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The Content and Structure of the Psychological Contract in Vietnam: An Exploratory Study

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Abstract:

The current research explores the content and latent structure of the psychological contract in Vietnam. Because psychological contract in Vietnam is rare, two Vietnamese versions of the psychological contract scales have been developed for both employees and employers' obligations. Data have been collected from both MBA students and full time employees in Hanoi, Vietnam, the final data set contains 495 observations. Analyses showed that employees in Vietnam place high importance on the employer's obligation to improve working condition while "interesting and challenging job" were not perceived to be important. At the same time Vietnamese employees believe that they are obligated to follow the company's regulation but neglect the obligation of do not seek a job elsewhere. Factor analyses suggested three factors for employer's obligations including "Job characteristic contract", "Working environment contract", and "Compensation contract". Four factor were extracted for employees obligation including: "extra-role contract", "authority acceptance contract", "organization loyalty contract" and "in-role contract".

Keywords: *psychological contract, scales, obligations, factor analysis, Vietnam.*

1. Introduction

Since the introduction of the economic renovation, "doimoi", in 1986 Vietnam has enjoyed a long period of sustainable high economic growth. The prospective of the economy is considered an opportunity for Vietnamese firms to gain access to the global market. However, the economic development of Vietnam is not without weaknesses.

The main challenges facing the Vietnamese firms include high employees turnover, low work motivation and low productivity. A report by Navigos group in 2009 suggested that turnover rate in Vietnam is between 12 and 15% per year, among the highest in Asia countries and is increasing. Tower Watson (2001) suggested that employee turnover in Vietnam in 2011 increased by 2% to 17.8% compared to 2010. The report also showed that only 54.3% of Vietnamese employees intent to stay at the current company, and this rate is decreasing. Beside high turnover, low work motivation and low productivity are considered the main obstacles for Vietnamese firms' global competitiveness. A survey by CIEM in 2009 showed that the productivity of an average Vietnamese worker was only about half of that of a Chinese worker and about one third of that of a worker in other Asian countries. National productivity report 2010 unveiled that average productivity of a Japanese worker was nearly 60 times of that of a Vietnamese worker. Productivity in Singapore, Malaysia, Thailand and Chinese are 25, 7, 2.5 and 2 times the productivity in Vietnam, respectively. Moreover, productivity increase rate in Vietnam was also among the lowest in Asia.

There have been research attempts to find the main underlying reasons for the mentioned problems in Vietnam. Dielemen, Pham, Vu and Martineu (2003) found that appreciation and support from colleagues and managers, respect from people for the work done and job stability are the main motivational factors. On the other hand, low pay, difficult transportation and no updated information are the discouraging factors. Stress, high workload and pay systems have been cited as the main unfavorable conditions by Vietnamese workers in Tower Watson (2011) survey. One article suggested that together with employees in other countries in South-east Asia, Vietnamese workers do not expect to stay in a single job and are comfortable changing jobs for better positions and higher salary (Financial Times, 2012). Other survey showed that 60% of job applicants said that they changed their job 2-5 times after three years since graduation and cited low pay, lack of benefits as main reasons. On the other hand, a survey by Saga Vietnam, 2009 claimed that only 12% of employees leave their companies for higher pay. The main reason for turnover are not-as-expected job, jobs unsuitable for personal knowledge and skills, lack of feedback, no career perspective, lack of trust and empowerment, poor leadership and heavy workload.

Overall, available survey results and research findings in Vietnam suggested that the reason for low motivation and high turnover among firms in Vietnam was not a single factor such as low pay or boring jobs but it involves the exchange relationship between employees and

employers. More specifically, reported reasons for low motivation and high turnover in Vietnamese firms comprise the expectations of the employees within their employment relationships. Deviation of the employees' expectations of the jobs and the company for which they work is the latent causes for the reported problems in Vietnam. The exchange relationship and mutual expectations between employees and employers can best be studied under the psychological contract framework.

