

The Role of the Labor Contract in the Psychological Contract Dynamics: Evidence from Chinese Migrant Workers in the Construction Industry

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Abstract: In this paper, we examine how migrants' perceptions of psychological contract fulfillment affect their job performance. In addition, we also examine the mediating role of job involvement and moderating role of labor contract. Data were obtained from 305 employees from 14 construction companies in South China. Results reveal that: a) the psychological contract fulfillment is positively related with job involvement; b) job involvement fully mediates the psychological contract fulfillment – job performance relationship; and c) labor contract moderates the relationship between psychological contract fulfillment and job involvement. Implications of the findings are discussed.

Keywords: Psychological Contract, Labor Contract, Job Involvement, Job Performance, Migrant Worker

Introduction

Well-developed employment relations should be clearly defined in psychological, economic and legal dimensions (Marsden, 2004). Since China's new Labor Contract Law issued in 2008 in China, in the view of regulation on the employer-employee relationship, a signed formal contract should be a common practice, as Cooney, et al. (2007) saying that "it is the most significant reform to the law of employment relations in more than a decade". However, for migrant workers in China, the rate of signed formal labor contract was only 42.8 percent in 2009, and non-signed rate in the construction industry was as high as 74 percent (Data Source: Survey on migrant workers 2009, 2010: 1). Migrant workers are very important work force in transition economy development, concentrated in labor intensive sectors, with the substantial movement of labor from rural primary industry to secondary and tertiary industries in China (Xie, 2005: 2). In 2009, there were about 229.8 million migrant workers who worked in urban (Data Source: Survey on migrant workers 2009, 2010: 1). The key character on migrant workers is that their "mobility" which means they have no citizenship identification of urban because of China household registration (*hukou*) system, described as "maintaining political control over society (Knight & Song, 2003)". In terms of mobility, they are encouraged to be employed in urban when economy booming, then they are forced to go back rural home when they have no jobs in urban because of no unemployment insurance. For example in 2008 when world financial crisis happened, the global market changes impact on SMEs decreasing export orders, and 20 million migrant workers return back to rural home because of being dismissed by firms (Data source: National Statistical Bureau, 2010).

Thus, when they work sometimes in urban, not only employers but also migrant workers themselves are not very willing to sign employment contracts due to short term work duration in a firm. According to Labor Contract Law, whenever labor contract signed, both employers and employees should pay for social insurance. However, institutional constraints make migrant workers different from urban workers in social welfare (Leng and Xin, 2010: 41),

such as there are two insurance systems which called urban insurance and rural insurance in China, if migrant workers bought urban insurance in cities, they could not enjoy pension when they were back to rural home after retired, just being return the insurance they buying. These systems push them buy social insurance in rural home instead of in urban. Therefore, the existence of a pension in the labor contract may not play either an important role or no role at all in the worker-firm relationship.

In this case, we argue that psychological contract is becoming significant in the study of employment relations of the migrant workers. Migrant workers and employers have turned to the psychological contract to fill the loopholes caused by the missing labor contract so as to reduce employment insecurity on both sides (Shore, 1998). Thus, research on the employment relations governing employers and migrant workers is warranted. So far, the research on psychological contract focus on its theoretical foundation, definition, measures, antecedents and outcomes (such as (Bordia, Restubog & Tang, 2008; Chen, Tsui & Zhong, 2007; Cullinane & Dundon, 2006; Restubog, Hornsey, Bordia, & Esposito, 2008; Zagenczyk, Gibney, Kiewitz, & Restubog, 2009), or samples covered lawyers (Spindler, 2006) and MBA students (Robinson, et al., 2000). There is little research in China, especially no research on 229.8 million migrant workers with mobile character. In order to achieve optimal explanatory power, we need more systematic contextualizing of organizational research (Hackman, 2003), and Rousseau (2009) explains the term “context” has a Latin root meaning to knit together or to make a connection. We argue it is of great importance and good chance to study the interaction between psychological contract and labor contract dynamically and how it affects employees’ work attitude, behavior and job performance at this stage of economic transition in China, which will enrich the research on psychological contract.

