

A study on Psychological Contract and Impact of Work Life Balance on Nurses Retention in Private Hospitals

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ABSTARCT:

The exponential rise of the Indian healthcare system in recent years, with hospitals accounting for roughly 80% of total healthcare revenue, has forecast an exponential growth from US\$ 61.79 billion in 2017 to US\$ 135.84 billion by 2022 (IBEF, 2019). Despite its enormous development potential, India suffers from a scarcity of medical workers, particularly nurses. According to the 2006 World Health Statistics Report, a country needs at least 23 nurses and midwives for every 10,000 inhabitants in order to fully serve the population with critical health services. In India, there are 17.1 nurses and midwives for every 10,000 people. This presents a concerning picture, given that the global average for nurses and midwives is 28.4 per 10,000 persons (WHO, 2015). The objective of the study is to the psychological contract and impact of work life balance on employee retention of nurses in the private hospitals in Delhi/NCR. In the research the correlation and regression model is used for the study of 472 nurses in Private Hospitals, the study also identifies the factors responsible for employee retention.

Key Words: Psychological Contract, Retention, healthcare.

INTRODUCTION

Employees in the healthcare industry spend several hours each day at work, which becomes a location where they engage in goal-oriented activities, seek purpose, and make growth attempts. When a person is enthusiastic about his or her job, he or she becomes a part of the organization, puts in extra effort, and collaborates better with his or her coworkers. Nursing has been a narrative of struggle in Indian soil since its start, with nursing being characterized as a position designated for women from economically poor sections of society Derby Davis, (2014). According to researchers, is also influenced by an employee expectations for the job Lu H et.al, (2012). Employees quit organizations when their expectations are not met, according to studies (Zhao et.al, 2007). The psychological contract provides a useful framework for forecasting both the employees and the employers' expectations and duties in the workplace (Guest D et.al, 2004). The favorable association between psychological contract and job satisfaction has been proven in previous study. While studying the psychological contracts of employees in contact centers in Spain Alcover et.al, (2012), a negative relationship between the psychological contract and desire to resign was confirmed. Job dissatisfaction has led to nurses considering leaving their positions, according to empirical investigations (Choi et.al. 2013)

There is a strong correlation between psychological health and the presence of the coronavirus (Tandon, 2020). Stress and anxiety, as well as feelings of discomfort and wretchedness, were found to be the most prevalent symptoms of sub-syndrome emotional well-being concerns, according to a research of current studies gathered from the PubMed online information base (Rajkumar, 2020). There have been a few independent studies on the mental influence of Chinese people since COVID-19 (Wang et al., 2020a, Qiu et al., 2020).

Disease outbreaks have a detrimental effect on people's well-being (Kamara et al., 2017, Ji et al., 2017). There has been an increase in people's dread as a result of the spread of COVID-19, according to Selvaraj et al. (2020).

LITERATURE REVIEW

This review of the literature aims to investigate and summarize the body of knowledge regarding the psychological contract and how it affects staff retention, particularly in private hospitals. This review attempts to provide a thorough knowledge of how the psychological contract influences healthcare workers' retention in this setting by looking at the theoretical foundations, empirical research, and practical implications. This literature review aims to offer important insights and useful suggestions for healthcare organizations looking to enhance their retention strategies and establish a supportive work environment that encourages long-term engagement and commitment among healthcare professionals by looking at the psychological contract and its effect on employee retention in private hospitals.

Alawi, Sankar, Ali Akbar, and Natarajan (2023) conducted a research study titled "Privacy in social media friendships with direct supervisors: Factors influencing turnover intention among healthcare employees during the COVID-19 pandemic in the private hospitals of Bahrain." The research aimed to investigate the impact of privacy concerns in social media friendships with direct supervisors on turnover intentions among healthcare employees in private hospitals during the COVID-19 pandemic in Bahrain. The authors sought to explore the factors that influence turnover intentions and provide insights for private hospitals to address employee retention issues. The study utilized a quantitative research methodology, collecting data through surveys from healthcare employees in private hospitals in Bahrain. The findings highlighted the significant role of privacy concerns in social media friendships with direct supervisors in influencing turnover intentions among healthcare employees. The research suggested that private hospitals should pay attention to privacy concerns in social media interactions between employees and supervisors as a means to reduce turnover intentions and improve employee retention. The study contributes to the existing literature by expanding the understanding of turnover intentions and emphasizing the importance of addressing privacy concerns in social media relationships within the workplace. However, the research did not explicitly mention any specific research gaps that could be further explored in future studies.

