The Effect of Labor Contracts on the Psychological Contract Dynamics among Chinese Migrant Construction Workers

Min Li¹, Lian Zhou² and Chunyang Zhang¹

¹School of Business Administration, South China University of Technology, Wushan, Guangzhou 510640, China
²School of Management, Guangdong University of Technology, 161 Yinglong Rd, Guangzhou 510520, China

KEYWORDS China, Job Performance, Labor Contract, Migrant Workers, Psychological Contract

ABSTRACT Well-developed employment relations should be clearly defined in psychological, economic and legal dimensions. The purpose of the present paper is to examine the effect of psychological contract fulfillment on the migrant workers’ job involvement and job performance, and how the interaction between psychological contracts and labor contracts dynamically influences migrant workers’ job involvement and job performance. Using a sample of 305 supervisor-subordinate dyads in 33 construction sites, the results showed that job involvement fully mediated the relationship between psychological contract fulfillment and job performance. Further, the labor contract status moderated the relationship between psychological contract fulfillment and job involvement, such that the positive relationship was stronger for migrant workers who did not sign a labor contract, compared with those who did. Theoretical and practical implications of these findings are discussed.