Psychological contract has been considered one of the most useful framework to study the relationships between employers and employees. Previous research suggested strong relationships between psychological contract and various workplace attitudes and behaviors. Psychological contract framework have been found to be the predictors of a host of the employees' attitudes and behaviors at work including organizational commitment, job performance, intention to quit, and job satisfaction, (Guerrero and Herrbach, 2008; Coyle Shapiro and Kessler, 2002). (Robinson and Rousseau, 1994; Robinson, 1996, Zhao et al., 2007; Suazo et al., 2005).

The failures of previous research in identifying a consistent framework to explain for the reported problems in Vietnamese context coupled with the consistency of psychological contract process in predicting workplace attitudinal and behavioral outcomes across different national and organizational contexts initiates the need for empirical study of the psychological contract in Vietnam. In order to use psychological contract framework to examine the aforementioned issues in Vietnam, a psychological contract scale for the context of Vietnam must be developed. The main purpose of the research is to explore the content and the latent structure of the psychological contract in Vietnam. In this study, a Vietnamese version of the psychological contract scale was developed. This psychological contract scale was then factor analyzed to explore the content and latent structure of the psychological contract in Vietnam. The current research aims to provide the answers for the following questions:

- 1) What obligations are incorporated into the psychological contract of Vietnamese employees? How many contract dimensions are there in the psychological contracts between employees and employer in Vietnam?
- 2) The psychological contract is based on individual beliefs, so how demographic variables such as sex, age and tenure influence employees' contract orientation?

2. Literature Review

Rousseau (1989) defined the psychological contract as "an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party. A psychological contract emerges when one party believes that a promise of future returns has been made, a contribution has been given and thus, an obligation has been created to provide future benefits". The construct of psychological contract has been well developed and heavily researched over the last 20 years.

The psychological contract encompasses the employee's expectation of the employer in their employment relationship. What expectations are included in the employee's psychological contract? Anderson and Schalk (1998) suggested that most employees have their own contracts and are able to describe the content of their contract. On the other hand, they also argued that there is no real consensus about the content of psychological contract. Anderson and Schalk (1998) suggested that the issue is compounded through the use of different combinations of terms such as perceptions, expectations, beliefs, promises, and obligations. However, individuals must appreciate the concept of the psychological contract before they can contribute to defining its content. It may be that the content of the psychological contract can only be defined through the creation of an awareness of the concept within individuals. Because of the subjectivity of the psychological contract, the individual should be the source of information regarding the contract (Rousseau, 1989). Therefore, the most popular way to study the content of the psychological contract is by self-report questionnaires administered to the employees as well as to the employers.

The content of psychological contract can be measured by using questionnaires featuring a list of items that address the concrete and specific obligations of the employees, the organization or both. "Acceptance of transfer", "high pay" and "job security" are the examples of items. Although many different sets of items have been developed, to date, there have been no constituent scales that received wide acceptance (Freese & Schalk, 2008).

Psychological contract questionnaires can be developed in several different ways. Some researchers build their own instruments based on a comprehensive interview of the employees and employers (Rousseau, 1990; Manning, 1993). Rousseau (1990), for example, studied the psychological contracts of new recruits by asking them to indicate what they believed to be their obligations to the employer and employer's obligations to them. To determine what were plausible types of obligations emerging during the recruitment, personnel and human resource managers from more than a dozen firms were interviewed in person or on the phone. She asked human resource managers to describe the kinds of promises and commitments their firms sought from recruits and what promises the firms made to the new hires. She then constructed her list of items based on these responses. Rousseau's (1990) list of obligations was later used by many researchers as the basis to form their own questionnaires (Freese & Schalk, 2008).

Manning (1993) interviewed 184 employees and 184 managers from a wide variety of jobs at various organizations in the UK. He asked the respondents about their views of the 1026 work-related incidents. The incidents were categorized into 12 main obligations of the employers and 7 main obligations of the employees.