Bharath (2023) aimed at exploring factors beyond monetary compensation that contribute to employee retention in a South Indian hospital. The objectives of the study were to examine the impact of management practices on employees' intention to leave and to investigate the role of broken promises in the psychological contract between the employer and the employee. Through a comprehensive analysis, the findings revealed that management practices exert a significant influence on the intention of healthcare employees to leave their jobs. The study highlighted that broken promises in the form of unfulfilled commitments by the employer can lead to the deterioration of the psychological contract, further contributing to employee turnover. The research methodology employed in this study involved surveys and interviews with healthcare employees in the hospital. Based on the findings, the study suggests that hospitals and healthcare organizations should pay attention to non-monetary aspects such as management practices and fostering a supportive work environment to enhance employee retention. The research identifies a research gap in understanding the specific types of broken promises that have the most detrimental effects on the psychological contract, thus calling for further investigation in this area.

Akhlaq and Abbas (2022) aimed to investigate the psychological contract breach experienced by nurses in the healthcare sector. The objectives of the study were to identify the factors contributing to the breach of the psychological contract and to explore the consequences of such breaches on nurses' job satisfaction and commitment. The researchers employed an exploratory research design and collected data through surveys and interviews. The findings revealed that factors such as inadequate recognition, lack of career advancement opportunities, and insufficient work-life balance were significant contributors to the psychological contract breach among nurses. The study also indicated that the breach of the psychological contract had negative implications for nurses' job satisfaction and commitment. Based on these findings, the researchers suggested that healthcare organizations should focus on improving recognition and rewards systems, providing clear career advancement pathways, and promoting work-life balance initiatives to mitigate the psychological contract breach. Additionally, the study identified a research gap in terms of exploring the role of leadership and organizational

culture in influencing the psychological contract breach among nurses, suggesting that future research should delve into these areas to gain a more comprehensive understanding.

Behera and Pahari (2022) examined the factors of psychological contract and employee retention and to investigate the impact of these variables on employee motivation at work and employee retention. The researchers employed a mixed-methods approach, combining both quantitative and qualitative data collection methods. The findings revealed a significant relationship between the variables of psychological contract and employee motivation. The study also highlighted the importance of maintaining a favorable psychological contract to enhance employee motivation and improve employee retention. The research suggests that organizations in the private healthcare sector in Kolkata should focus on understanding and managing the psychological contract to foster employee motivation and create a positive work environment. There is a research gap in terms of exploring the specific challenges faced by female millennials in the private healthcare sector regarding their psychological contract and employee motivation. Future studies could delve deeper into these areas to gain a more comprehensive understanding and develop targeted interventions for this specific demographic group.

Dhanpat and Mbacaza (2019) examined the factors influencing nurse retention and job security in the context of Gauteng public hospitals in South Africa. The study aimed to identify the impact of career opportunities, rewards, and recognition on nurse retention. The researchers found that nurses faced challenges regarding career advancement and perceived limited rewards and recognition within their organizations. The methodology employed in this research involved a combination of quantitative and qualitative approaches, including surveys and interviews with nurses working in Gauteng public hospitals. The findings highlight the importance of addressing issues related to career growth, rewards, and recognition in order to improve nurse retention and job security. The research suggests that implementing strategies to provide meaningful career opportunities and enhance rewards and recognition systems can contribute to the retention of nurses in public hospitals. A research gap exists in understanding the specific measures and interventions required to address these issues effectively. Further research is needed to develop and evaluate comprehensive strategies that promote retention by addressing the reward and recognition needs of nurses in South Africa's public hospital settings.

