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An Analysis of Employment Relationships in Asia Using Psychological Contract Theory: A Review and Research Agenda

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“Human Resource Management in Asia”

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**Highlights:**

- Systematically examines the existing psychological contract research on Asia over the past 21 years.
- Reviews the two dominant themes of psychological contract evaluation and psychological contract content in Asia.
- Proposes potential future research directions in the field of psychological contract in Asia.
An Analysis of Employment Relationships in Asia Using Psychological Contract Theory: A Review and Research Agenda

Abstract

Psychological contract theory is increasingly gaining traction as a means of examining the linkages (black box) between Human Resource Management (HRM) and performance. This paper systematically reviews the existing psychological contract research conducted in Asia over the period from 1998-2019. It takes an important step towards building an understanding of psychological contract theory in Asia while also making a critical contribution to the broad domains of HRM and employment relationship. In our review of 96 articles, we consider the two dominant themes that capture the psychological contract evaluation and content in Asia and highlight the theoretical, methodological and contextual gaps in the literature. We also offer specific guidance in the form of potential future research directions and conclude by discussing theoretical and practical implications of the analysis.

Keywords: Psychological Contract Theory, HRM, Performance, Asia
1. Introduction

In an ever-changing business environment, managing employees’ expectations and fulfilling obligations is perceived by human resource (HR) managers and scholars as a critical issue for organizational performance. It is challenging, for example, to not only find and attract key employees but also to ensure that employees work together in harmony and maximize their potential (Persson & Wasieleski, 2015; Stone & Deadrick, 2015). In this context, particularly, human resource management (HRM) scholars have focused on understanding the intermediate mechanisms that could explain what is known as the ‘black box’ or the links between HRM and organizational performance (Guest, 2011; Katou & Budhwar, 2012; Boxall, Guthrie & Paauwe, 2016; Glaister, Karacay, Demirbag & Tatoglu, 2018). A dominant intermediate mechanism is the psychological contract, initially mooted by Argyris (1960) and Levinson (1965) and defined as “an individual’s beliefs regarding the terms of conditions of a reciprocal exchange agreement between the focal person and another party” (Rousseau, 1989, p. 123). Since its inception, psychological contract theory has emerged as a means of comprehending the complex relationships between employees and organizations (Rousseau, 1995; 2001), thus impacting employee performance and loyalty (Guest & Conway, 2002; Bal, Kooij & De Jong, 2013; Lee & Taylor, 2014; Bordia, Restubog, Bordia & Tang, 2017).

Psychological contract research to date has mostly focused on understanding employee relationships in Western organizations (Katou & Budhwar, 2012; Lee, Chiang, van Esch & Cai, 2018). However, while Asia has arisen as a significant economic area, accounting for approximately two-thirds of global growth (IMF, 2018), there has been relatively little empirical research related to psychological contract theory in the region. The rationale for conducting a review of psychological contract theory in Asia is manifold. The invasive demands imposed by the globalization of commerce on emergent Asian nations – together with technological developments, increased foreign direct investment (FDI),
production, urbanization and greater competition – have created a need for changes in HRM practices in organizations, such as changes in employment relationships and organizational goals (Guest, 2017; Budhwar, Tung, Varma & Do, 2017). Further, the traditional employee-employer relationship is swiftly making way for nontraditional employment contracts such as part-time, fixed-term and zero-hour contracts (Alcover, Rico, Turnley & Bolino, 2017), thereby influencing employee-employer expectations and obligations. Therefore, taking into account the evolving Asian business environment and its impact on the employee-employer relationship, an examination of the existing psychological contract literature in Asia is timely (Birtch, Chiang & Van Esch, 2016; Perera, Chew & Nielsen, 2018).

Moreover, HRM and psychological contract researchers are beginning to acknowledge the role of context, defined as the setting that surrounds the obligations of the psychological contract in the transformation of workplace relationships (Persson & Wasieleski, 2015; Cooke, 2018). While the extant literature has predominantly focused on investigating the antecedents and consequences of psychological contract theory, contextual factors that influence HRM and psychological contract have received little attention (Rousseau, Hansen & Tomprou, 2018). A steady stream of HRM researchers argue that psychological contract theory is subjective and thus could vary culturally (Rousseau & Schalk, 2000; Thomas et al., 2016; Agarwal & Gupta, 2018), a concern relevant to most theories in HRM and Organizational Behavior (OB), as they have been developed in Western nations and thus suffer from the underlying assumption that the cultural values of individuals in organizations are standardized (Stone & Deadrick, 2015). For instance, Budhwar, Varma and Patel (2016) lamented that there is a “need to understand if the HRM being practiced in the region has been developed locally, or at least adapted to the local context, versus simply borrowed from the West and implemented locally” (p. 312). This is increasingly important in the Asian context, as Asian countries vary from their Western counterparts in terms of their
sociocultural, economic, political, organizational and institutional structures (Barkema, Chen, George, Luo, & Tsui, 2015; Raghuram et al., 2017). Therefore, it is vital to gain rich insights into the nature of psychological contract functions within organizations in Asia while taking into account, the expansive contextual influences at play.

For our review, we define Asia on the basis of its geographical location, while it can also be examined using political, legal, institutional, sociocultural and religious factors. We follow the UN classification of Asia, which mentions 47 countries (UN, 2019). Among these countries, we focus on the fifteen countries that have been covered by existing psychological contract research in Asia. Our review then aims to address lacunae in psychological contract research in Asia by systematically evaluating and organizing the existing body of literature on psychological contract theory in Asia and to provide guidance in the form of future research directions.

2. Psychological contract theory

The basic concept behind psychological contract theory is the understanding of the beliefs held by employees and their organization concerning their inter-relationships facilitating the fostering of successful exchanges (Wayne, Shore & Liden, 1997; Thacker, 2015; Cropanzano, Anthony, Daniels and Hall; 2017; Golden & Veiga, 2018). Psychological contract theory is deeply influenced by the social exchange theory (SET) proposed by Blau (1964) to understand the development and maintenance of interpersonal relationships in organizations, and it finds frequent applications in understanding workplace relationships.

The SET and psychological contract theory have two features in common – exchange relationships and reciprocity, which offer support to the contention that psychological contracts act as exchange structures (Rousseau, 1995; Coyle-Shapiro & Conway, 2005). Cropanzano, Anthony, Daniels and Hall (2017) postulate that successful exchanges are developed as a consequence of an organization demonstrating care and concern for its
employees, and in turn, employees demonstrate loyalty and commitment and, hence, are beneficial for the both employer and employees. Further, it has been proposed that reciprocity is central to explaining the relationships between the evaluation of the psychological contract and employee attitudes and behaviors (Ostroff & Bowen, 2016; Bordia et al., 2017; Doden, Grote & Rigotti, 2018).