Many other researchers construct their questionnaires by combining all items used in previous studies then remove or add some items or change the wording of the questionnaires (Coyle-Shapiro and Kessler (2000); Herriot, Manning, and Kidd, 1997; Freese and Schalk, 1996, 1997; Guest and Conway, 2002).

Freese and Schalk (2008) reviewed the available measures suggested that there should not be a standard list of and stressed the importance of the way how to organize items. Some researchers developed their items based on thorough interviews of the research respondents. Many others constructed their questionnaires by combining items from previous questionnaires resulting in minimum number of brand new items. The variation in questionnaires was mainly the number of items or the compositions of the items. Exceptions were the scales developed for

special samples such as military officers or expatriates.

Fresse and Schalke (2008) found that variation in items and scales exists mainly with regard to employer's obligations. On the other hand, Rousseau (1990) list of employees' obligations was widely accepted with some. Fresse and Schalke (2008) suggested that the items should be suitable for the target sample. If the questionnaires are administered to the new groups of people, a pilot study has to be done.

As the psychological contract involves mutual obligations of employees and the organizations, it is vital to contain both employee and employer obligations in the questionnaires. While some questionnaires report both sides' obligations (e.g., Rousseau, 1990; Herriot, Manning and Kids, 1997; Westwood, Sparrow and Leung, 2001), many other instruments include inducement from the employers only (e.g., Ten Brink, 2004; Schalke, Freese & Van den Bosch, 1995).

In summary, previous research suggested that there would be no standard list of items. The content of psychological contract is different across cultural and organizational context. Freese and Schalk (2007) suggested that the suitability of the content of the items for the sample needs to be assessed. If the questionnaire has not been used for specific sample before, preliminary research is necessary.

While psychological contract research is abundant in Western context, such research in Vietnam is extremely rare. The only available psychological contract research in Vietnam was conducted by Truong and Quang (2005). However, the author did not develop a psychological contract scale for Vietnamese sample. Instead, Truong and Quang (2005) used the 13-item shortened version of the 21-item scale developed by Westwood et al. (2001) for Hong Kong context. Thus the scale may not accurately reflect the situation in Vietnam.

Because of the lack of previous research on psychological contract in Vietnam. The current research needs to develop a completely new psychological contract scale. The detailed procedure is discussed in the next section.

3. Research Methodology

In this study, two instruments were developed. The first instrument was psychological contract scale which contains specific items about employers' obligations. Each of the items expressed a specific employers' obligation. The respondents were asked to give their ideas about the extent to which they believe that their employer is obligated to fulfill each obligation. The second instrument was the questionnaires in regards of the employees' obligations. Employees respondents were asked to give their ideas about the extent to which they believe themselves are obligated to fulfill each obligation in a list. Responses were measured by a 5-point Likert scale ranging from 1: "To minimum extent" to 5: "To a great extent".

The items included in the questionnaires were developed as follows: First, based on extensive review of the literature, relevant items used in previous studies were extracted. For the employer's obligations, all items introduced in the widely-accepted scale developed by Rousseau (1990) were included. Then, other items were extracted from other studies such as those by Herriot, Manning, & Kidd (1997), Coyle-Shapiro and Kessler (2000), Millward and Hopkins (1998), Kickul and Lester (2001), and so on. Items that are identical or similar to each other were not included. For the employee obligations, because only several scales were developed in previous studies, all of these items were included. Specifically, Items from the studies by Rousseau (1990), Herriot, Manning & Kidd (1997), Tallman and Brunning (2008), Hutton and Cummins (1997) were included in the questionnaires. Again, similar items were not duplicated.

Second, obligation items that were identified based on interviews of Vietnamese human resource managers and employees were added. Prior to the survey, I conducted interviews with 5 human resource managers and 15 employees in several companies asking them about the employers and employees obligations. The obligations that did not overlap with the items extracted from previous studies were included in the questionnaires.