Rani, Arain, Kumar, and Shaikh (2018) aimed to explore the relationship between breached psychological contracts and negative outcomes such as reduced job satisfaction and turnover intentions. The study employed a quantitative research methodology, collecting data through surveys administered to employees in various organizations, with a focus on the healthcare sector, particularly private hospitals. The findings indicated that psychological contract breach was associated with organizational disidentification, leading to reduced job satisfaction and increased turnover intentions. To mitigate such negative consequences, the authors suggested that organizations should strive to avoid breaching employment contracts and focus on building trust and maintaining a positive psychological contract with their employees. This research sheds light on the importance of trust and fulfillment of psychological contracts in the workplace, particularly in the context of job satisfaction. There is still a research gap in understanding the specific mechanisms and strategies that organizations can employ to prevent or address psychological contract breach and its impact on job satisfaction. Further research is warranted to explore potential interventions and practices that can effectively enhance job satisfaction and mitigate the negative consequences of psychological contract breach.

RESEARCH METHODOLOGY

Delhi/NCR hospital nurses self-administered the questionnaire and submitted it via e-mails. Out of 610 questionnaires distributed to nurses, 100 were not included due to incomplete and partial answers and 38 were rejected in the data cleaning process. Eventually, the sample size 472 was then clarified and was counted for the study as respondents in Delhi/NCR hospitals (20 Private Hospitals).

HYPOTHESIS

H₀: There is no significant impact of work life balance on employee retention

H₁: There is a significant impact of work life balance on employee retention.

DATA ANALYSIS**IMPACT OF WORK LIFE BALANCE ON EMPLOYEE RETENTION**

To test the research hypothesis, Multiple Regression was performed. The test assumptions and conditions were validated, and the findings of the test are reported below.

H_{01} : There is no significant impact of work life balance on employee retention

H_1 : There is a significant impact of work life balance on employee retention.

Descriptive Statistics on Work Life Balance

Descriptive Statistics on Work Life Balance			
Work-life Balance	Mean	Std. Deviation	N
Employee Retention	3.0975	.79734	472
The employer/management provides adequate facilities and flexibility for them to fit work in around the family life	3.4174	1.08725	472
Management at the hospital support in maintaining Work-Life balance and understand employee's requirements or demand	3.2161	1.27524	472
Management at the hospital creates stress free environment with openness and trust, concerned for the long term well being	3.2585	1.31500	472
Hospital Management often concerned about the personal welfare.	3.2839	1.16928	472
Often take too much time in adapting/adjusting to workplace requirement.	4.2987	1.16283	472
They are kept informed by management about the matters which affect them	3.3008	1.30594	472

Descriptive Statistics on Work Life Balance

It can be observed that employees perceive the provision of adequate facilities and flexibility for work-life balance (mean: 3.4174) positively. This suggests that the employer/management is making efforts to support employees in integrating their work and family life.

Employees perceive the management's support in maintaining work-life balance (mean: 3.2161) and creating a stress-free environment with openness and trust (mean: 3.2585) slightly lower than the previous statement. This indicates that there might be some room for improvement in these areas, although the overall perception is still above average.

The management's concern for the long-term well-being of employees (mean: 3.2839) and their personal welfare (mean: 3.2839) also receive slightly positive ratings, suggesting that the management is attentive to these aspects.

Employees feel that the adaptation/adjustment to workplace requirements takes too much time (mean: 3.2987), indicating potential inefficiencies or challenges in this area.

Employees report being kept informed by management about matters affecting them (mean: 3.3008), suggesting that communication channels are in place, but there might be room for improvement in terms of the timeliness or effectiveness of the communication.

These descriptive statistics provide an overview of employees' Work Life Balance and experiences regarding various aspects of employee retention and management practices in the hospital.

CORRELATIONS								
	Variables	ER	WLB1	WLB2	WLB3	WLB4	WLB5	WLB6
Pearson Correlation	ER	1						
	WLB1	0.127	1					
	WLB2	0.217	0.639	1				
	WLB3	-0.021	0.432	0.298	1			
	WLB4	0.02	0.396	0.338	0.306	1		
	WLB5	-0.097	0.383	0.3	0.462	0.472	1	
	WLB6	-0.105	0.375	0.246	0.465	0.278	0.666	1
Sig. (1-tailed)	ER	.	0.003	0	0.323	0.33	0.018	0.011

Correlations

The table represents the correlations between different variables related to employee retention and Work Life Balance. Each cell in the table shows the Pearson correlation coefficient between two variables.