Most literature concerning psychological contract theory tends to be predicated on one of the two dominant themes – content or evaluation. However, there are alternative approaches, which include a process approach and a feature-based approach (Rousseau, Hansen & Tomprou, 2018), though these are in need of further development to enhance their validity. Content-based approaches include transactional and relational elements of the psychological contract measuring the values of the terms of a contract, including promises, and obligations; hence they may be regarded as quantifying the quid pro quo of the contract (Rousseau, 1995; Thomas et al., 2016; Griep & Vantilborgh, 2018). The difference between transactional and relational contracts lies in their scope, with the former being specific and delimiting the interactions as a function of obligation and time, as for example, establishing specific tasks and obligations. In comparison, relational contracts tend to be more amorphous and open-ended, often consisting of something that is understood rather than something laid down, thus invoking a more emotional relationship (Millward & Hopkins, 1998).

The evaluation-based psychological contract theme includes perceptions of employees regarding its fulfilment, breach and/or violation. Psychological contract fulfilment can be measured by the degree to which an employee believes he or she has been treated fairly (Conway & Briner, 2005). Breach is defined as the discrepancy between what the employee perceived he or she was promised and what was delivered by the employer, while violation relates to the negative effects this breach creates (Baruch & Rousseau, 2019).
It should be observed that a wide variety of antecedents create an environment in which certain expectations can arise, and these predict the ways in which an employee perceives his or her relationship with the organization. These include organizational factors (e.g., HRM practices, perceived organizational support and leader-member exchange) and individual and social factors (e.g., personality, individual cultural orientation and social comparison). Equally, external factors can influence an employee’s relationship with the organization, such as family matters such as pregnancies, children, and marriages (Conway & Briner, 2005; 2009). These factors intrude into the normal tenure of a workplace relationship, as do social relationships (Rousseau, 1990; Coyle-Shapiro & Kessler, 2000; Katou & Budhwar, 2012; Conway, Kiefer, Hartley & Briner, 2014; Restubog, Zagenczyk, Bordia, Bordia & Chapman, 2015; Kraak, Lunardo, Herrbach & Durrieu, 2017).

Additionally, prior research has reported that psychological contract is positively associated with desirable employee outcomes such as commitment (Rousseau, 1990; Coyle-Shapiro & Kessler, 2000; Conway, Guest & Trenberth, 2011; Solinger, Hofmans, Bal & Jansen, 2016), job satisfaction (Rayton & Yalabik, 2014; Birtch, Chiang & Van Esch, 2016), organizational citizenship behavior (Turnley & Feldman, 1999; Hui, Lee & Rousseau, 2004; Kiazad, Kraimer & Seibert, 2018), and task performance (Conway & Coyle-Shapiro, 2012; Park, Kim & Song, 2015). Further, the psychological contract is negatively related to undesirable employee outcomes such as turnover intentions (Blomme, Van Rheede & Tromp et al., 2010; Kraak et al., 2017) and counterproductive work behaviors (Doden et al., 2018; Griep & Vantilborgh, 2018). This view is consistent with the basic premise underlying the norms of reciprocity, which posit that employees engage in positive attitudes and behaviors if they perceive the organization as fulfilling their psychological contract.

3. Methodology and scope of the review
To examine the psychological contract theory in light of employment relationships in the Asian context, we adopted a systematic literature review approach based on Denyer et al. (2008). With the aim of examining the development of psychological contract research in Asia, we begin this section by establishing the objectives and conceptual boundaries for our review. Thereby, we take into consideration those articles that study the content (transactional and relational) and evaluation of psychological contract theory (breach, fulfilment and violation).

3.1 Data collection

We used the following inclusion and exclusion criteria to select journal articles. Regarding the countries included in this review, as mentioned above, we followed the UN classification of 47 developed and developing economies in Asia (UN, 2019). Studies were included in this review if they analyzed data from organizations operating in those countries and used psychological contract as one of the variables. We did not include non-empirical papers because the primary focus of this review was to examine the theoretical perspectives, research themes, variables used, contextual factors and methodologies used. We focused exclusively on full-length academic articles published in academic journals, as they are deemed to be sources of substantiated knowledge (Podsakoff, Mackenzie, Bachrach & Podsakoff, 2005; Tsui, Nifadkar & Ou, 2007). Therefore, we did not consider essays, unpublished dissertations, book reviews, book chapters or conference proceedings. We also ruled out research published in non-English language journals. We drew on the journal classification provided by the Academic Journal Guide (AJG) 2018 journal ranking system, a well-established list of journals within the broad area of business and management (Mingers & Willmott, 2013), and thus did not include any articles published in journals not on that list. We did, however, also check other prominent lists (like the Financial Times 50 and ADBC) to ensure that we did not overlook any relevant articles.

The initial search resulted in a total of 317 articles. However, upon further screening applying the inclusion and exclusion criteria, we found that not all articles mentioning the search keywords were relevant to our review. For instance, we excluded articles published in journals that were not categorized in the above-mentioned lists, such as Hattori (2015). We also did not include nonempirical articles discussed in the Asian context, such as Forstenlechner and Baruch (2013). Upon further review of the articles, we prioritized those that offered a perspective on psychological contract evaluation and content in Asia. These articles were then studied and evaluated, after which we obtained a final number of 96 relevant articles from 15 countries (see Table 1). These studies were published in 45 journals, mostly in the International Journal of Human Resource Management (n=24). Other journals in which psychological contract research in Asia has been published include the International Journal of Manpower, Personnel Review, Human Resource Management and Journal of Managerial Psychology. Ten studies were published in Asia-specific management and HRM
journals such as the Asia Pacific Business Review, Asia Pacific Journal of Human Resources, Asia Pacific Journal of Management and Indian Journal of Industrial Relations.

Insert Table 1 Here

3.2 Data coding and analysis
To facilitate the analysis and identification of key themes pertaining to psychological contract theory in Asia, the authors carefully read each publication and coded the variables in Microsoft Excel files. Further, based on detailed discussions by the authors and as a result of iterative analysis of the articles, the codes were further developed and combined as follows: author(s), year of publication, journal title, country(ies) of research, single/multi country, theoretical perspectives, research methodology, cross-sectional/ longitudinal, methods used for collecting data, sources of data, empirical findings, psychological contract theme, variables used (antecedents, outcomes, mediators, moderators and controls), work status, private/public sector and manufacturing/service sector.

4. Analysis of psychological contract theory in Asia

4.1 Theoretical perspectives employed
Upon review of the theoretical foundations of psychological contract research in Asia, we found that most studies have employed a single theoretical perspective to understand employee-employer relationships, with the majority of the studies adopting the SET perspective (Van Dyne & Ang, 1998; Restubog & Bordia, 2006; Liu, Hui, Lee & Chen, 2012; Agarwal & Gupta, 2018). Introduced by Blau (1964), SET is based on the norms of reciprocity, positing that employees will be more willing to participate and display desirable work-related behaviors if they perceive a beneficial exchange relationship with their organization. Next in popularity after SET, most studies have used the psychological contract
as a theory on its own to understand employee-employer relationships. Some studies have drawn upon equity theory (e.g., Zhang & Agarwal, 2009; Kim & Choi, 2010; Bordia et al., 2015), according to which, if an employee feels mistreated by an employer, this will result in negative consequences for the employer, such as employee absenteeism, inadequate attention paid to the job or a decision to quit (Kim & Choi, 2010; Chao et al., 2011). The adoption of equity theory is useful for psychological contract research because it helps to understand the significance of reciprocity and the importance of employees perceiving balance in their relationships with their organizations. Relatively fewer studies have used a multi-theoretical lens, while other studies do not explicitly mention the theories employed.