Finally, obligations that are unique for the context of Vietnam as mentioned in the literature or are regulated by Vietnamese law were also integrated into the questionnaires. The items were extracted from previous research in the field of human resource and management in Vietnam. Furthermore, conditions that were specified in the Vietnamese labor code were operationalized into obligation items and included. In the end, total of 94 items were included in the instruments (57 items for employers obligations and 37 items for employees obligations).

The completed instruments were translated into Vietnamese and used to collect data. Before running the survey, the instruments were sent to 20 employees for review. Items that were not perceived as obligations and/or perceived to be inappropriate for Vietnamese context were excluded from the questionnaires. The final instruments consisted of 44 items for employer obligation and 28 items for employee obligations. Vietnamese versions of the questionnaires were administered to employees in several companies in Vietnam and different MBA and other training classes to collect data.

Respondents of the pilot survey were divided into two groups. The first group was full-time employees at Railway Printing Company. The companies was a small and medium sized company. With permission from company' management, questionnaires were distributed to all employees of the company. Employees were asked to fulfill the questionnaires and return within one week.

The second group contains full-time employees at their respective companies, who are, at the same time enrolling in a MBA course at night or during weekend. Questionnaires were distributed to all students with permission of the professors in charge of the classes. Respondents were requested to fulfill the questionnaires after class and return the completed questions at the start of the next class.

Out of the distributed 1200 questionnaires, 698 were returned, yielding the response rate of 58.2%. After screening the returned questionnaires and omitting ones with missing values, the final data set contains 495 observations. Employee subjects account for 37.2% of the sample, while MBA students make up 62.8%. Nearly 44.2% of the respondents were males. The average age of the respondents was 30.6, and the average tenure at their respective organizations was 5.3 years. Three-fourth of the entire sample has university or college degree. In addition, 75.8% were in non-management positions.

4. Analysis Results and Discussion

4.1. Employees' Opinion about Employers' Obligations

The respondents were asked to give their opinion about the degree to which the employers are obligated to provide the conditions specified in each items. The average score for each item reflects the relative importance of this item to the employees. The higher the score, the more important the fulfillment of this item is to the employees. The average scores for each item calculated for different groups of employees and for the whole sample were summarized in Table 1.

Obligation	MBA	Employee	Overall
High and Competitive salary	3.83	3.98	3.87
Periodical salary increase	4.29	4.17	4.20
Salary level that is linked to job performance	4.41	4.44	4.40
Incentive that is linked to job performance	4.43	4.32	4.33
Retirement benefit	4.17	4.29	4.11
Concern and benefits for family members	3.53	3.80	3.62
Benefit for employee (vacation, medical check-up, stock option...)	4.45	4.33	4.31
Safe and congenial working conditions	4.52	4.31	4.40
Subsidy for working night shift, working in chemical and/or noisy surrounding	4.58	4.35	4.46
Maintain official working hours	3.85	3.88	3.87
Overtime pay for overtime work	4.46	4.22	4.36
Flexible working hour	3.63	3.72	3.67
Stable and secure job	3.95	4.11	4.00
Friendly and collaborative working environment	4.15	4.19	4.15
Equal and fair working environment, fair treatment	4.10	4.14	4.07
Appropriate job allocation considering my knowledge, abilities and skills	4.11	4.04	4.05
Good career perspective and advancement opportunity	4.07	3.93	3.96
Promotion based on job performance	4.09	3.90	3.99
Opportunity to apply professional knowledge to the job	4.07	4.07	4.04
Interesting and challenging job	3.56	3.58	3.59
Job that is significant for the company	3.66	3.96	3.87
Job that is significant for the community	3.38	3.77	3.60
Opportunity to acquire new knowledge and skills	3.87	3.81	3.97
Basic and advanced training necessary to do the job efficiently	4.07	3.86	4.01
Sufficient facilities and resource required to fulfill the job	4.19	4.02	4.12
Support from the company when encountering difficulties with the job	4.09	4.18	4.13
Recognition and appreciation for long-term service	4.08	4.08	4.07
Appropriate job position considering qualification and experience	3.99	4.11	4.04
Fair and equitable performance appraisal	4.04	3.94	4.01
Employees participation in performance appraisal process	4.10	3.91	3.96
Input in decision making that affect employees	4.07	3.84	3.91
Recognition and appreciation for valuable ideas and/or contribution	3.91	3.82	3.94
Regular feedback about job performance	3.80	3.92	3.92
Information regarding the company's financial and operating performance	3.63	3.70	3.62
Respect the employee as an individual	4.20	4.14	4.17
Not to make unreasonable demand of employees	4.09	3.98	4.02
No discrimination in the workplace	4.17	3.87	3.97
No harassment at work	4.32	3.62	3.83
Autonomy to decide the way to do the work	3.96	4.04	3.96
Empower and entrust the employees within the scope of the job	3.91	3.93	4.00
Opportunity to develop marketable skills	3.71	3.81	3.79
Opportunity to handle new tasks	4.25	3.91	4.05
Inducement based on consideration of my responsibilities	4.19	3.92	4.05
Opportunities to take responsibility for the work done	4.15	4.17	4.18
Holistic concern	4.03	4.10	4.03
N	312	183	495