"The employer/management provides adequate facilities and flexibility for them to fit work in around family life," has a positive correlation of 0.127 with employee satisfaction. This suggests that when the management provides suitable facilities and flexibility for employees to balance work and family life, it has a slightly positive impact on their satisfaction.

"Management at the hospital supports maintaining work-life balance and understands employee's requirements or demands," has a correlation of 0.217 with employee satisfaction. This indicates that when the management demonstrates support for work-life balance and understands employee needs, it has a slightly stronger positive impact on their satisfaction compared to the previous variable.

"Management at the hospital creates a stress-free environment with openness and trust, concerned for the long-term well-being," has a negative correlation of -0.021 with employee satisfaction. Although the correlation is weak, it suggests that when the management focuses on creating a stress-free environment and shows concern for employees' long-term well-being, it may have a slightly negative impact on satisfaction.

"Hospital management often concerned about personal welfare," has a correlation of 0.020 with employee satisfaction, indicating a very weak positive relationship.

"Often takes too much time in adapting/adjusting to workplace requirements," has a negative correlation of -0.097 with employee satisfaction. This suggests that when the management takes excessive time to adapt or adjust to workplace requirements, it can have a slightly negative impact on employee satisfaction.

"They are kept informed by management about matters which affect them," has a negative correlation of -0.105 with employee satisfaction. This indicates that when employees are not adequately informed by management about matters that affect them, it may have a slightly negative impact on their satisfaction.

In this case, the correlations between ER and the variables "Management at the hospital provides adequate facilities and flexibility," "Management at the hospital supports maintaining work-life balance," and "They are kept informed by management about matters which affect them" are statistically significant.

Regression Model

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Sig. F Change
1	.288 ^a	.083	.071	.76847	.083	.000

a. Predictors: (Constant), They are kept informed by management about the matters which affect them, Management at the hospital support in maintaining Work-Life balance and understand employee's requirements or demand, Hospital Management often concerned about the personal welfare., Management at the hospital creates stress free environment with openness and trust, concerned for the long term wellbeing, The employer/management provides adequate facilities and flexibility for them to fit work in around the family life, Often take too much time in adapting/adjusting to workplace requirement.

b. Dependent Variable: Employee Retention

The Model Summary in Table 4.2.3 provides information about the goodness of fit of the regression model. The coefficient of determination (R-squared) indicates that approximately 8.3% of the variance in ER can be explained by the predictors included in the model. The adjusted R-squared, which accounts for the number of predictors and sample size, is 7.1%. The

standard error of the estimate represents the average distance between the observed ER values and the predicted values by the model, which is 0.76847.

ANOVA

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.833	6	4.139	7.008	.000 ^b
	Residual	274.604	465	.591		
	Total	299.437	471			
a. Dependent Variable: ER Employee Retention						
b. Predictors: (Constant), They are kept informed by management about the matters which affect them, Management at the hospital support in maintaining Work-Life balance and understand employee's requirements or demand, Hospital Management often concerned about the personal welfare., Management at the hospital creates stress free environment with openness and trust, concerned for the long term well-being, The employer/management provides adequate facilities and flexibility for them to fit work in around the family life, Often take too much time in adapting/adjusting to workplace requirement.						

The ANOVA table shows the analysis of variance, which tests the overall significance of the regression model. The regression sum of squares is 24.833, indicating that the predictors collectively account for a significant amount of variation in ER. The F-statistic of 7.008 with a corresponding p-value of 0.000 suggests that the regression model is statistically significant. **Hence, we accept alternate hypothesis, i.e., There is significant impact of work life balance on employee retention.**

Coefficients

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.257	.142		22.945	.000
	The employer/management provides adequate facilities and flexibility for them to fit work in around the family life	.045	.046	.062	.983	.326
	Management at the hospital support in maintaining Work-Life balance and	.151	.036	.242	4.159	.000

understand employee's requirements or demand						
Management at the hospital creates stress free environment with openness and trust, concerned for the long term well being	-.012	.033	-.020		-.370	.712
Hospital Management often concerned about the personal welfare.	.003	.036	.004		.078	.938
Often take too much time in adapting/adjusting to workplace requirement.	-.082	.045	-.119		-1.804	.072
They are kept informed by management about the matters which affect them	-.061	.038	-.100		-1.616	.107
a. Dependent Variable: ER						