The remaining studies are fragmented in their use of theories and concepts, such as social-information processing (Kuo, Chang, Quinton, Lu & Lee, 2015; Zheng et al., 2017), job demands-resources (JD-R) (Qin, Hom, Xu & Ju, 2014; Birtch et al., 2016), activation theory (Peng et al., 2016b), leader-member exchange (Chen & Wu, 2017), frustration-aggression (Bashir & Nasir, 2013), self-enhancement (Shih & Chuang, 2013), self-regulation (Gardner, Huang, Niu, Pierce & Lee, 2015; Liang, 2017), conservation of resources (Lin, Chen, Ashford, Lee & Qian, 2018; Rai & Agarwal, 2018) and career stage (Lee et al., 2018).

4.2 Psychological contract research themes

Based on our review, the psychological contract research in Asia can be categorized into two dominant themes: evaluation (fulfilment, breach, violation) and content (relational and transactional). Four studies have included both psychological contract content and evaluation (Raja, Johns & Ntalianis, 2004; Raja, Johns & Bilgrami, 2011; Restubog, Zagenczyk, Bordia & Tang, 2013; Agarwal & Gupta, 2018). If a study just used the content measure to examine the evaluation of the psychological contract (e.g., Gardner et al., 2015), we counted it only once in the evaluation theme. Within the evaluation-oriented theme, the majority of the
studies (n=65) focused on antecedents and outcomes of breach, fulfilment and violation. After this, most studies examined the content of the psychological contract (n=27).

Regarding the psychological contract evaluation-oriented measures, including fulfilment, breach and violation, the majority of the studies in the Asian context have been published based on the antecedents and consequences of breach (n=35), a theme that is also widely examined in the overall psychological contract research (e.g., Conway & Briner, 2005; Zhao, Wayne, Glibkowski & Bravo, 2007; Solinger et al., 2016). This is followed by studies examining fulfilment (n=18), while the least number of studies examine violation (n=12).

The theme concerning the content of the psychological contract pertains to the relational and transactional nature of the employee-employer relationship. The content of the psychological contract has the capacity to affect the employment relationship positively or otherwise, through aspects such as job satisfaction, citizenship behavior, commitment and performance (Gardner et al., 2015). The majority of studies within this theme examine the distinction between relational contracts, which tend to endure over time and are involved in sociocultural and emotionally based issues, and transactional contracts, which tend to be reward-based and are normally short-term in nature (Rousseau, 1995; Chay & Aryee, 1999; Biswas, Varma & Ramaswami, 2013; Chen & Lin, 2014; Birtch et al., 2016). It would seem clear from the studies that relational contracts, with their long-term view, offer better outcomes from both personal and organizational standpoints than do short-termism, and the target-driven transient nature, of transactional contracts (Uen, Chien & Yen, 2009; Chen & Lin, 2014). Indeed, employee turnover is significantly lower under the conditions of a relational contract than under the aegis of the competitive transactional contract (Mai, Ellis, Christian & Porter, 2016), which also has a deleterious effect on organizational citizenship and the propensity for deviant behavior in the Chinese context.
4.3 Variables used

4.3.1 Antecedents of the psychological contract

A wide range of antecedents has been used to predict employee perceptions of promises and obligations in Asia (Peng, Jien & Lin, 2016; Quratulain, Khan, Crawshaw, Arain & Hameed, 2018; Tran Huy & Takahashi, 2018). These antecedents can be categorized into organizational and individual factors. In line with the extant psychological contract research (Coyle-Shapiro, Pereira Costa, Doden & Chang, 2019), most of the studies in Asia have examined organizational factors; however, comparatively little research attention has been paid to the individual factors leading to psychological contract fulfilment/breach/violation (summarized in Table 2).

The first category consists of organizational factors related to the psychological contract. Research in the Asian context shows that HRM practices (e.g., Uen et al., 2009; Lee, Liu, Rousseau, Hui & Chen, 2011; Aldossari & Robertson, 2016) and perceived organizational support (Agarwal & Bhargava, 2014; Bhatnagar, 2014) are the two most commonly used antecedents of psychological contract. Organizations are known to play a critical role in shaping employee psychological contract, through HRM practices, which have been consistently proposed as a central explanatory variable in the exploration of psychological contract evaluation. For example, Uen et al. (2009) examined the role of psychological contracts between HR systems and role behavior, among employees and managers in Taiwanese IT companies. They found that when an organization extends benefits such as training and rewards, employees enter into a long-term relationship that extends beyond the workplace to encompass the interests of the employee and their families.
Conversely, a low-commitment-based HR system including narrow task definitions, limited benefits and a lack of training opportunities – is likely to result in employees being more concerned with aspects such as increased pay, thus maintaining a short-term exchange relationship with the organization, which has a negative impact on the transactional psychological contract.

Studies have also examined perceived organizational support (Agarwal & Bhargava, 2014; Bhatnagar, 2014; Ahmad & Zafar, 2018) as an antecedent of psychological contract breach. For instance, Agarwal and Bhargava (2014), in their study set in India, found that if employees perceive they are getting support from the organization, they will feel that the organization has their concerns in mind. This diminishes potential doubts about employers’ intentions to comply with their obligations and is negatively related to psychological contract breach. Other organizational antecedents include workplace familism (Restubog & Bordia, 2006), frequency of change (Akhtar, Bal & Song, 2016), job characteristics (Birtch et al., 2016) and leader-member exchange (Chen & Wu, 2017). For instance, Chen and Wu (2017), examining psychological contracts among 226 frontline employees of 21 tourist hotels in Taiwan, found that high-quality leader-member exchange relationships predicted psychological contract breach, which resulted in lower turnover intentions.

The second category of antecedents focuses on the influence of individual factors, such as an individual’s experience, values, cognitive style, emotions and personality, on the susceptibility of that individual to experience psychological contract fulfilment, breach or violation. The research in this category has been sparse, and studies have mostly used individual antecedents such as personality traits (Raja et al., 2004, 2011; Shih & Chuang, 2013) and locus of control (King & Bu, 2005; Chao et al., 2011), i.e., mostly trait-related individual antecedents. For example, employing the big-five personality trait model, Raja et al. (2004), in an employee sample from Pakistan, reported a link between three personality
traits – extraversion, neuroticism and conscientiousness – and psychological contract breach. Shih and Chuang (2013), using the self-enhancement theory in the Taiwanese context, acknowledged the role of individual traits, self-esteem and equity sensitivity in psychological contract breach. They found that employees with high self-esteem, who see themselves as capable and efficacious, and with low equity sensitivity, thus emphasizing relational exchange, are less likely to perceive psychological contract breach.