Table 1: Average score for each employer's obligation

The highest score observed for the whole sample was at 4.46 regarding the employer's obligation to provide "Subsidy for working night shift, working in chemical and/or noisy surrounding" and the lowest score was 3.59 regarding the expectation of an "interesting and challenging job". The results showed the employees' concerns about working condition in Vietnamese companies. Information regarding the unsafe working condition and labor accidents in public media has attracted a lot of attention. Survey in Vietnam revealed that noise, poisonous gas

and dust working temperature are the main conditions that must be improved. While improving the overall working condition is not easy and may takes time, the obligation “Subsidy for working night shift, working in chemical and/or noisy surrounding” is perceived to be essential. Low score on “interesting and challenging job” may indicate that an “interesting and challenging job” is not the most important criteria for employees in Vietnam at this time. Salary and benefit, working condition, and fair and equitable environment may be more important.

The employee group found the employer’s obligation to provide “Salary level that is linked to performance” of highest importance at 4.44. This group consists mainly of blue-collar whose performance measured mainly by productivity. Pay for performance is therefore highly expected by this group. On the reverse side, employee respondent, also pay least attention to the obligation to provide “Interesting and challenging job” with an average score of 3.58. This finding was similar to that of the whole sample, and maybe because of the fact that employee group accounted for more than 1/3 of the total sample.

The MBA groups reported that the most important employer obligation is to provide “Subsidy for working night shift, working in chemical and/or noisy surrounding”. This once again confirms the employees concern for safety and work condition in Vietnam. Also similar to the result for the entire sample, MBA group of respondents reported that they paid least attention on the obligations to provide “job that is significant for the community”. This finding was also similar with the result for the entire sample.

Analyses of employees’ opinions about employer’s obligation at item level showed that employees in Vietnam place high importance on the employer’s obligation to improve working condition. The highest average scores were observed for such items as “Subsidy for working night shift, working in chemical and/or noisy surrounding”, “Safe and congenial working conditions”. Thus it can be concluded that working conditions are among the main concerns of Vietnamese employees. Next to working condition, salary and benefit are the area of attention for Vietnamese workers. The average score for “retirement benefit”, “employee benefit” and “periodical salary increase” were also among the highest. Also of interest was that Vietnamese worker, on the average, would prefer that pay and incentive could be linked to job performance. On the other hand, the obligation to provide an “interesting and challenging job” or “job that is significant for the community” were not perceived to be important. This is maybe that a large proportion of Vietnamese employees expect other things form their jobs rather than interesting and challenging characteristics.

