

UNIVERSITI TEKNOLOGI MARA

**A STUDY ON
THE RELATIONSHIP BETWEEN
PSYCHOLOGICAL CONTRACT AND
STUDENT RETENTION AMONG
UNDERGRADUATE STUDENT IN
UITM SELANGOR BRANCH**

FAHIRA BINTI SHAHDZUL KAHAR

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ABSTRACT

Malaysia is one of the best developing countries for studying due to its affordable education, diverse culture, and growing reputation for academic excellence. Although many efforts have been implemented and planned to make Malaysia one of the top countries in education systems, there are still a few problems that have not been completely solved. One of the problems is retention problems among students. The purpose of this study is to investigate the relationship between psychological contract and student retention. The research design for this study used quantitative method of non-probability sampling, with 352 participated during the data collection process. The questionnaire was distributed virtually and physically. The development of the questionnaire has been made using the theory of psychological contract (relational contract, balanced contract, transactional contract, transitional contract) and student retention. Questions were adapted from an established questionnaire, where modification of questions were made to create a new set of questionnaires that fits into this research setting. From the data collected, the researcher used different types of analysis to understand how the determinants affect the student retention decision. The findings of this research will provide useful insights for academic staffs and faculty members who desire to help students remain longer in educational institutions throughout their educational journeys. This study revealed that there is a significant relationship between psychological contract and student retention, specifically in public higher education institutions in Malaysia.

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CHAPTER 1

INTRODUCTION

1.1 Introduction of the Chapter

This chapter provides background information for the study, including the problem statement, research questions, research objectives, the importance of the study, the scope of the investigation, and definitions of the terms relevant to this research. This chapter establishes the foundation for the researchers to effectively conduct the investigation.

1.2 Background of the research

Student retention refers to a student's continued enrolment at a university until the successful completion of their academic program and is a key indicator of institutional effectiveness and student success. In the dynamic landscape of higher education, understanding and addressing the multifaceted expectations that students bring to university settings is crucial for fostering an enriching and successful academic experience. As students embark on their university journey, they have a diverse array of expectations, shaped by a variety of factors, including personal aspirations, cultural backgrounds, socioeconomic influences, and prior educational experiences (Nicoletti, 2019; Samoila & Vrabie, 2023; Tinto, 1993). Students often expect opportunities for social integration through socialization and the development of a sense of community by joining clubs, events, and other extracurricular activities (Reindl et al., 2022). In addition, many students anticipate that their university education will contribute to their career development upon graduation, helping them to prepare for successful careers by providing not only theoretical knowledge but also practical skills (Pascarella & Terenzini, 1980; Saleem et al., 2022; Tuiloma, 2022). Understanding these expectations is important for academic staff to better align the reality of university teaching and learning with student's preconceived ideas, thereby supporting a positive university experience as well as improving retention (Tomlinson et al., 2023).

Globally, student retention has become a critical issue as higher education systems strive to meet the needs of a growing, diverse student population. The COVID-19 pandemic forced universities to shift rapidly to online learning, disrupting traditional