Theory and Hypotheses Development

Contracts are promise (Fried, 1981), and contracts are a mainstay in employment relations, establishing inducements and contributions basic to membership in an organization (Barnard, 1968), which include implied contract and legal labor contract (Rousseau, 1989; Weakliem, 1989). Although, labor contracts can provide a safeguard for harmonious employment relations, it cannot adequately ensure whether employees can make more active efforts to improve organizational performance and behave in a way more conducive to the development of organizational performance. Psychological contract, defined as an unwritten, implicit contract or mutual expectation between employees and employers, is a mutual belief regarding the terms and conditions of the exchange relationship (Rousseau, 1989). It is based on commitment and trust. Considerable research revealed that perceptions of psychological contract breach was negatively related to job performance, organizational citizenship behavior, organization commitment (Turnley, et al., 2000; Sheng, et al., 2007) and workplace attitudes such job satisfaction and organizational loyalty (Lester, et al., 2002; Turnley, et al., 1999). Similarly, psychological contract breach was found to be positively associated with workplace deviance, turnover intentions and psychological withdrawal behaviors (Bordia, Restubog, & Tang, 2008; Lo, et al., 2003).

Given the psychological contract between employers and employees is effectively implemented (effective implementation of mutual commitments), psychological contract will have a stronger security function in the employment relationship, leading to strong ties of trust between the two parties. Therefore, it is more practically significant to study the positive attitudes and behavior associated with psychological contract fulfillment from the positive

aspects of psychological contract. That is, both formal labor contract and informal psychological contract have an important role in employment relations building and organizational behavior research.

However, from existing literature, we find that researchers conduct their research on labor contract and psychological contract independent from each other. Apart from the study done Wei et al. (2009) and Chen (2005), who discussed from theoretical point of view the possibility and necessity of the integration of labor contract and psychological contract to regulate employment relations and improve human resource management, few studies have systematically integrated the interaction of labor contract and psychological contract on employee attitudes and behavior.

Psychological contract fulfillment and job involvement

Psychological contract breach which refers to employees' subjective perception or cognitive evaluation on employers' fulfill into full promised obligations or commitments (Turnley, et al., 1999; Morrison, et al., 1997). Psychological contract fulfillment, as psychological contract breach, goes beyond its literal meaning. Whether the fulfillment of psychological contract is regarded as a hygienic factor or motivating factor is a precondition for employees to build up trust in their employers. With informal arrangements becoming far more significant in the workplace, the 'traditional' employment relations literature is argued to be out of touch with the changing context of the world of work (Cullinane et al., 2006). In this circumstance, the sense of trust of staff in their employers is greatly influenced by their past work experience (Dasgupta, 1988). The psychological contract breach staff suffered in the past work experience, whether it is a result of unfair treatment by the employer or self sacrifice of employees, will increase their sense of distrust and vigilance on current employers. Higher vigilance of employees will further affect employees' perception of psychological contract fulfillment (Robinson, et al., 2000). For example, in a of 147 employees who just completed their MBA degrees showed that employees' perception of psychological contract breach in the past work experience had significant positive effect on their perception of psychological contract breach (Robinson, et al., 2000).

As stated above, migrant workers are treated as informal labor force with highly "mobility" character. In April of 2004, a national survey on migrant workers was conducted by a research group in China National State. The survey results show that only 12.5 percent migrant workers signed labor contracts with firms. Even these 12.5 percent workers didn't get enough protection from labor contract, most suffered low pay, unequal treatment, delay payment, and without compensation when dismissed. For those (87.5 percent) not protected by labor contract who worked in private firms, it was common that they were often suffered delayed pay as well as deducted pay, and many employers only gave local minimum wage to these migrant workers (Data source: Survey on Chinese Migrant Workers, 2006: 182). It is because of migrant workers encounter a wide range of problems arising from contract signing or non-signing before, migrant workers are more likely to have a stronger dependence on whether their psychological contract being fulfilled by their employers when they look for jobs and then establishing employment relationship with employers (Liu, 2007). That is to say, the history of psychological contract breach reported by medium and communication among home-fellows affects the migrant workers' decision on whether or not staying to work when they judge towards the psychological contract fulfillment of the current employers. More than that, the most important objective to work in urban for migrant workers is to earn money, poverty in rural area formed by long term dual economic system in China pushing them left home (Xie, 2005: 27). In the employment relationship between employers and migrant

workers, workers are more likely to view the contract as “transactional” rather than “relational”, focusing on pay level and welfare. So in this study, we will focus on the transactional dimension of psychological contract.