4.3.2 Outcomes of the psychological contract

Regarding the consequences of psychological contracts, most research in Asia refers to the employer–employee relationship in terms of attitudinal and behavioral consequences, commenting less on its effect on organizational outcomes. Some examples of employee attitudes that have been examined are commitment (VanDyne & Ang, 1998; Raja et al., 2004; Birtch et al., 2016; Quratulain et al., 2018), job satisfaction (Raja et al., 2004; Hung & Wong, 2007; Arshad & Sparrow, 2010) and intentions to quit (Raja et al., 2004; Chi & Chen, 2007; Aldossari & Robertson, 2016; Chen & Wu, 2017; Quratulain et al., 2018). The behavioral outcomes that have been proposed and empirically tested are organizational citizenship behaviors (VanDyne & Ang, 1998; Hui et al., 2004; Restubog, Bordia & Tang, 2007; Chen, Tsui & Zhang, 2008; Chien & Lin, 2013) and work performance (Hung & Wong, 2007; Cheung, Wong & Huang, 2017; Perera et al., 2018). Prior research has shown that psychological contracts, when fulfilled, are linked positively with outcomes such as commitment, work performance and job satisfaction, and negatively with outcomes such as intentions to quit, because when employees perceive that the organization has fulfilled their expectations, they are more likely to reciprocate by responding favorably through their attitudes and behaviors. For instance, Chi and Chen (2007), studying employee-organization relationships between repatriates and their organizations in Taiwan, found that fulfilment of psychological contracts (as perceived by the repatriates) was negatively related to turnover
intent and positively related to organizational commitment. Biswas (2016), examining psychological contract theory in India, found that their violation had a significant negative relation with organizational citizenship behavior (OCB), as dissent arising from such violations led employees to withdraw their citizenship behaviors.

4.3.3 Mediators and moderators used

In the Asian context, psychological contract has been examined as a mediating mechanism between HRM and employee outcomes (e.g., Shih & Chuang, 2013; Birtch et al., 2016; Rai & Agarwal, 2018). For example, Uen et al. (2009), examining 146 knowledge workers and 28 managers in Taiwanese technology firms, produced one of the earliest studies on the use of the psychological contract to examine HRM systems and employee outcomes, such as in-role behavior and OCB. They demonstrated different outcomes between transactional and relational psychological contracts. While the relational psychological contract partially mediated the relation between commitment-based HR systems and in-role behaviors and OCBs, the transactional contract had little mediating effect. In another study, Lee et al. (2018), examining psychological contract theory among employees of IT companies in China, revealed that perceived fulfilment mediated the relationship between organizational culture and affective commitment. They also demonstrated that the overall organizational culture was affected by traditional Chinese values of family, hierarchy, collectivism and relationships.

The existing studies have also considered some scattered sets of potential mediators in the HRM–psychological contract–outcomes relationship. A study by Bashir and Nasir (2013) showed that a breach of the psychological contract in the Pakistani hospitality sector resulted in union commitment, mediated by organizational cynicism. Moreover, Agarwal and Bhargava (2014), studying managers in private organizations in India, proposed that trust mediates the link between psychological contract breach and work outcomes in India.
However, Gardner et al. (2015), in a Chinese sample, found that relationships between relational contract fulfilment and employee job satisfaction and performance were mediated by organization-based self-esteem.

Regarding moderators, some studies have used the psychological contract as a moderator. For example, examining the relationship between authentic leadership and organizational deviance among staff in public universities in Turkey, Erkutlu and Chafra (2013) revealed that psychological contract violation and trust moderated the relationship. Other studies have used a variety of moderators, for example, personality traits such as self-esteem, agreeableness and conscientiousness (Shih & Chuang, 2013), leader-member exchange (Restubog, Bordia, Tang & Krebs, 2010), job resources (Birtch et al., 2016) and workplace friendship (Rai & Agarwal, 2018). For example, Shih and Chuang (2013), in a study of 485 supervisor–subordinate dyads in Taiwan, noted that employees who demonstrated high levels of self-esteem engaged more in OCBs. Hence, they were less likely to experience psychological contract breach. The authors also noted that mediation was facilitated when agreeableness and conscientiousness were present – more so than when they were not. Further, Restubog et al. (2010) posited that leader-member exchange decreases the negative effects of psychological contract breach on employee performance. In contrast, Birtch et al. (2016), studying employees in Hong Kong, suggested that, when job resources such as support and job control are high, the effect of high job demands on psychological contract fulfilment is ameliorated. Finally, Rai and Agarwal (2018), studying psychological contract violation in the Indian context, demonstrated that damaging effects of workplace bullying – by management – are attenuated when strong workplace friendships are present.

4.4 Contextual factors in psychological contract research
Evidence in comparative HRM and psychological contract research suggests that HRM practices may vary across contexts and thus send different cues about the employee’s relationship with the organization. However, research examining contextual factors that influence psychological contract theory is scarce (Thomas et al., 2016, Sparrow, 2018). Context has been defined as viewpoints, situations or events that could potentially impact the meaning and relationships between various actors within organizations (Rousseau & Fried, 2001; Johns, 2006, Cooke, 2018). HRM and psychological contract researchers have proposed various macro- and microlevel contextual variables that impact the employee-employer relationship (Budhwar et al., 2016; Sparrow, 2018). In Asia, while little psychological contract research has considered contextual factors, most studies are acontextual (Thomas et al., 2016), a phenomenon that could be attributed to the dominance of HRM and OB research conducted in the West, which is mostly context-free (Bamberger, 2008; Al Ariss & Sidani, 2016).

We found that in Asia, 22 articles examine contextual factors affecting the psychological contract (see Table 3). Although small in number, their significance lies in their employment of context as crucial to understanding psychological contract theory. One of the key characteristics of context is the country in which the research is set. Our review reveals that 86 studies use data collected in a single country. Further, of these single-country studies, most were set in China (n = 23), Taiwan (n=15), and India (n = 15). Thus, most psychological contract research in Asia is still specific to a single country (see Table 4). A small number of studies are set in multiple cross-country contexts (n = 10), mostly conducted between Western and Eastern settings (n = 9), and only one study looks at within-Asian context. Some of the studies that have used cross-country samples have assumed that the psychological contract is generalizable and therefore context-free (Edwards, Rust, McKinley & Moon, 2003; Bordia et al., 2014; Mai et al., 2016). Other researchers have examined macro
and micro contextual factors, for example, the national culture (Lee, Veasna & Sukoco, 2014; Thomas et al., 2010, 2016), the nature of the content of the psychological contract theory (King & Bu, 2005) and organizational change (Wei et al., 2015). These factors are reviewed below.

**Insert Table 3 & 4 Here**

### 4.4.1 Macro level contextual factors impacting the psychological contract in Asia

Most research addressing macro contextual factors impacting psychological contracts in Asia has examined the impact of sociocultural values such as traditionality (Chen et al., 2008; Liu et al., 2012), collectivism (Bashir & Nasir, 2013; Thomas et al., 2016), power distance (Chao et al., 2011; Arain, Bukhari, Hameed, Lacaze & Bukhari, 2018) and cultural value orientation (Arshad, 2016). For example, Lee et al. (2014) examined cultural intelligence (CQ) and emotional intelligence (EQ) among 256 expatriates working in MNCs in China and Vietnam, and found that the relationship between EQ, CQ and cultural effectiveness was mediated by cultural adjustment. The moderating role of the psychological contract was found to partially supported. However, in this study cross-country analysis, context was largely not taken into account, and as such, they did not explain variations among expatriates working in these two countries.