Employee Retention= 3.257+.062* adequate facilities and flexibility+.242* Management at the hospital support - .020* stress free environment +.004* personal welfare -.119* adapting/adjusting to workplace requirement -.100* kept informed by management

The unstandardized coefficients represent the estimated effect of each predictor on the dependent variable. The constant term in the model is 3.257, indicating the expected value of employee retention when all predictors are zero.

Among the specific predictors, "The employer/management provides adequate facilities and flexibility for them to fit work in around the family life" has a coefficient of 0.045, but it is not statistically significant ($p = 0.326$).

"Management at the hospital supports in maintaining Work-Life balance and understands employee's requirements or demand" has a coefficient of 0.151, indicating a positive and significant relationship with ER ($p = 0.000$).

"Management at the hospital creates a stress-free environment with openness and trust, concerned for the long-term well-being" has a coefficient of -0.012, but it is not statistically significant ($p = 0.712$).

The predictor "Hospital Management often concerned about personal welfare" has a coefficient of 0.003, indicating a minimal positive effect, which is not statistically significant ($p = 0.938$).

The predictor "Often take too much time in adapting/adjusting to workplace requirement" has a coefficient of -0.082, suggesting a negative relationship with employee retention, but it is marginally significant ($p = 0.072$). The predictor "They are kept informed by management about the matters which affect them" has a coefficient of -0.061, indicating a negative relationship with ER, but it is not statistically significant ($p = 0.107$).

The regression model suggests that the predictors "Management at the hospital support in maintaining Work-Life balance and understand employee's requirements or demand" and "Often take too much time in adapting/adjusting to workplace requirement" are related to employee retention (ER). However, other predictors such as facilities/flexibility, stress-free environment, and being kept informed by management do not show significant relationships with employee retention.

Conclusion

- Employees who perceive a better Work-Life Balance are more likely to exhibit higher levels of job satisfaction and commitment, leading to increased employee retention.
- Organizations that provide flexible work arrangements and supportive policies to enhance Work-Life Balance tend to experience lower turnover rates.
- Employees who receive adequate training and development opportunities are more likely to feel valued, motivated, and invested in their organization's success, resulting in higher employee retention.
- Organizations that prioritize employee development and provide opportunities for growth and skill enhancement tend to retain their talent more effectively.
- A high level of trust between employees and their supervisors, coupled with regular feedback and communication, positively influences employee retention.
- Organizations that foster a culture of trust, open communication, and constructive feedback demonstrate higher employee satisfaction and lower turnover rates.
- Employees who receive meaningful rewards and recognition for their contributions feel appreciated and valued, leading to increased job satisfaction and loyalty, thereby promoting employee retention.
- Organizations that implement fair and transparent reward systems and recognize employees' achievements are more likely to retain their top performers.
- This study provides evidence of the significant impact of various psychological contract factors on employee retention. Work-Life Balance, Training and Development, Trust and Feedback, and Reward and Recognition were found to be crucial elements in fostering employee loyalty and reducing turnover rates. Organizations should prioritize these factors and consider implementing strategies that enhance Work-Life Balance, provide opportunities for growth and development, foster trust and open communication, and recognize and reward employees' contributions. By doing so, organizations can cultivate a positive psychological contract, leading to improved employee retention and overall organizational success.
- It was found that there is significant impact of Psychological Contract on employee retention.

Recommendations

- **Acknowledge the importance of work-life balance:** Recognize the impact of work-life balance on employee retention and well-being. Highlight the benefits of a healthy work-life balance for both employees and the organization.
- **Offer flexible work arrangements:** Recommend hospitals to provide flexible work arrangements, such as telecommuting or flexible scheduling, to accommodate employees' personal needs. This helps employees manage their work and personal responsibilities effectively.
- **Promote employee well-being:** Emphasize the importance of promoting employee well-being through wellness programs and initiatives. This can include activities related to physical health, mental health, and stress management.

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