Whenever migrant workers do their best to find jobs in urban through different social networks like relatives, friends, and home town fellows, they value the job highly, even the jobs are dirty, difficult, and dangerous which urban workers reluctant to do (Xie, 2005: 5). We argue them involve their jobs to meet their needs. Dubin (1956) defined job involvement as the degree which the total job situation is a "central life interest," i.e., the degree which it is perceived to be a major source for the satisfaction of import needs. Following Kanungo's "motivation model" (1982) and "social exchange theory," individual behavior and attitudes inside and outside work significantly affect individual's needs, the socialization process in the past (historical reasons) and the current environment to meet the needs (existing reasons) will determine the significance of individual's needs. Brown & Leigh (1996) ever noticed that perceived psychological climate was related to job involvement. Therefore, the individual's recognition of work depends on two conditions: past socialization processes and the environment to meet the individual's needs. When a psychological contract is fulfilled, both employees and employers have fulfilled their obligations. The psychological needs and expectations of the workers are met, which in turn boost their sense of identity towards the job and increase their job involvement. In contrast, when the psychological contract has not been fulfilled, the workers' personal needs and expectations are not adequately met, resulting to work alienation and thereby reducing their job involvement. Therefore, we propose the first hypothesis:

H1: Employees' belief on employers' psychological contract fulfillment will be positively related with their job involvement.

Psychological contract-job involvement - employee job performance relationship

In terms of research on job involvement, two aspects are highlighted. One is related to its definition and measures (Kanungo, 1982; Lodahl & Kejnar, 1965; Ramsey, Lassk & Marshall, 1995; Saal, 1978; Saleh & Hosek, 1976). For example, Kanungo (1982) clarified the difference between job involvement and work involvement, referring to job involvement as a belief in which individuals psychologically identify with their work, then developed 3 new measures for both job and work involvement. The other aspect is the relationship between job involvement and organizational variables (Blau & Boal, 1987; Diefendorff, Brown, Kamin, & Lord, 2002; Huselid & Day, 1991; Kanungo, 1982; Keller, 1997; Lodahl et al., 1965; Rabinowitz & Hall, 1977). It is very interesting that Brown (1996) concluded that job involvement was unrelated to job performance using meta-analysis, which might question the notion that greater employee involvement leads to improved organizational functioning (Pfeffer, 1994). Then Diefendorff et al. (2002) stated that their study proved job involvement is a significant predictor of supervisor ratings of in-role performance, and argued two factors including measures and definition led to the non-significant findings by Brown (1996). So far, there are not consistency conclusion whether job involvement is positive related to job performance.

On migrant workers in China, their jobs are easily observed because they work in labor intensive sectors. That means their pay is decided by their work outcomes such as piece work system which is proved in China (Data source: Survey on Migrant Workers 2009, 2010: 203). The logic is that if the workers work harder, their in-role performance is higher, and their payment is also higher which satisfying their demands. Thus, we could argue that when

migrant workers perceive job performance could meet their demands which could achieve by themselves, they will involve into their job and behavior more actively. The second hypothesis is proposed as:

H2: Employees' job involvement will be positively associated with their performance.

Since job involvement is so important which attracts many scholars paying attention to it, the question is that whether it is a mediator or moderator. Research results by Brown et al. (1996) show that perception on involving psychological climate is related to job involvement, which in turn related to efforts and also related to work performance. However, Brown & Leigh (1996) didn't prove the moderation of job involvement even they hypothesized, then they proved effort variable as mediation. Huselid et al. (1991) and Keller (1997) also finds that no moderating effect for an interaction term of job involvement and organizational commitment on the performance measures and turnover. But unlike their research, Blau et al. (1987) identify the moderation effect of job involvement. They describe "how job involvement and organizational commitment can enhance our understanding of task-related effort as well as withdrawal behaviors". And IgbariaParasuraman & Badawy (1994) further proves that job involvement serves as a complex moderator role in the pattern of relationships of work experiences, and of job characteristics with career expectations and career outcomes. These research shows that moderation effect of job involvement is uncertainty and no research on its mediation effect. We argue work effort is very closed to job involvement, and job involvement will enhance the relationship between perception of psychological contract fulfillment and job performance. Based on hypothesis 1 and hypothesis 2, we propose the third hypothesis that:

H3: Employees' job involvement will fully mediate the relationship between psychological contract fulfillment and job performance.