In another cross-cultural study between Western and Eastern cultures, Thomas et al. (2010) studied the impact of national culture on psychological contracts in four countries: China, Canada, Norway and France. They found cultural differences among the employees’ perceptions of psychological contracts. For example, Chinese employees, from a vertical collectivist culture, perceived their contract as custodial, based on relational ties and unequal power symmetry between the employees and their organization. In France, a dominant vertical individual Western culture, employees perceived their psychological contract as mainly transactional and with unequal power symmetry. Canadian employees, coming from a
horizontal individualist culture, saw their psychological contract as instrumental, describing it as transactional and between parties of equal status. Finally, in Norway, a horizontal collectivist culture, employees perceived their psychological contract as relational and viewed themselves as having similar power to their managers.

Shih and Lin (2014) examined the impact of the Chinese sociocultural value, guanxi – informal relationships – on employee-employer relationships and OCBs among 485 supervisor–subordinate dyads. They found that guanxi impacts and explains subordinates’ psychological contract fulfilment more than the leader–member exchange developed in the Western context. This phenomenon is achieved by maintaining good friendships with subordinates while expecting them to engage in OCBs. There is an interesting parallel between the national cultural values observed in guanxi, prevalent in East Asian societies such as China, Taiwan, Vietnam and Korea, governed by Confucian values, and wasta, an Arabic way of life using connections, influence or favoritism to, for example, enhance career prospects. For example, Aldossari and Robertson (2016) examined the role of this Middle Eastern collectivist cultural factor on the perception of psychological contracts among expatriates returning to Saudi Arabia after working on international assignments. They found that wasta had significant importance, as the repatriates experienced hindered career development due to it, hence experiencing psychological contract breach once they returned to Saudi Arabia. These studies highlight the significance of contextual national cultural systems on personal connections and interactions beyond formal relations, and the role they play in employees’ perceptions of reciprocity and exchange relationships in organizations.

From a geographical viewpoint, economic demands have driven a substantial migration of rural workers from rural areas, seeking greater prosperity in urban economies, thus influencing the social schema of many Asian countries. This phenomenon is particularly perceptible in China, Pakistan, Vietnam and India, where the distances involved are often
sufficiently significant to deter frequent trips home to families, due to both the time required and the practicalities of such long-distance travel. In this context, Qin et al. (2014) examined the effect of geographic distance on turnover intentions using the psychological contract theoretical perspective. They found that workers may feel psychologically isolated, devoid of emotional support and intimacy, as they leave behind their family and friends, which might lead to emotional exhaustion and thus increased perceptions of psychological contract violation.

4.4.2 Micro factors impacting psychological contracts in Asia

To understand whether the psychological contract is context bound or context free, in Asia, mostly microlevel factors such as personality traits and corporate culture (Zheng et al., 2017), perceptions of employee–employer obligations (Westwood et al., 2001; Agarwal, 2015; Agarwal & Gupta, 2018) and employees’ reactions to downsizing (Arshad & Sparrow, 2010; Akhtar et al., 2016) have been examined. However, most microlevel psychological contract research lacks contextual underpinning, as it applies generic psychological contract constructs to various geographical samples.

One of the microlevel factors examined in the studies in Asia is the intraorganizational employee-employer relationship, which could be linked to the content of the psychological contract theory that is governed by the perceptions of employee and employer obligations and expectations. While the majority of research has examined these perceptions using scales developed in the Western context, a few studies argue that the content of the psychological contract could differ across countries. For example, King and Bu (2005), examining employee obligations among US and Chinese employees, found that American employees were more driven by career advancement and target achievement, while the Chinese directed their efforts towards receiving project achievement bonuses. Relatedly, Si, Wei and Li (2008) argued that in the Chinese mixed economy, which is steered by both
market and state, the psychological contract comprises three dimensions: transactional, relational and managerial. These features are unlike the traditional view of most research, of the psychological contract as two-dimensional consisting only of the transactional and relational elements. They found that Chinese managers treated the managerial and transactional aspects of the contract as more important than the relational aspect, which meant that the violation of these two aspects led to negative work behaviors. In the Indian context, Agarwal and Gupta (2018), based on their qualitative study, reported that most employee expectations were similar to those identified in other contexts, including aspects such as training, rewards and working conditions. However, two employee expectations, employer brand and ethical work culture, emerged as unique to the Indian sociocultural context. The authors suggested that this could be a result of family pressure playing an important role and driving employees towards organizations with a strong brand image.

Another microlevel factor in Asia is employees’ reactions towards major organizational changes, such as downsizing, restructuring or layoffs. In Malaysia, Arshad and Sparrow (2010) examined employee reactions to organizational downsizing through the lens of the psychological contract, arguing that survivors expected fair and just treatment from the organization, and when these expectations were violated, they demonstrated negative attitudes and behaviors, such as poor commitment, reduced organizational citizenship behaviors, and greater turnover intentions. While they focused on examining organizational downsizing at a microlevel in the Malaysian context, the results appeared to be generalizable to other settings, not warranting any explanations owing to cultural differences. In a cross-country context, Wei et al. (2015) used a research sample from both Western and Asian countries: Lebanon, China, Germany, Korea, Malaysia and the US. They used manipulation scenarios to examine the impact of organizational changes, such as a reduction in labor costs, on psychological contract breach and employee commitment. They found that the
organizational decision to reduce labor costs resulted in a breach of the psychological contract and a decline in commitment and that the strength of these relationships was contingent on gender and the level of control employees had over the decision. The authors did not find significant differences in breach and commitment based on nationality, and thus did not employ nationality as a control variable.

However, in a study conducted by Akhtar et al. (2016) in Pakistani service-sector organizations, the results revealed that when organizations underwent changes frequently, it had a negative impact on psychological contract fulfilment, associated with higher levels of exit, voice and neglect behaviors, and a decrease in employee loyalty. The results also showed that the negative relationship was stronger when past changes had been dealt with successfully. They suggested further investigation of context was needed to fully explain the results. Given that the organizations in the research sample were implementing substantial organizational changes frequently, they were managing multiple changes at the same time. This raised concerns among the Pakistani employees, as the organizations that had successfully implemented changes in the past were more likely to respond immediately to the global financial crisis, even at the cost of layoffs. This could have led the employees to harbor distrust and anxiety, and thus form negative perceptions about their psychological contract with the organization.

Another microlevel factor that could impact the psychological contract is the work status of the employee, such as whether he or she is full or part time. However, the majority of the studies reviewed (n= 60) did not report work status. Of the studies that used this categorization, most used full-time employees as their research sample (n=28), with only 8 studies using both full-time and part-time workers. In one of the latter studies exploring psychological contracts among contingent workers in Singapore, Van Dyne and Ang (1998) argued that contingent employees showed lower levels of OCB and a lower sense of
obligation and commitment towards the organization, resulting in a transactional psychological contract. However, this could be affected by the personnel available and job ratios, since if work is in short supply, the employee is more likely to seek a transactional contract.