4.2. Employee Opinions about Employees’ Obligations

As for the employees’ obligations, the average scores for the whole sample and each respondent group on each of the items were listed in table 2.

Obligation	MBA	Employee	Overall
Association with colleague, supervisor and client outside work	4.31	3.95	4.17
Finish assigned tasks on time	3.43	4.15	3.87
Compliant with company’s regulation	4.37	4.45	4.45
Always be on time	4.05	4.17	4.18
Acceptance of internal transfer	3.59	4.09	3.85
Acceptance of overtime work	3.80	4.18	4.00
Acceptance of change in function	3.40	3.89	3.65
Willingness to go on business trips	3.78	3.98	3.94
Work to enhance company’s image outside the workplace	4.12	4.02	4.13
Not doing another work for pay outside the organization	2.94	3.15	3.11
Keep company’s information confidential	4.31	4.38	4.39
Putting organization’s interest first	3.86	4.27	4.12
Willing to take unpaid overtime occasionally	3.22	3.66	3.43
Do not support the competitors in any way	3.78	3.28	3.44
Do not actively seek for a job elsewhere	2.86	3.08	3.05
Notice leaving intention in advance	4.16	4.07	4.21
Assists others in their work	4.30	4.28	4.33
Take on additional responsibilities if required	3.95	4.18	4.11
Protecting organization's properties	4.15	4.08	4.17
Work collaboratively	4.30	4.31	4.35
Voluntarily refrain from transferring to competitors	3.33	3.40	3.48
Dress and behave in manners expected by the organization	4.31	4.26	4.36
Help promote positive attitudes within the organization	4.30	4.23	4.32
Long-term service	4.23	4.23	4.28
Deal honesty with clients and the company	3.96	4.20	4.14
Look for and suggest ways to improve work performance	4.28	4.46	4.42
Do a good job in term of quality and quantity	4.08	4.21	4.21
Following work procedure and instructions	3.98	4.31	4.23
Willingness to work on holiday if needed	3.83	4.14	4.09
Transferring knowledge to colleagues so that they can work more efficiently	4.18	4.11	4.23
Helping the organization with your unique skills, information and knowledge	4.22	4.25	4.26
Willing to go beyond job description	3.86	3.89	3.93
N	134	183	495

Table 2: Average score for each employee’s obligation

The highest score for the entire sample was 4.45 for the employees' obligation of "Compliant with company's regulation" and the lowest score was 3.05 for the employee's obligation to "do not actively seek for a job elsewhere". The results were a good reflection of the situation in Vietnam. Surveys and reports in Vietnam suggested that high turnover was the biggest problems in Vietnam; 50.6% of the employees in Vietnam reported that they would not stay at their current company. As a result, employees in Vietnam do not perceive that they themselves are highly responsible to fulfill the obligation of "Do not actively seek for a job elsewhere". Furthermore, "not doing another work for pay outside the organization" was also neglected by the respondents. It can be explained by that because of the salary system in Vietnam and because of the high inflation rate; most employees must take additional job in order to live on. There are noticeable agreements between the 2 groups of respondents. Employees in both groups reported that they did not perceive that "Do not actively seek for a job elsewhere" is a must for them. The scores for this employees' obligation among MBA group and employee group were 2.86 and 3.08, respectively. The results confirmed the current trend of high turnover in Vietnamese context.

On the other hand, the employees still perceived that "compliant with company's regulation" is the most important obligation of the employees. A similar pattern was observed for both groups. The average score for this item among 2 groups were 4.37 and 4.45, respectively. This way of thinking is the remains of the old egalitarian system existed in Vietnam during the period from 1975 to 1986. Under this system, the employees worked under the life-time employment contract and the outputs were divided equally among employees regardless of their contributions. Therefore, if the employee "do nothing wrong" they would be able to keep their jobs and received their share of the spoil. Although the innovation has brought enormous changes to the economy of Vietnam, some employees still believe that "follow the rule" is the first lesson to learn during their work life. The other most important employees' obligations were "Keep the company's information confidential" and "Dress and behave in manners expected by the organization". The finding suggested that Vietnamese employee still consider obey the rule is the "rule of thumb at work".