Labor contract as a moderator on relationship between psychological contract-job involvement

The recent remarkable performance of the Chinese economy has created a miracle in the selling of products 'Made in China' to Western. It is perceived that one of the reasons for China's success lies with its huge population of migrant workers that result in demographic dividend (Cai & Du, 2007:151), who got bad jobs with low pay and poor protection by explicit labor contract (Cooney, et al., 2007). Although China's New Labor Contract conducted in 2008 supplied some degree protection for migrant workers, it is not strong enough to ensure these workers' benefit. Since labor contract cannot cover all the aspects of employment relationship, a psychological contract can fill the gap left by the labor contract, and thus reduce the sense of insecurity of both parties (Shore, et al., 1998). We argue these two kinds of contracts have interaction effects.

However, migrant workers not only move easily and quickly within urban but also between urban and rural (Li & Edwards, 2008). Because of insurance systems complex, migrant workers prefer not sign legal labor contract. In this circumstance, migrant workers accept jobs when they perceive the employers would keep their employment promises. And workers would involve their job to fulfill their psychological promises to employers in order to get more salary and more welfare in terms of social exchange theory. On the contrary, some migrant workers would like to sign labor contracts for the purpose of getting legal protection, or have to sign if employers tell them they have to do followed government regulation on Labor Contract Law. Due to rigid contents of labor contract ordered by law and firms' pay systems which lack of flexibility, workers would have perceptions that it is unnecessary to

work very hard or behavior best to get more pay, for everything is written inside the labor contract. We argue these workers protected by labor contract would not involve more into their work than those workers without signing labor contract. Thus, we propose the fourth hypothesis:

H4: Labor contract will moderate the relationship between psychological contract fulfillment and job involvement and this relationship will be stronger for workers who fail to sign labor contract.

Figure 1 presents the proposed theoretical relationships in this study.

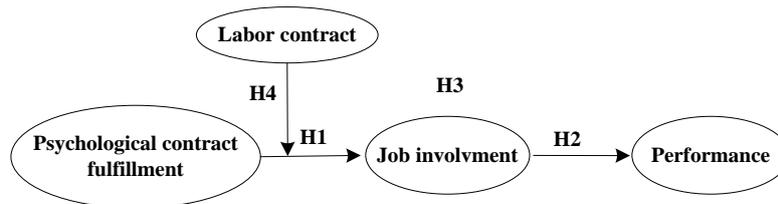


Figure 1 Research Framework

Method

Sample

The samples selected for this study are migrant workers in construction enterprises based on two reasons: first, the construction industry is a labor-intensive industry and migrant workers concentrate to work in labor-intensive industries. In 2009, 39.1 percent migrant workers worked in the manufacturing sector which was the largest proportion, and the second largest proportion was that working in construction sector accounted for 17.3 percent (Survey on Migrant Workers in 2009, 2010: 4). Second, Vries Reilingh (2001) pointed out that “it is widely recognized that building activities have been playing an important role in economic growth, but less attention has been paid to labor issues in construction industry, which has proved to be a serious oversight”. According to the National Bureau of Statistics report (2009), the number of migrant workers nationwide was 229.78 million, with 17.3% in the construction industry, second only to those in the manufacturing industry that account for 39.1%. It is important to note that 74% of the migrant workers in the construction industry failed to sign a labor contract (Data source: National Statistics Bureau, 2009).