Considering that organizations in the public, private and nonprofit sectors can operate in different settings, the sector is a microlevel factor that could have an impact on the employee–employer relationship (Conway et al., 2014). We categorized sector-based studies into two main domains; public/private, manufacturing/service/third sector. Most studies were carried out in both the public and private sectors (n=15), with 15 conducted in the private sector followed by 13 studies in the public sector. Only one study employed a research sample from a nonprofit organization (Arain et al., 2018). However, the majority of papers failed to mention the sector (n=52). Most research has been carried out in both the service and manufacturing sectors (n=37) or in the service sector (n=30). Only 12 studies have been conducted in the manufacturing sector alone. Again, many studies did not mention the specific subsector from which the data had been collected.

4.5 Methodology used

This section synthesizes the findings related to methodology in terms of research approach, data type, data collection methods and samples used. The review of psychological contract studies in the Asia reveals that studies predominantly employ a quantitative methodology (n=84), while only eight studies adopt a qualitative methodology. Additionally, very few studies employ a mixed methodology (n=4).

Furthermore, the majority of the studies employ cross-sectional designs (n=85). However, exceptions included longitudinal studies (n=11) such as Restubog, Hornsey, Bordia and Esposo (2008), Gardner et al. (2015), Arshad (2016) and Kim and Moon (2019). It has also been observed that the majority of research (n=62) has employed self-report measures as
the principal data collection gambit. Regarding data collection methods, various tools have been employed, such as interviews, surveys and company data. As most studies have adopted a quantitative methodology, they have used survey to gather data.

5. Gaps and future research directions

5.1 Theoretical perspectives

The first gap pertains to the domination of psychological contract research in Asia utilizing the SET and the equity theory (please see Table 5). We argue that other theoretical perspectives, such as social information processing, activation, job demands-resources (JD-R), conservation of resources, organizational justice and signaling, are crucial for the differing viewpoints they demonstrate. However, these theories have been used in a piecemeal fashion, with each having only been adopted by one or two studies. Future research should draw attention to these complementary theories that underpin how employees respond to the psychological contract.

**Insert Table 5 Here**

For instance, social information processing theory proposes that social contexts, such as interpersonal relationships, ways of communication and societal values, impact individual attitudes and behaviors (Salancik & Pfeffer, 1978). Kuo et al. (2015) employed social information processing theory to examine psychological contract violation in the Taiwanese context. They found that job-related gossip predicted cynicism among employees and mediated the link between cynicism and psychological contract violation. We contend that using this theory could help future researchers to understand the effect of social contexts in
Asia on how employees interpret information, influencing the psychological contract, which could subsequently predict employee attitudes and behaviors.

Another underemployed theory used to understand the link between job characteristics, psychological contracts and outcomes is JD-R theory, which proposes that if an employee meets the job demands but receives no additional incentives in return, this will be interpreted by the employee as an unfair or biased exchange relationship, negatively affecting their attitudes and behavior (Karasek, 1979). For instance, Birtch et al. (2016), in their study involving healthcare professionals from Hong Kong, found that, when the employees received a higher level of job resources such as job control and support, the negative effects of high job demands on psychological contract fulfilment were attenuated. It is important to underline the relevance of JD-R in Asia, coupled with societal values and their impact on work engagement, psychological contract and related job outcomes.

Activation theory (Scott, 1966; Gardner, 1986) could also lend itself to the examination of links between emotions, psychological contracts and employee outcomes in Asia. It posits that individuals’ reactions are more likely to be triggered by emotional stimuli than a careful, rational evaluation of the situation. Given the importance of emotions in Chinese culture, Peng et al. (2016b) employed activation theory to explore the responses of Chinese employees when confronted with psychological contract violation. They found that changes in employee voice and loyalty bore a nonlinear relationship with the perceived psychological contract violation. Future research, instead of relying on a Western viewpoint in studying emotions and psychological contract theory, could explore these relationships from a collectivist perspective in which harmony may be sought above fiscal reward.

Furthermore, psychological contract studies in Asia have typically drawn on a single theory to explain employee-employer relationships. Future research would benefit from a broader, multi-theoretical perspective. This would help clarify the conditions under which
certain aspects of HRM are more successful in explaining psychological contracts and employee outcomes in Asia. Scholars could also extend existing theories to explain the dynamic employee–employer relationships within Asia, as well as to help identify some of the unstated assumptions upon which the existing theories, mostly developed in the Western context, are based.

5.2 Psychological contract research themes

While interest in psychological contract breach in Asia continues unabated, interest in violations remains undeveloped, yet they can generate more intense responses than inequity and failure to meet expectations. When employees feel violated, emotions such as anger or displeasure may persist longer than expected, changing the way they perceive their relationship with the organization (Coyle-Shapiro et al., 2019). In contrast, researchers also argue that employees in some Asian countries tend to overlook the feelings of violation to keep their social relationships intact. For instance, Rai and Agarwal (2018) found that psychological contract violation mediates the workplace bullying-silence relationship, as employees often use passive coping strategies such as silence in response to bullying.

A further limitation that appears in studies examining psychological contracts in Asia is that the majority of studies have examined relational and transactional aspects, substantially ignoring transitional and balanced forms. A balanced contract can be perceived as ongoing with clear target–reward objectives, contrasting with the implied nature of transient, transitional contracts, where commitments between the parties are uncertain, eroded or, at worst, nonexistent. Future research could study the balanced and transitional psychological contract. For instance, studying relational and balanced psychological contracts, Chien and Lin (2013), in a multilevel employee–supervisor study in Taiwan, found that HR configurations strengthen employee OCBs and subsequently their relational and balanced psychological contract.
5.3 Variables used in psychological contract research

To address the third gap and provide future research directions, we focus on the antecedents, outcomes and moderators/mediators of psychological contracts in Asia. While individual antecedents are important to understanding employee–employer relationships, research in Asia is scarce, predominantly examining personality-trait-like factors. Future research could examine the influence of individual factors, such as ethnicity, work experience and gender, on psychological contracts. For instance, even though gender could have an impact on perceptions, expectations and relationships, in most studies in Asia, the effect of gender on breach is mostly controlled for (e.g., Agarwal & Bhargava, 2014; Birtch et al., 2016). An exception is observed in the study by Wei et al. (2015), who found that the threat of being laid off through downsizing affects female employees more when the breach appears to come from nearly adjacent management than from higher ranking personnel, and the opposite is true for males. Therefore, it is important to understand the impact of gender on the psychological contract, and future research could examine it as an antecedent/ moderator of contract fulfilment/ breach/ violation. Additionally, future research in Asia could examine whether females, in comparison to males, are more likely to form relational psychological contracts and less likely to form transactional psychological contracts.

