 698-714.
28. Robinson, S. L. (1996). Trust and breach of the psychological contract. *Administrative science quarterly*, 574-599.
29. Robinson, S. L., & Morrison, E. W. (1995). Psychological contracts and OCB: The effect of unfulfilled obligations on civic virtue behavior. *Journal of organizational behavior*, 16(3), 289-298.
30. Robinson, S. L., & Rousseau, D. M. (1994). Violating the psychological contract: Not the exception but the norm. *Journal of organizational behavior*, 15(3), 245-259.
31. Rousseau, D. (1989). Psychological and implied contracts in organisations. *Employee Responsibilities and Rights Journal*, 2(2), 121-139.
32. Schalk, R., & Roe, R. E. (2007). Towards a dynamic model of the psychological contract. *Journal for the theory of social behaviour*, 37(2), 167-182.
33. Soenanta, A., Akbar, M., & Sariwulan, R. T. (2020). The effect of job satisfaction and organizational commitment to employee retention in a lighting company. *Issues in Business Management and Economics*.