4.3. Latent structure of psychological contract in Vietnam-Factor analysis

Factor analysis was conducted to discover the latent structure of the psychological contract among Vietnamese employees. The KMO values for both employer's obligations and employees' obligations were well above the 0.5 threshold (0.936 and 0.928 respectively). The subjects to item ratios for the analyses were 11:1 for employers' obligations and 13:1 for employees' obligations. The results of principal component analysis with Direct Oblimin rotation yielded 3 factors for employer's obligations and 4 factors for employees' obligations (see table 3 and table 4). All items from both instruments that have factor loadings of less than 0.4 were not showed in the table.

Obligation	Dimension		
	1	2	3
Job that is significant for the company	.778		
Job that is significant for the community	.696		
Interesting and challenging job	.663		
Opportunity to develop marketable skills	.556		
Opportunity to acquire new knowledge and skills	.479		
Flexible working hour	.456		
Information regarding the company's financial and operating performance	.450		
Opportunity to apply professional knowledge to the job	.445		
Appropriate job allocation considering my knowledge, abilities and skills	.444		
Regular feedback about job performance	.434		
No discrimination in the workplace		-.747	
Not to make unreasonable demand of employees		-.694	
No harassment at work		-.663	
Autonomy to decide the way to do the work		-.548	
Respect the employee as an individual		-.500	
Holistic concern		-.491	
Support from the company when encountering difficulties with the job		-.474	
Fair and equitable performance appraisal		-.462	
Empower and entrust the employees within the scope of the job		-.435	
Periodical salary increase			.734
Overtime pay for overtime work			.678
Benefit for employee (vacation, medical check-up, stock option...)			.636
Retirement benefit			.634
Subsidy for working night shift, working in chemical and/or noisy surrounding			.624
Incentive that is linked to job performance			.599
Safe and congenial working conditions			.590
Concern and benefits for family members			.487
High and Competitive salary			.484

Table 3: Factor analysis-employer's obligation

Three factors extracted from the employer's obligations explained roughly 40.8% of the variance. The first factor, "Job characteristic contract", contains 10 items that focus solely on the characteristics of the jobs. This factor consists of the employer obligations to provide "interesting and challenging job" or "job that is significant for the community". Beside interesting and challenging nature of the jobs, this factor also contains other characteristic of an ideal job such as the "opportunity to apply professional knowledge to the job" or jobs that offer "flexible working hour" and jobs that allow "opportunity to acquire new knowledge and skills". The items in this dimension are primarily relational in nature. The second factor, labeled "Working environment contract", consists of 9 items which concentrate on the employers' obligations to provide fair, equitable, justice and safe working environment and support for the employees. This factor contains both relational and transactional items. The third and final factor, namely "Compensation contract" contains 9 items that deal primarily with salary and benefit obligations. This factor is therefore transactional in nature.

Obligation	Component			
	1	2	3	4
Assists others in their work	.732			
Work collaboratively	.710			
Notice leaving intention in advance	.683			
Protecting organization's properties	.675			
Dress and behave in manners expected by the organization	.665			
Transferring knowledge to colleagues so that they can work more efficiently	.560			
Help promote positive attitudes within the organization	.546			
Take on additional responsibilities if required	.519			
Helping the organization with your unique skills, information and knowledge	.452			
Acceptance of change in function		.820		
Acceptance of internal transfer		.791		
Willingness to go on business trips		.726		
Acceptance of overtime work		.676		
Willing to take unpaid overtime occasionally		.528		
Do not actively seek for a job elsewhere			.742	
Voluntarily refrain from transferring to competitors			.696	
Do not support the competitors in any way			.683	
Not doing another work for pay outside the organization			.558	
Deal honesty with clients and the company				.797
Putting organization's interest first				.793
Do a good job in term of quality and quantity				.716
Look for and suggest ways to improve work performance				.691
Following work procedure and instructions				.598
Keep company's information confidential				.532
Compliant with company's regulation				.515
Finish assigned tasks on time				.486