It is further argued that the dynamic nature of a psychological contract (Alcover et al., 2017) lends itself to a process of social exchange that goes beyond the dyadic employee-employer relationship. Societal influences such as family, education and environment could shape individual perceptions of exchange expectations and obligations (Hui et al., 2004). Extant research examining the sociocultural influence is scarce. Agarwal and Gupta (2018) only tangentially mention the importance of sociocultural factors such as familial expectations on the psychological contract in India; however, employees in India are increasingly seeking companies that offer work–life balance (Budhwar et al., 2016).
Similarly, in Confucian societies such as China, Korea and Vietnam, the individual is recognized foremost as a member of a family and only second, as an individual (Truong & Quang, 2007). Hence, economic gain is sought for the family rather than the individual. However, to our knowledge, there is no research examining the impact of family on psychological contract theory in Asia. Therefore, it would be beneficial for future research to develop a comprehensive understanding of the role of family values and expectations in psychological contract theory in Asia.

Further, in most Asian cultures, religion plays a significant role in the daily interactions between employees and organizations (Brewster, Mayrhofer & Cooke, 2015; Dheer et al., 2015). Despite this influence, to our knowledge, no research appears to have examined the impact of religion on psychological contract theory (Lynn, Naughton & VanderVeen, 2011; Abu Bakar et al., 2018). From the perspective of the content of psychological contract, it is argued that the long-term relational elements of psychological contracts, such as reliability, loyalty and trustworthiness, reflect the values of most major religions, and as a result, they can be evoked as a means of guiding behavior. For example, the Buddhist values of acceptance, integrity, altruism and honesty, followed by employees in Sri Lankan organizations, result in fewer workplace disputes (Cooke, 2018). Further, the fulfilment of promises has particular significance for Hindus, Christians, Buddhists and Muslims, for whom honesty and sincerity form part of their religious beliefs (Budhwar et al., 2016; Cooke, 2018). It could also be argued that breaking a promise may be seen as a breach of psychological contract (Abu Bakar et al., 2018). This significance of the role played by religion in organizations in the Asian context points to an important future research direction, involving unpacking and understanding religion’s impact on the evaluation and content of psychological contract theory. Therefore, a thorough understanding of sociocultural factors,
including how they affect employee-employer relationships, is essential for conducting research that is theoretically grounded.

Another key limitation of psychological contract research in Asia is that most studies focus on employee outcomes, which are mostly directed towards the organization. However, there is a lack of psychological contract studies treating organizational and financial outcomes as the ultimate dependent variable (Boselie, Dietz & Boon, 2005; Paauwe, 2009; Katou & Budhwar, 2012). For instance, Katou and Budhwar (2012) found that the fulfilment of employers’ promises and HRM practices influenced employees’ attitudes, which in turn influenced the fulfilment of the latter’s promises and the organization’s performance. They operationalized organizational performance as effectiveness, efficiency, development, innovation and quality. Future research could examine the role of the psychological contract theory as a bridge between proximal HRM outcomes (e.g., employee commitment, satisfaction and trust) and distal organizational and financial outcomes (e.g., productivity, sales and efficiency).

Furthermore, more studies could examine outcomes that impact not just the organization but also external parties such as customers or public service users. For instance, Bordia et al. (2010) conducted a study in the hotel industry in the Philippines and found that psychological contract breach is negatively associated with citizenship behaviors and customer satisfaction. In a study by Conway et al. (2014), in the context of the UK public sector, it was proposed that the effects of psychological contract breach varied depending on whether they affected the organization, public service users or coworkers. They further posited that organizational changes predicted breaches of psychological contracts, resulting in lower motivation to engage with the organization. However, no effect was found in terms of the provision of support to public service users or coworkers.

5.4 Contextual factors in psychological contract research
The review of psychological contract studies in Asia revealed that most studies have been set in one country, mostly China, Taiwan or India, making them prone to single-country bias, resulting in issues pertaining to generalizability and the applicability of the findings across cultures. This concern is in line with the current psychological contract literature, which argues that most studies are still country-specific and that there is a need to broaden the research scope (Thomas et al., 2010, 2016; Kuo et al., 2015). Therefore, future research could be based in countries such as Thailand, Bangladesh, Sri Lanka, Jordan, Kuwait, Qatar or Iran, in which contexts we were unable to find any research articles on psychological contract theory.

Recently, interest has emerged regarding how psychological contract theory can help us understand the differences in employer–employee relationships across cultures (e.g., Wei et al., 2015; Thomas et al., 2016). However, our review found only 10 studies with a cross-cultural setting and only one study set specifically within an Asian cross-cultural context (Lee et al., 2014). Researchers acknowledge that national culture, values, attitudes, religion and social relationships provide a background for the interpretation of psychological contracts, which influences perceptions of violation and breach (Thomas et al., 2003). Further, Asia is characterized by high heterogeneity, that is, various degrees of institutional development and different cultures across countries in the region (Sharma & Chua, 2013). Therefore, future cross-cultural studies could compare data from multiple countries and identify commonalities and differences pertaining to national cultures, values, attitudes and beliefs regarding employee-employer relationships. In this context, regarding macro and micro contextual factors, the next section further examines the institutional and cultural differences, in the Asian context, that impact the perception and interpretation of signals from the organization with regard to psychological contracts.
Regarding sector, in some Asian countries (e.g., China and India), state-owned public-sector organizations are among the largest employers in the country and it is argued that the nature of the public sector is contextually different from that of private-sector organizations (Conway et al., 2014). Furthermore, Asian public-sector organizations are highly bureaucratic, and management functions and decision making are influenced by many interested parties, such as local pressure groups, the government, trade unions and other employee groups (Pereira & Fontinha, 2016). This makes the public sector much more complex than the private sector. However, research in the public sector in the Asian context is scarce. Future studies could explore group dynamics in public-sector organizations, as well as how they interact with psychological contracts, to explain employees’ perceptions of HRM practices.

Moreover, in many Asian countries, the business environment is transitioning, heralded by private organizations that, although remaining affected by traditional rules, are adopting Western HRM practices (Wang, Zhu, Mayson & Chen, 2017). The state-owned welfare system is diminishing, replacing the once harmonious employer–employee relationship, and workers’ demands are becoming stronger as the gulf between management and labor widens. This phenomenon suggests that public-sector employees may experience high levels of psychological contract breach within their employee–employer relationships. Future research could examine the factors leading to psychological contract fulfilment/breach/violation in public-sector organizations in the Asian context.

Additionally, the temporal nature of contingent work, which includes various types of fixed-term and flexible part-time employment contracts, also influences the manifestation of psychological contracts between employees and employers (O’Leary-Kelly, Henderson, Anand & Ashforth, 2014; Chambel, Castanheira & Sobral, 2016). According to an International Labour Organization (ILO) report, approximately one-quarter of waged
employees in Indonesia, Pakistan, Sri Lanka and Vietnam are employed casually, and contingent employment may lack formal regulations and job security (ILO, 2017). In addition, these short-term contracts lack the detailed promises given in the case of full-time employment (Conway & Briner, 2002; Guest, Oakley, Clinton & Budjanovcanin, 2006; Callea, Urbini, Ingusci & Chirumbolo, 2016). However, research pertaining to psychological contract theory and work status in the Asian context is scarce. Therefore, we suggest that future research, via the lens of the psychological contract theory, should examine the dynamics of employee contracts and their impacts on employee attitudes and behaviors.