Participants in the current study were migrant workers and their direct supervisors in construction sector. We gave questionnaires to 14 construction enterprises located in a southern city of China, each operating 1 to 5 construction sites with 50-100 workers. Separate questionnaires were administered to supervisors and subordinates in 33 construction sites. A total of 85 questionnaires were distributed to supervisors, who supervised more than 5 immediate subordinates. Each supervisor were asked to evaluate the job performance of 5 immediate workers chosen by supervisor, of whom 2 had better performance, 1 had average performance, and the other 2 had poor performance. Then with the assistance of the 85 supervisors, 425 immediate subordinates’ questionnaires were distributed by these supervisors. Subordinate respondents were informed that the survey aimed to examine their perceptions on

requirements satisfies, and judge how they involve their jobs. Completed surveys were given envelopes sealed individually returned to their supervisor. 71 supervisor questionnaires and 335 subordinate questionnaires were returned, for response rates of 83.5 and 78.8 percent, respectively. After we had deleted records with unmatched supervisor-subordinate pairs, a total of 305 supervisor-subordinate dyads (305 subordinates and 71 supervisors) remained and constituted the sample for this study. Of the 305 respondents, 92.1 percent were male. Respondents reported an average age of 30.63 years (s.d. is 6.96), an average industrial tenure of 7.46 years (s.d. is 5.0). They represented low educational semi-skilled workers with 62.40 percent below junior secondary level of education, an average working time was 51.69 hours per week (s.d. is 11.8); and only 55.20% of them signed labor contract.

Measures

Gerhart et al. (2000) find that the single-rater, when used to evaluate staff and organizational variables, will lead to serious measurement error. One consequence can be common method variance. Common method variance could seriously affect research results and even lead to wrong conclusions (Podsakoff, et al., 2003). Therefore, this study used both employee self-evaluation and supervisor reports to collect data. The workers' questionnaire assessed psychological contract fulfillment and job involvement while the workers' job performance was evaluated by their immediate supervisors. With the exception of the psychological contract fulfillment variable, the study variables were assessed using a 5-point Likert scale (1 = totally disagree, 5 = totally agree).

The psychological contract fulfillment

Psychological contract fulfillment was assessed with nine-items using the scale developed by Zhang et al (2009) and Chen et al (2008). Participants rated the extent to which the promised obligations made to them were fulfilled (-2 = get much less than promised to 2 = get a lot more than promised). Sample items include "opportunity to learn", "buying me social insurance", "raise wage based on performance", "safe work environment". Coefficient alpha for this scale was .85.

Job involvement

Job involvement was measured using Hackman et al's (1971) three-item scale. An example item is, "Work is the most important thing in my life". In this study, coefficient alpha was .67.

Job performance

We obtained job performance ratings from immediate supervisors. Job performance was measured using a 4-item scale developed by Farh and his colleagues (1997). An example item is, "This employee works very well as part of the team". Coefficient alpha for this scale was .87.

Moderating variable

Archival data were obtained from the HR division of each participating organization. In particular, we obtained information whether the labor contract has been signed (coded as 1) or not signed (coded as 0) by the employee.

Control variable

Consistent with research in psychological contracts, we controlled for the effects of employees' gender (male = 1, female = 2), age (in years), duration of employment in the industry (in years) and weekly working time (in hours).

Results

Before analyzing the data, we conducted confirmatory factor analysis to examine the distinctiveness of our study variables. The fit statistics of the three factor model were acceptable, $\chi^2(101) = 184.18, p < .001$; CFI = .95; IFI = .95, GFI = .93, TLI = .94, and RMSEA = .052. The one factor model had significantly worse fit to the data, $\chi^2(104) = 872.19, p < .001$; CFI = .52; IFI = .53, GFI = .70, TLI = .45, and RMSEA = .16, $\Delta\chi^2(3) = 688.01, p < .001$. These analyses provided support for viewing the study variables as separate constructs.

The descriptive statistics, zero-order correlations and reliability coefficients for the study variables are displayed in Table 1. Zero-order correlations were all in the expected direction.