Table 4: Factor analysis-employees' obligations

Four factors extracted from the employees' obligations explained about 50% of the variance. The first factor, named "extra-role contract", contains 9 items that are related to the employee's obligations to fulfill other requirements besides their job assignment. The requirements included helping other people, work collaboratively and helping the organizations which may not be specified in the job requirement. The second factor, "authority acceptance contract", contains 5 items regarding the obligations of the employees to accept the decisions from higher authority within the context of the job. The orders may not only come from the direct supervisor in relation to the engaged task but also the request to work overtime, to go on business and to transfer. The third factor, "organization loyalty contract", contains 4 items which require the employees' to protect the company against its competitors and not to seek for another job or doing other job for pay outside the organizations. The final factor, "in-role contract" contains 8 items focusing on the core job competence. This contract requires that the employees fulfill their job on time, to do a good job in terms of quality and quantity and to try to improve job performance. As described in the above section, in the employee's opinions, "compliant with company regulations" and "follow work procedure and instructions" are among the most important requirement.

5. Conclusion and Implications

Analysis results suggested that Vietnamese employees pay the most attention on the employer's obligations to working conditions and compensation while least concern about the characteristic of the jobs. Regarding their own obligation, the employees place high importance on "follow the rule". Furthermore, the employees showed low commitment with the organizations. There was congruence between the two groups regarding all of the mentioned issues.

Factor analysis resulted in 3 factors for the employers' obligation: work environment contract, job characteristic contract and compensation contract. Compensation contract is mainly transactional while job characteristic are largely relational in nature. The work environment

contract contains both relational and transactional components. In the current study, one factor was relational, one was transactional and the remaining contained both relational and transactional component. However, taking the findings from previous item-level analysis of employer's obligation into account, it can be concluded that the psychological contract in Vietnam is more transactional than relational.

As for the employees' obligations, 4-factor solution has been found from factor analysis of Vietnamese data. In-role contract refers to the employees' obligation to fulfill the assigned task while extra-role contract contains obligations to engage in behaviors that benefit the organization yet not required. Authority acceptance contract is about the responsibility to obey orders from higher authority within the framework of the job. Finally, organization loyalty contract mentions the employees' obligation to protect the company from competitors and to devote time and efforts to the company.

The research suggested that the employers should pay more attention on providing safe and comfortable working environment and focus on improving compensation and benefit for the employees. Because the employees concern about such conditions, failure to provide or better offers from other companies may results in high employee turnover. However, as research suggested, these are mainly hygiene factor that do not motivate the employees. Companies need to find way to link bonus with job characteristics such as rewards for innovation or responsibility subsidies, to motivate the employees.

Furthermore, works need to be done to change the employees' thinking about "follow the rule" as the rule of thumb at work. This way of thinking limits creativity and productivity. Companies need to have policy to promote employees' thinking of "work performance" as the most importance obligations. To improve employees' commitment, companies may provide such recognition as loyalty awards, long-service recognition and other practices such as stock options or fringe benefits for long service. The pay scheme may include a proportion of seniority bonus.

6. Research Limitation and Direction for Future Study

The current research surveyed only employees from one company and MBA students in the capital city of Hanoi. As a result, the sample may not be representative of all employees in Vietnam. Furthermore, it was only an exploratory study to discover the content and structure of the psychological contract in Vietnam.

Further study will focus on the impacts of psychological contract on employees' attitudes and behavior at works such as the influence of psychological contract breach and violation. Another possible direction for further study is the change and development of psychological contract overtime.

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