5.5 Methodology used

A range of methodological issues are present in psychological contract studies in Asia, which will need to be addressed in future research. These issues are similar to the concerns that have been raised in overall psychological contract literature. One obvious finding is the dominance of quantitative approaches, as most studies in Asia have used a questionnaire design as opposed to qualitative or mixed methods, limiting a nuanced understanding of this dynamic concept (Agarwal & Bhargava, 2018). Furthermore, to ensure that the data provide an accurate picture of the situation, we would suggest that a qualitative approach would provide a holistic view of the social exchange relationships between employees and their organizations (Low, Bordia & Bordia, 2016; Abu Bakar et al., 2018). For example, the nature of employees’ perceptions and reactions to psychological contract fulfilment could be examined through a qualitative case study approach. Additionally, studies could explore sense making in the event of fulfilment, breach or violation, across various organizational contexts.

Second, most studies employ a cross-sectional design to investigate the HRM-psychological contract-outcome relationship, which prevents the examination of causal relationships between variables. It is proposed that future researchers employ longitudinal and
experimental studies to determine causation. Additionally, in the case of most of extant studies, data were collected through self-reports, mostly from one type of source, resulting in a flawed picture owing to same-source bias. Common method variance seems to be a common issue for previous studies because of the use of a single source of data (Podsakoff et al., 2012). A few studies, namely, Chen et al. (2008), Restubog et al. (2010) and Gardner et al. (2015), included supervisor–employee dyads to obtain performance measures from supervisors. For instance, Gardner et al. (2015) collected data from 462 subordinate–supervisor dyads, asking the supervisor to rate the job performance of the subordinates. Studying employee–coworker–supervisor triads in the Philippines, Lu et al. (2016) found a positive relationship between service-related behavior and relational psychological contracts, but a negative association between service-oriented behaviors and transactional psychological contracts. Future research, to reduce common method bias, could employ triangulation techniques and collect data from various sources, such as customers, coworkers, employees and managers at different levels.

6. Theoretical contributions

This study presents a comprehensive analysis of research pertaining to psychological contract theory in Asia. In doing so, this paper draws four significant theoretical implications. First, this review provides insights into the trends in psychological contract theory in Asia over the past two decades by analyzing the extant literature through features such as contextual factors, the countries in which studies are set and research methodologies. Building on the existing knowledge, this systematic review of the literature provides several future research arenas, paving the way for contextually embedded Asia-driven research pertaining to psychological contract theory.

Second, given that context is an important factor impacting employment relationships, its role is under-researched within the field of HRM and employment relationships. However, only a few papers explicitly address the effect of contextual factors. Our systematic review
identifies several contextual factors that pertain to psychological contract research in Asia. In this endeavor, we highlight the effect of macro-economic, national culture and labor markets- and, micro- individual, work status, and organizational- context-specific factors on psychological contracts, as drawn from this review.

Third, we examine the themes pertaining to psychological contract theory, comprising evaluation- fulfilment, breach and violation—, and content- transactional and relational-, and examine these themes in Asia. We discuss the gaps pertaining to the themes and propose future research directions to further develop the theory. Finally, we use the gaps identified within this review as a framework to organize future research questions on employment relationships and psychological contract theory in Asia. Thus, we provide practical research plans that offer directions for empirical research in this area.

7. Managerial implications

This paper offers several recommendations for HRM managers in organizations operating in Asia. Managers need to understand the sociocultural, and institutional factors as embedded in the various Asian countries, which impact psychological contracts between employees and organizations. For example, in rapidly growing Asian economies such as China and India, increased globalization, urban migration and contractual changes have resulted in diverse functions within organizations (Budhwar et al., 2016; Cooke & Kim, 2017). Therefore, managers need to adapt their approach and policies based on the changing organizational environments. From a sociocultural perspective, the religious and cultural ethos may vary among Asian countries, and consequently, the structure and nature of the psychological contract will not have a single standard manifestation but must be malleable to accommodate the multiple and varied expectations of the country in question (Thomas et al., 2016; Abu Bakar et al., 2018).
Furthermore, it is important to understand that in most Asian societies, which are predominantly collectivist, the psychological contract is most likely to have a relational character (Cooke, 2018). For example, family ties and informal relationships are an integral part of a society. Therefore, managers could socialize with their team members outside of work on occasions such as family days. This would be applicable because, in some Asian cultures such as Malaysia and India, colleagues and line managers are often seen as part of the extended family, and employees may turn to them for assistance with family matters (Agarwala et al., 2014; Budhwar et al., 2016; Cooke, 2018). In addition, social events could be organized, particularly, around religious occasions, which could allow managers to meet employees in a nonwork context, which could help reduce barriers between them (Agarwala, Arizkuren-Eleta, Del Castillo, Muñiz-Ferrer & Gartzia, 2014). In this regard, long-termism is likely to encourage cooperation, which could help nurture mutual understanding and moderate how the employee behaves in the workplace (Arshad, 2016). Therefore, creating an organizational climate that is friendlier, more intimate and more personal will strengthen the relational psychological contract between employees and their organization in such societies.

Moreover, contextual factors such as cultural value orientation play an important role in how employees view work, their attitudes and their behaviors in the workplace, as well as their responses to a changing employment relationship. For example, team-based leadership, linked to collectivist values is preferred in many Asian cultures (Gelfand et al., 2004). Managers, therefore, could focus on team building and team-focused policies, paving the way for psychological contract fulfilment and employee loyalty. Hence, understanding the ways in which culture can facilitate employee attitudes and behaviors related to their workplace and their reactions to the psychological contract could help employers address perceived anomalies in training, performance and the employment relationship, as perceived by the employees (Thomas et al., 2016).
8. Conclusion and recommendations

Considering both the developments in the Asian context and the disproportionate dominance of Western-based research, future studies need to encourage the Asian voice, in all its multicultural variety, to be heard and acknowledged in HRM research in general, and in psychological contract research in particular. This will inevitably require researchers to conduct studies in the field to understand what the different dilemmas might be and how they are being handled. This phenomenon contradicts the one-size-fits-all attitude and that the Western model is universally applicable, and it could lead to new understandings and solutions rather than the pursuit of the familiar path of extending existing theory to accommodate new data (Cooke, 2018).

To summarize, the recent growth of Asian economies, their vital contribution to the global economy and the concomitant increase in their global importance have drawn the attention of researchers in several domains. Of significance here are the differing employee–employer relationships that exist in Asia, which will influence HRM practice in managing employee expectations, enabling employees to understand what is expected by the organization and what may be expected in return (Rousseau & Schalk, 2000; Raja et al., 2004; Bordia et al., 2017; Perera et al., 2018). It is hoped that, by extending this systematic literature review of psychological contract theory into Asia, a better understanding of organizational dynamics might be achieved.
References