Table 1 Descriptive statistics and zero-order -correlations among the study variables (N = 305)

Variables	M	S.D	1	2	3	4	5	6	7	8
1.Gender	1.08	0.27								
2.Age	30.63	6.96	-0.05							
3.Years in industry	7.46	5.00	-0.18**	0.71**						
4. Weekly wk hrs	51.69	11.80	0.07	0.33**	0.12*					
5.Labor contract	0.54	0.50	-0.07	-0.06	-0.01	-0.43**				
6.PCF	2.89	0.68	0.06	0.03	-0.02	-0.29**	0.19**	(0.85)		
7.JI	3.12	0.76	0.11	0.04	0.01	-0.02	0.11	0.26**	(0.67)	
8.JP	3.24	0.91	0.05	0.14*	0.14*	-0.02	0.05	0.17**	0.21**	(0.87)

Note: Gender is coded as 1=Male and 2=Female; Alpha reliabilities are along the diagonal. * $p < .05$; ** $p < .01$ (Two tails test)

We followed Baron and Kenny's (1986) three-step procedure that evaluates the necessary requirements for mediation via three separate regression equations. The first condition stipulates that the independent variable must significantly predict the proposed mediator. In our regression analysis (Table 2), we found support for the positive relationship between psychological contract fulfillment and job involvement ($\beta=.257, p<.01$). The second condition requires that the independent variable must significantly predict the outcome variable. In the second equation, psychological contract fulfillment was positively associated with supervisor-rated job performance ($\beta=.159, p<.01$). The third condition requires that the relationship between the independent variable and the outcome variable should be significantly weaker or non-significant when the proposed mediator is included in the regression equation. In the third equation, when supervisor-rated job performance was regressed on both psychological contract fulfillment and job involvement simultaneously, the effect of psychological contract fulfillment became non-significant ($\beta=.112, p>.05$), while the effect of job involvement continued to be significant ($\beta=.180, p<.01$).

Table 2 Mediation test results of regression analysis

Variables	Model 1	Model 2
	JI	JP
Control variables		
Gender	0.100	0.063
Age	-0.007	0.097
Years in industry	0.040	0.094
Weekly wk hrs	0.050	-0.059
ΔR^2	0.034	0.030
Direct effect		
PCF	0.257**	0.159*
ΔR^2	0.058***	0.022*
Mediation effect		
PCF		0.112
JI		0.180**
ΔR^2		0.030**
Total R^2	0.074	0.082
F	4.547**	4.226***

Note: N = 305; * $p < .05$; ** $p < .01$; *** $p < .001$ (Two tails test) .

Sobel test was carried out to accurately verify the mediating role of job involvement in the relationship between psychological contract fulfillment and supervisor-rated job performance. Following the recommendations by Preacher et al (2008), we used Aroian method to further test this relationship. Results revealed that the $Z_1 = 2.45$ ($p < 0.05$) was statistically significant. Overall, results provided support for our proposition that job involvement fully mediated the psychological contract fulfillment – job performance relationship.

Table 4 Results of Regression analysis of moderation effect

Variables	JI		
Control variables			
Gender	0.115	0.101	0.109
Age	0.063	-0.028	-0.038
Years in industry	-0.003	0.045	0.053
Weekly wk hrs	-0.040	0.116	0.117
ΔR^2			0.016
Direct effect			
PCF		0.249***	0.391***
Labor contract		0.134*	0.784**
ΔR^2			0.072***
Moderation effect			
PCF \times Labor contract			-0.709**
ΔR^2			0.022**
Total R^2	0.016	0.088	0.110
F	1.128	4.478***	4.923***

Note: N = 305; * $p < .05$; ** $p < .01$; *** $p < .001$ (Two tails test)

In line with Aiken and West's (1991) guidelines for moderated regression, the independent variable was centered at its mean prior to the creation of the interaction terms. The results of

the moderated regression are presented in Table 3. Demographic variables (i.e., gender, age, years in the industry, weekly work hours) were entered as control variables in Step 1, followed by the main effects (i.e., psychological contract fulfillment and labor contract) in Step 2, and the interactive term (i.e., PCF \times Labor contract) in Step 3. Supporting the above analysis, psychological contract fulfillment was positively related to job involvement. Entry of the interactive term resulted in a significant increase in variance explained in predicting job involvement ($\Delta R^2=0.022$, $p<.01$). Simple slope analysis revealed a stronger positive relationship between psychological contract fulfillment and job involvement for those migrant workers whose labor contract was unsigned related to those whose labor contract was signed ($\beta=0.348$, $p<0.001$).

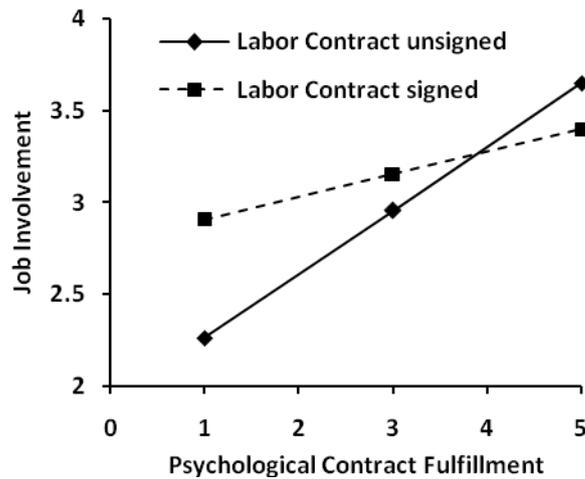


Figure 2 Labor contract as moderator on the relationship between PCF and JI

Conclusion and Discussion

Based on "motivation model" by Kanungo (1982) and social exchange theory to test the questionnaires data, this study explores the dynamic roles of psychological contract and labor contract and finds the mediation effect of job involvement as well as moderation role of labor contract. The study reveals: (1) The psychological contract fulfillment has significant positive effect on job involvement; (2) Job involvement fully mediates the psychological contract fulfillment - job performance relationship. (3) Whether a labor contract is signed between migrant workers and their employers has significant moderation effect on psychological contract fulfillment and job involvement. The significance to this study lies in the analysis on the action mechanism of psychological contract between migrant workers and their employers on the job performance of the former. The specific findings and enlightenments are as follows:

First, in the transition economy such as China, legal labor protection is usually weak. The psychological contract has an important role in the formation of employment relationships. When the migrant workers feel that their psychological contracts are adequately fulfilled, they are more likely to stay active and involved in their jobs and in turn drive them to engage in higher levels of performance.

Second, job involvement fully mediates psychological contract fulfillment–job performance relationship. The study enriches the research work on job involvement and its

cause-and-effect related variables. The research on its relationship with job performance, in particular, provides in a certain sense a solution to the deficiency in the research on job involvement work done by Shi et al (2009) and enriches the theoretical model on job involvement and helped clarify its mechanism of action. Meanwhile, the conclusion further demonstrates the significant role of job involvement on the relationship between psychological contract fulfillment and job performance, reflecting the importance of psychological contract for enterprise management to establish employment relations.

Third, whether labor contract is signed between migrant workers and their employers, it is likely to influence relationship between psychological contract fulfillment and job involvement. This conclusion shows the interaction on psychological contract fulfillment and labor contract, showing that in the case of a labor contract absence, employers' fulfillment of psychological contract significantly affects migrant workers' work attitudes and behaviors. It reflects the importance of employers' psychological contract fulfillment and even better job performance that could be obtained in the case of the absence of labor contract. In the case of effective implementation of the psychological contract, the labor contract is reduced to some bond of no value, since the security function it has almost replaced by a strong sense of mutual trust between employer and employee. Labor contract as the approach of government intervention in employment relations is adopted to restrict and specify from the legal system. The rights and obligations of both employers and employees only serve as a further protection in form of written regulations for both parties. Being an unwritten commitment for both employment parties, if effectively fulfilled, a psychological contract between the two sides of employment will have far-reaching impact on employees' attitudes and behavior, and employees will act better in line with organizational and organizational performance and development.

This study has three limitations: first, this study is cross-sectional, for the use of longitudinal tracking study may be more appropriate. Second, in one scale, reliability coefficient is not very high (Cronbach's α coefficient in job involvement is 0.67). DeVellis (2003) suggests ideal scale reliability coefficient should be over 0.7. Third, this study was conducted mainly on the staff level and did not take into account yet the organizational level variables in the psychological contract and employees' job performance relations. These limitations provide a direction for future research.

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